

EDUCATION FOR SOCIALISTS

ISSUED BY THE NATIONAL EDUCATION DEPARTMENT SOCIALIST WORKERS PARTY 14 CHARLES LANE NEW YORK, N.Y. 10014

Should Socialists Support Canadian Nationalism?

Articles from a Debate in the
Canadian Trotskyist Movement

OCTOBER 1975 \$1.10

Contents

Introduction, by Dick Fidler	2
Glossary of Acronyms	3
1. Canada and the Crisis of World Imperialism: Resolution Adopted by the April 1973 Convention of the LSA/LSO	4
2. What Are the Real Issues in the Canadian Nationalism Dispute? by John Riddell	20
3. A New Stage in Canada-U.S. Relations: Counter-resolution to "Canada and the Crisis of World Imperialism," submitted by the United Tendency	31
4. Where the United Tendency Counter-resolution Goes Wrong, by John Riddell	37
Appendix: Memorandum on the Use of the Term "Canadian Nationalism"	43

Introduction

The documents reprinted in this bulletin comprise the major contributions to a debate that took place in 1972-73 in the League for Socialist Action/Ligue Socialiste Ouvrière, the Canadian section of the Fourth International.

The discussion developed in response to the rise in recent years of Canadian nationalism, in large part inspired by the growing weight and influence of U.S. capital in Canada. This wave of anti-U.S. feeling had a big impact in the left. For example, it was a major element in the program of the "Waffle" grouping, a broad left-wing caucus that developed after 1968 in the New Democratic Party, Canada's labor party. (In Ontario, the "Waffle" split from the NDP in 1972 and formed the Movement for an Independent Socialist Canada, or MISC.)

The LSA/LSO made its first attempt to analyze the new wave of Canadian nationalism in 1968, when it adopted a resolution entitled "Canada-U.S. Relations: A Socialist Viewpoint," later reprinted in pamphlet form. The resolution affirmed that Canadian nationalism, "traditionally . . . a tool of the ruling class," was an obstacle to the development of workers' class consciousness.

Early in 1972 some leaders of the LSA/LSO began to formulate the opinion that Canadian nationalism was "anti-imperialist" and progressive. This view was spelled out in a memorandum adopted by a majority of the Political Committee, issued July 11. Less than three weeks later, however, after further discussion, the PC withdrew the memorandum and reaffirmed its previous position of opposition to Canadian nationalism.

(This chronology is developed in more detail in the article in this bulletin entitled "What Are the Key Issues in the Canadian Nationalism Dispute?," by John Riddell. The PC memorandum of July 11, 1972 is appended to the article "Where the United Tendency Goes Wrong," by John Riddell. Gary Porter, who signed the statement for the Political Committee, subsequently shifted his views and was a leader of the PC majority.)

The September 1972 Central Committee plenum endorsed the PC majority's opposition to Canadian nationalism and instructed the Political Committee to draft a

resolution to replace the 1968 resolution. The new resolution, "Canada and the Crisis of World Imperialism," originally published in an internal discussion bulletin, is reprinted here in edited form, as adopted by a large majority of the delegates at the LSA/LSO convention in April 1973. It is also available in pamphlet form from Pathfinder Press, 25 Bulwer Street, Toronto M5T 1A1.

The PC draft resolution was opposed by two members of the PC: Ross Dowson, then chairman of the LSA/LSO, and Dennis Lomas.*

The internal discussion preceding the 1973 convention was the fullest and most documented in the history of the Canadian section. Supporters of the Dowson-Lomas position on Canadian nationalism formed the United Tendency. Its counterresolution, "A New Stage in Canada-U.S. Relations," reprinted here, was rejected by the delegates in a vote of 5 for, 48 against, 0 abstentions.

Also participating in the debate was another minority grouping, the Revolutionary Communist Tendency, organized on a platform expressing a wide range of differences with the PC majority. Its views were supported by about 15 percent of the delegates.

On Canadian nationalism, the RCT denounced the majority for what it termed their "ultraleft-abstract calls for 'workers of the world unite.'" It held that Canadian nationalism is mainly confined to the liberal petty bourgeoisie, that the working class is "relatively indiffer-

* Dennis Lomas subsequently changed his position. On July 25, 1973, he submitted the following statement to the Central Committee:

"I would like to announce to the Central Committee that since the League Convention, I have reconsidered my views on Canadian nationalism.

"I now agree with the essential line of the movement as expressed in the report on the question to the convention.

"At some point in the future I may further document the evolution of my views. However, I do not believe that this is necessary at this time

"s/Dennis Lomas"

ent" to it, and that the bourgeoisie has little use for nationalism "because its main thrust is directed against the project to which the bourgeoisie is most committed, the further integration of the North American economy." The RCT argued that if the bourgeoisie were to promote nationalism at some time in the future, its clearly reactionary use as a defense of the existing order would make it unlikely to win mass support. The RCT's report on Canadian nationalism was rejected by a vote of 8 for, 43 against, 2 abstentions.

Following the convention most of the members of the RCT left the Canadian section in a series of splits during 1973 and formed the Revolutionary Marxist Group.

The United Tendency dissolved at the conclusion of the convention. Ross Dowson was reelected chairman of the

LSA/LSO. In February 1974, however, Dowson and seventeen other members announced their resignation from the Canadian section in a written statement that cited differences with various aspects of LSA/LSO policy, including the League's opposition to Canadian nationalism. Dowson and his supporters later established a grouping called the Socialist League.

The documents that follow have been minimally edited to correct occasional errors in spelling and punctuation. Acronyms are explained in the glossary, and bracketed explanations have been provided for a few references that would otherwise be obscure.

—Dick Fidler
June 1975

Glossary of Acronyms

CBC—Canadian Broadcasting Company
CCF—Canadian Commonwealth Federation
CLM—Canadian Liberation Movement
CNR—Canadian National Railways
CP—Communist Party
CPC(ML)—Communist Party of Canada (Marxist-Leninist)
CPR—Canadian Pacific Railway
CSN—Confédération des Syndicats Nationaux/Confederation of National Trade Unions
LSA/LSO—League for Socialist Action/Ligue Socialiste Ouvrière
MISC—Movement for an Independent Socialist Canada
NATO—North Atlantic Treaty Organization
NDP—New Democratic Party
NORAD—North American Air Defense Agreement
PC—Political Committee
UAW—United Auto Workers
UT—United Tendency
YS/LJS—Young Socialists/Ligue des Jeunes Socialistes

1. Canada and the Crisis of World Imperialism

resolution adopted by the April 1973 convention of the LSA/LSO
reprinted from the July-August 1973 issue of *International Socialist Review*

1. The past decade has been marked by a growing instability and crisis in the world imperialist system. The extended postwar expansion of capitalism has flagged. Long-standing economic accords have ceased to function efficiently; previous economic and political alignments have become unhinged; the painfully constructed world monetary structure is in shambles. A simultaneous rise of class struggles and of interimperialist competition has challenged bourgeois stability in each country.

Canada has proven particularly vulnerable to the growing instability of world imperialism. A wide-ranging debate has opened up in the bourgeoisie, and also in the left and the working-class movement, over the problems flowing from Canada's place in the world imperialist system. A correct orientation on this question is vital to the building of the revolutionary socialist vanguard, and to its correct orientation to the class struggle.

This resolution will outline the present situation of Canadian capitalism in the world imperialist system, discuss the questions this relationship poses to the working-class movement, and examine the tasks that result for the revolutionary vanguard. Such an analysis must begin by identifying the main tendencies of imperialism operating on an international level, which set the framework for the particular problems of Canadian capitalism today.

Internationalized production and national states—a contradiction of world imperialism

2. Capitalism is an economic system of restless expansion, of the ceaseless search for new markets for production, new fields for investment, and new sources of raw materials. The opening up of a new wave of capitalist expansion after 1945, sometimes called the third industrial revolution, set loose in turn a new drive toward the extension of the world capitalist market and of the world division of labor.

Imperialist investment has not pierced the defenses of the fast-growing economies of the workers' states. The colonial and semicolonial world, apart from resource industries, has offered only limited opportunities for profitable investment. The predominant form of international expansion has been the interpenetration of trade and investment among the imperialist powers. These developments have profound implications for Canada, and constitute the main objective process underlying the present debate on Canada's relationship to U.S. and world imperialism.

3. Postwar capitalism has been characterized by a

vast expansion of interimperialist trade, increasing not only absolutely but as a proportion of total production. Furthermore, imperialist corporations have multiplied their investments in countries outside their main base of operations. U.S. corporate investment in Western Europe, Canada, and Japan, for example, increased from \$7 billion to \$60 billion between 1949 and 1965.

A new wave of concentration of capital has produced a world market dominated by corporate giants with yearly turnovers in the billions of dollars; investments and production have spread throughout the capitalist world. However, ownership of these so-called multinational corporations normally remains rooted in particular national states.

Increasing trade, international investment, and the rise of "multinational" monopolies have all served to exacerbate interimperialist competition. The ebbing of the long postwar expansion in the late 1960s has intensified this process. Corresponding to and flowing from the increasing competition and concentration of capital on an international scale has been the deepening of competition among the national capitalist economies. This is reflected both in the drive toward new international alignments like the European Common Market, and in the rise of "economic nationalism" as seen in the protectionist policies of the Nixon administration in the United States.

4. Both the internationalization of production and increasing interimperialist competition have challenged the self-sufficiency and stability of national capitalism, particularly of countries like Canada that are relatively dependent on world trade. In self-defense, imperialist powers have worked to establish closer trade alliances and agreements, international trading blocs, and delicately elaborated world monetary accords. This process has been carried furthest in the European Common Market. Substantial continental economic integration in North America is another example, as are generalized negotiations for international tariff reductions and monetary accords.

But an equally central feature of modern capitalism is increased dependence on the intervention of the national state. It has assumed the role of guarantor of the profits of the great monopolies, both through various forms of subsidy, and through its means of control of the economy. It plays a new role of economic regulation through monetary and fiscal policy, engineering doses of inflation and unemployment required to keep the corporations in the black. It intervenes with growing directness in the daily life of the class struggle to shore up monopolists under attack, through repres-

sive measures ranging from interference in individual strike struggles to generalized wage controls. Further, it has an increased role as protector of national capitalism against the tides of international competition, whether through subsidization of exports and export industries or through tariffs and other protectionist policies.

Thus the contemporary capitalist is torn between his widened international horizon of operations (the product of the growth of productive relations beyond the national framework), and his continued and increasing reliance on the power and mechanisms of the national state in which his holdings are concentrated.

The national state—indispensable instrument of bourgeois rule

5. The development of the European Common Market has aroused speculation that it may be the embryo of a new pan-European state structure. The establishment of a Common Market currency, much discussed, would pose this question, as it would require the establishment of a supranational governmental structure to regulate it. To be effective the latter would have to be able to intervene in defense of the European currency in the economic life and class struggle of the Common Market's national components. Will this be the beginning of the assimilation of these national components into a pan-European superstate?

Is the Canadian capitalist class becoming so assimilated into the continental framework that it will soon have no properly "national" interests requiring the defense of the Canadian state—with the result that Ottawa would become only a puppet regime for the commonly worked-out policies of an integrated continental ruling class (where, of course, U. S. capital would predominate as the stronger capital)?

These speculations flow from a general question of no little importance. Will the international interpenetration of capital proceed to the point where the decisive layers of the bourgeoisie in each country no longer find the national state to be an adequate instrument for their protection? Will it proceed to the point where these layers no longer have any particular concentration of their investment in the nation of their origin, and thus have no "national" interests left to defend? If this were the case, the international monopolies would mount pressure for the establishment of new, supranational state forms, and for the political integration of smaller imperialist powers into their more powerful neighbors.

There is no evidence that this is happening in any country. Never to this day has a national bourgeoisie lost or given up control of its nation state except where defeated through war or revolution. Nor is any mechanism evident through which such a qualitative change could take place on a gradual basis. On the contrary, all evidence points to the bourgeoisie's continuing reliance on the national state—capitalism is unable to jump out of its national skin, even to form continental unions, let alone fuse on a world scale.

Despite rising international investment, the capitalist

class that controls each national state retains its decisive holdings within the jurisdiction of that state. As long as this remains true, they will cling to the national state to defend these holdings against all competition. Canadian direct investment in the U. S., for example, reached over \$2 billion in 1967. This remained only a small fraction of the holdings of Canadian monopolies in *Canada* itself; it would represent only 4 percent of the assets of Canada's banks. The national bourgeoisies fear leaving their state-fortresses, which they have painstakingly constructed, know intimately, and whose weapons they can wield with skill and confidence, for the shelter of the unknown and uncertain framework of new state forms.

The rise of world revolution, which noisily announced its return to the imperialist heartland in May 1968, introduces a powerful political consideration. A period of mounting challenges to capitalist rule, a period in which the workers' states have proven the viability of another form of economic organization—this is no time to launch hazardous experiments which infringe on the authority and power of the existing national state. For the same reason, the imperialist giants like the U. S. have every reason to shore up the stability of the state structures of their weaker rivals.

The specter of an international economic downturn, in a period of increasing international competition, tends to force the bourgeoisie back into its national ramparts, striking out with measures to protect its markets. In this way Nixon's protectionist "new economic policy" is a rude shock to believers in harmonious North American economic integration, or in trans-Atlantic imperialist harmony.

All evidence testifies to the inability of capitalism to surmount the contradiction between the growing international division of labor and internationalization of production, and its continuing and growing reliance on the power of the national state. This contradiction is the reflection, on a world scale, of the fundamental contradiction between the increasing socialization of production and continuing private ownership of the means of production.

This contradiction has quite tangible and unpleasant results for the capitalists of each country, particularly of highly trade-dependent countries like Canada—results whose costs they are quick to try to pass on to the working class.

6. This contradiction has produced problems in different forms for the various national bourgeoisies. The "Commonwealth," for example, has been broken apart by a rapid shift in the relationship of forces and the weakening of British imperialism. British imperialism has sought to reorient itself to the Common Market, and other "Commonwealth" members have looked for new orientations as best they could. With the rise of Japanese competition with U. S. capitalism, both Japan and the U. S. have been balancing the wisdom of protectionist measures against foreign competition with the concept of an aggressive orientation to conquer foreign markets. The smaller imperialist powers (in the case of Canada, a rather substantial imperialist power overshadowed by a mighty neighbor) have had to seek

some shelter from international competition, by searching for international associations that could widen the markets accessible to national industry.

7. In imperialism's economic wars, as in its military conflicts, the working class provides the cannon fodder. The working class bears the brunt of recessions, economic dislocation, unemployment, and antilabor drives that result from the crisis of imperialism.

The revolutionary vanguard must propose a program to defend the working class against all attacks on its interests, including those attacks flowing out of inter-imperialist economic wars. This program is not directed against the imperialist power, however strong, that is portrayed by the bourgeoisie as the "aggressor" and the cause of the problems. Rather it must combat the capitalist system as a whole, which is the real source of the problem. This means combating the capitalist ruling class of their own country. In interimperialist economic conflicts, as in military wars, the revolutionary vanguard is "defeatist"; it looks to the defeat of its own ruling class as its own objective. For revolutionists, "the enemy is at home."

The revolutionary vanguard opposes specific inter-imperialist deals that threaten the workers' interests, such as the Common Market. The fight against such measures typically brings together diverse class forces, including segments of the bourgeoisie, whose ideology—nationalism—is normally a powerful factor in such movements. The working class must intervene independently in defense of its own interests, and must fight the nationalist ideology which, in the last analysis, always serves to line up the working class in support of its own imperialist robber barons.

The revolutionary vanguard does not support the weaker party in these conflicts, whatever indignities the smaller or weaker nation may suffer at the hands of powerful opponents. As Trotsky said, the role of the revolutionary party is not that of nurse to the "crippled gangsters of imperialism" (*Writings*, 1938-39, p. 15). To the crisis of imperialism, as a world system, it counterposes a series of anticapitalist transitional demands, which point the way to the only solution: workers' power, and the building of a socialist world economy.

Canada—an imperialist power

8. By every criterion, Canada must be placed squarely in the ranks of the imperialist powers. Canada is a highly industrialized country. The population is overwhelmingly urban, and the productivity of Canadian industry puts it in the first rank of capitalist economies.

The Canadian bourgeoisie holds a massive block of highly monopolized capital, concentrated in highly advanced and profitable sectors of the Canadian economy, and competitive on the world's markets. Its holdings are characterized by a level of technological development close to the highest in the world.

The Canadian bourgeoisie has forged a strong, centralized state apparatus, independent of foreign imperialist rule, and constituting a powerful instrument

for the defense of its class interests. Canada has gained and maintained political independence. It is economically dependent on the world market, as are all imperialist powers in varying degrees.

The imperialist character of Canada is confirmed by the participation of the Canadian ruling class in the imperialist exploitation of the colonial and semi-colonial world. In addition, the national subjugation and imperialist superexploitation of Quebec is a central component of Canadian bourgeois power and profits.

9. Over the past century, the United States has replaced Great Britain as the imperialist power with which Canada has its closest ties. American capital has replaced British as the predominant foreign investor in the Canadian economy, but with a difference—the U.S. bourgeoisie has concentrated on direct rather than portfolio investment, giving it direct control of substantial sectors of the economy.

The overall extent of this investment has been widely publicized. The Gray Report on foreign ownership in the Canadian economy, commissioned by the federal government and submitted in 1971, evaluated the share of foreign-owned firms in 1968 in the profits of all industries at 41.3 percent—an increase of 1.2 percent over three years. Measured by assets, the share of foreign-owned firms was 26.8 percent. Foreign-owned firms were defined as firms with more than 50 percent ownership by nonresidents of Canada. In fact, many firms with a considerably smaller percentage of foreign shareholders are effectively controlled by foreign-based corporations.

Four-fifths of this foreign ownership is U.S.-based. U.S. investment has tended to increase more rapidly than Canada's gross national product, rising 71 percent, for example, in the boom years between 1963 and 1968. Canada therefore has the highest level of foreign ownership of the world's major imperialist economies.

Foreign ownership is concentrated in Canada's manufacturing industry, where, according to the Gray Report, foreign capital controls 58.1 percent of total assets. Other industries are characterized by a predominance of Canadian ownership; the Gray Report's statistics are as follows: construction—13.8 percent foreign ownership; transportation—8.4 percent; communications—0.4 percent; public utilities—15.7 percent; wholesale trade—31.4 percent; retail trade—21.2 percent; financial industries—12.6 percent.

Canadian capitalism is highly dependent on foreign trade, with more than 20 percent of production destined for export. The Canadian economy is closely linked to that of the U.S., and a substantial division of labor on a continental basis has been developed. More than two-thirds of Canada's trade is conducted with the United States.

Canada's most successful monopolies have established important foreign operations, and Canadian investment in the U.S. has risen rapidly. Canadian monopolies have close ties with foreign, and particularly U.S. counterparts, reflected not only in interlocking directorates but in shared ownership ventures. (One major "multinational corporation" of Canadian origin, Massey-

Ferguson, now has two-thirds of its investments in the U.S., raising the question whether it can still be said to be "Canadian," in the sense that its owners' interests are concentrated within Canada's borders.)

The web of close economic ties is rounded out by special trade agreements like that establishing free trade (among producers) in the auto industry. Canada has received occasional exemptions from U.S. protectionist and monetary control measures. Canada is not only a member of NATO, it is tied to the U.S. by a separate air "defense" treaty (NORAD), and its war production industry is tied into a continental framework by the Defense Production Sharing Agreement with the U.S.

All these tendencies have been accelerated in the period of rapid concentration of capital and of interpenetrating imperialist investment that followed World War Two. More recently, with the relative strengthening of U.S. imperialism's main rivals, Western European and Japanese capital have rapidly extended their holdings in Canada, and expanded exports to Canada at a rapid pace. Even as the auto pact established an integrated North American automobile market, for example, it was challenged by European and Japanese competition, which began to move into Canada and invest in Canadian manufacturing plants. At the same time the harmony of the Canada-U.S. capitalist relationship has been shaken by Washington's protectionist measures.

Canadian capitalist circles have shown interest in trying to take advantage of these trends to reorient Canadian trade to some degree in the direction of lesser reliance on U.S. markets. But no significant component of the Canadian capitalist class has proposed a break with the overall framework based on close economic ties with the United States.

Toward a "superimperialism"?—the reality of imperialist rivalry

10. Have these developments fundamentally transformed Canada's relationship to world imperialism, or do they have the capacity to do so in the near future? Several concepts have been advanced in recent years which would imply that this is the case. The first is that the U.S. has become some kind of "superimperialist" power, dominating and subjugating all other imperialist countries. This view, based on a false projection of the tendencies of the 1950s and early 1960s when U.S. hegemony was at its peak, found expression in the LSA/LSO's 1968 resolution, "Canada-U. S. Relations." This resolution, the LSA/LSO's first attempt to analyze the new and complex problem of opposition in Canada to "U.S. domination," spoke of U.S. predominance in the following terms:

"The rising forces of the world socialist revolution, together with the declining position of all other capitalist powers and their weak position, both in absolute terms and relative to the U. S. colossus—their deteriorating position in world trade, their inability to sustain an effective military force in the era of super-costly intercontinental ballistic missiles and nuclear devices to

promote and defend their own particular interests—has forced them to become, if not completely subservient, reluctant, but nonetheless compliant tools, or at best junior partners of Wall Street and its imperialist interests. This is true in the case of the biggest and most solvent capitalist powers including those where U.S. investment plays little direct role in their economy."

In general, the history of imperialism shows a constantly shifting relationship of forces. The second-rank imperialist power of yesterday has frequently surged forward to catch up with and bypass its earlier-developed neighbor. The predominance of one power (Britain in the nineteenth century, the U.S. after 1945) has not altered the laws of interimperialist competition. Revolutionary Marxists cannot base their politics on the assumption that the trends of the moment will continue indefinitely, or that the relationship of forces established at any moment will not change.

The recent development of world capitalism has verified these general concepts. U.S. hegemony after World War II has been followed by some two decades during which Japanese and continental European capital have gained ground relative to the U.S. giant, in terms of the rate of growth of their productive base, their growing share of world trade, and their inroads on the U.S. market. Far from insolvent, these powers have pushed the U.S. into its balance of payments crises and forced two devaluations of the dollar, as well as forcing Washington to a series of energetic defensive measures against increasingly threatening foreign competition.

Economic and political assimilation?

11. A second concept projects the Canadian capitalist class as undergoing a process of economic and political assimilation into a broader North American framework, through which it has lost any distinctive national interests, or any capacity to defend such interests.

The 1968 resolution on Canada-U. S. relations spoke in these terms:

"If at other times there were conflicting antagonistic interests which caused the Canadian capitalist class to pursue or attempt to pursue policies that took it into real conflict with the U.S. ruling class, this is no longer the situation. It is now apparent that the Canadian capitalist class has arrived at a mutually agreeable relationship with U.S. capital in their common exploitation of the work force of this country and its vast natural resources."

Like all deals between far-sighted bandit chieftans, the agreements of Washington and Ottawa are worked out to adjust interests for mutual benefit, with the larger share of the benefits of course going to the more powerful of the bandit gangs. The agreements and understandings do not eliminate the conflicting antagonistic interests or underlying frictions.

The factors standing in the way of assimilation of one national capitalism into another have already been examined. Canadian capital continues to exist as a distinct entity, with its holdings concentrated within Canada's borders, and with a strong objective interest in promoting economic conditions favorable to capital within

Canada—a matter of strictly secondary concern to American capitalists, despite their substantial Canadian holdings. The Canadian state promotes the interests of big business in Canada, and thus of the Canadian bourgeoisie, through such measures as manipulation of the economy to maximize corporate profits, direct and indirect subsidy to big business, intervention in the class struggle to press back the labor movement, and negotiation to maximize opportunities and advantages on the world market. All these measures are direct or indirect means to further the interests of Canadian capitalism in its competition with other imperialist powers, including the U. S.

Any doubts about Wall Street's capacity to distinguish between its interests and those of Canadian capitalism have surely been eliminated by the events of the past few years. U. S.-Canadian trade accounts for one quarter of the U. S. trade deficit; Washington has sought means to shift the trade balance, if not to achieve an export surplus, then at least to achieve equality. Canada received no blanket exemption from the Nixon 10 percent import surcharge. Nor has it been spared the effects of the DISC program, by which Washington promotes the international competitiveness of firms producing in the U. S., through a tax write-off scheme.

The LSA/LSO's 1968 convention also took up the question of Canada-U. S. relations in its Political Resolution, which pointed out the existence of antagonistic interests, and predicted the conflicts of the last two years: "Canadian capitalism is highly vulnerable because of its place in the world system. As an imperialist power, part of the increasingly integrated North American economy, it must share the impact of all the shocks and crises which befall U. S. imperialism. As a smaller power highly dependent on world trade, Canada is already extremely susceptible to international economic disturbances. If the Canadian economy is today protected in part by the special concern of its U. S. guardians, it is certain that the growing pressure of world events on Washington will force the latter to cut back its commitments to bolster up the Canadian economy . . ."

The Canadian ruling class is both partner and competitor of its southern counterparts. It is tied to U. S. and world imperialism in the defense of the imperialist system. It is tied to U. S. imperialism by close trade relationships and trading agreements. It is a competitor of U. S. and world imperialism in a constant struggle to improve its relative position on the world market.

Is Canada becoming a semicolony?

12. Is U. S. investment reducing Canada to the status of a semicolony? It has become fashionable on the Canadian left to talk of Canada's "colonization" by American imperialism, arguing by analogy with the impact of U. S. investment in Latin America, Africa, and Asia. It has been argued that even in formally independent imperialist countries, when the key industries come to be owned or controlled by foreign capitalists, a process is set in motion that reduces a once-

independent imperialist power to semicolonial status—and that this is the case in Canada.

No example exists of this process taking place in an advanced country. Nor is any such process underway in Canada today.

What is a colony? In the colonial and semicolonial world, imperialist domination has blocked the completion of the bourgeois-democratic revolution: the freeing of the country from foreign control, the creation of a unified national market, the establishment of a centralized state controlled by the ruling class of that nation, etc. Imperialist domination has blocked the establishment of the political, social, and economic preconditions for the development of the local economy through industrialization. The result is economic backwardness and imperialist superexploitation.

The term "semicolony" is normally used in reference to colonies that have achieved formal political independence, but remain subject to the stranglehold of foreign imperialism. In a semicolony, the national bourgeoisie normally has only a very weak economic base; it is largely excluded from the modern, industrialized sector of the economy. It has typically not been able to establish firm control of the state, or to use the state as an effective means of controlling the economy, of defending its interests against imperialism. It is unable to drive through the changes necessary to lay the basis for the self-sustaining growth of local capitalism. Frequently, the land question remains unresolved, and feudal conditions persist in the countryside. There is no cumulative growth, no diffusion of industrial techniques to increasingly large sectors of the economy, no increase in the autonomy of economic policy.

None of this is true in Canada. The Canadian bourgeoisie has full control of its state, and this state possesses all the normal powers of an imperialist government for control of its economy. The Canadian bourgeoisie has not been driven from its decisive holdings; they are not marginal, but concentrated in the monopolized sector of the economy. No process of structural change is underway through which foreign investment would "de-industrialize" Canada. Canada is not a semicolony, but a highly developed imperialist power.

13. The considerable publicity around the degree of U. S. ownership in Canada has tended to obscure another highly relevant fact: the vast holdings of the Canadian bourgeoisie. They are by no means limited to marginal side-pockets of the economy. They include such giants as the Canadian Pacific interests and the Power Corporation empire. The chartered banks are Canadian-owned (with the exception of Mercantile, a small U. S.-owned bank). They rank among the largest in the capitalist world and total over \$60 billion in assets, more than the total of U. S. holdings in Canada. Canadian holdings in manufacturing and mining, while minority, are substantial, and highly concentrated; they include an 86 percent share in Canada's iron and steel industry. Canadian capitalism has launched such monopolies of world stature as Massey-Ferguson, the Garfield Weston empire, and Brascan.

Canadian capitalists have substantial foreign holdings. In 1967, Canadian direct investment abroad amounted to \$4,030 million, having more than doubled during the preceding decade. Just over half of this is held by Canadian-owned firms. While more than half of this foreign investment is in the United States, the proportion of investments in the U. S. is dropping; holdings in the West Indies, where Canadian investment bulks large, have risen rapidly over past decades.

Developing relatively late, the Canadian bourgeoisie nonetheless overcame the hindrances imposed by geography, history, and the small size of the internal market relative to that of the U. S., to forge a strong, centralized state apparatus; an effective weapon of defense of its class interests. Beginning with the protective tariffs of Macdonald's "National Policy" and the vast public funds poured into the pockets of railway promoters, the Canadian bourgeoisie has used the state energetically to intervene in the economy to promote the accumulation of capital in Canada.

The state has acquired industrial holdings nearly equal to the total of U. S. holdings in nonfinancial industry (Kari Levitt, *Silent Surrender*, p. 120). These holdings are concentrated in transportation and public utilities, thus utilizing public ownership to supply efficient and low-cost services to industry in Canada.

A further characteristic of the Canadian ruling class is its tightly-knit and substantially homogeneous character. Sociologist John Porter described in *The Vertical Mosaic* how fewer than 1,000 men shared between them 81 percent of the directorships in the "dominant corporations," as well as 58 percent of the directorships in the chartered banks and life insurance companies.

A high degree of state intervention, and of monopolization and concentration of capital: these characteristics of the Canadian bourgeoisie point to its vast political power—a power vividly underscored in October 1970 with the federal government's occupation of Quebec by 10,000 federal troops, and suspension of democratic rights throughout Canada under the War Measures Act.

In short, Canada has a powerful, homogeneous, highly conscious capitalist ruling class, firmly in control of its own state power, ruling in its own name.

Despite all their professions of commitment to defend "Canadian independence," Liberal and Tory regimes alike have done very little to slow the tide of foreign investment in Canada. Indeed, it is not clear why they should be expected to take such actions, since foreign investment challenges neither the profits nor the state power of the Canadian bourgeoisie. Measures to block U. S. investment and U. S. takeovers have been concentrated in sectors of the economy associated with the power and functioning of the state itself: the chartered banks, other financial institutions, radio and television. Ottawa has also acted on occasion to block foreign takeovers in strategic industries like uranium (the Denison mines case), or to preserve a Canadian toehold in a key industry dominated by foreign capital (the Home Oil case).

The Canadian state represents the interests of the Canadian ruling class in ongoing disputes and frictions arising from interimperialist competition. It negotiates to obtain the best possible circumstances for capital

accumulation in Canada, through tariff and monetary agreements, subsidies to Canadian industry, etc. The tangible hesitation of Ottawa in energy resource negotiations testifies to the Canadian bourgeoisie's clear understanding of its particular interests vis-a-vis U. S. capital. Canada's substantial stocks of already scarce resources are a trump card that the Canadian bourgeoisie is not anxious to play until assured of a fair return.

A key factor in the competition of imperialist corporations is the social and economic conditions in each country—the degree of inflation, the price of labor power, etc. Canadian and U. S. capital compete to create more favorable conditions for the maximization of profits in the respective countries where their holdings are concentrated. A particularly alarming development for Canadian capital has been the relatively more rapid rise of Canadian workers' wages in recent years, which has reduced the wage gap between Canada and the U. S. from 27 percent to 8.5 percent since 1961. This poses the need for energetic countermeasures.

In summary, while a considerable degree of integration has taken place between the Canadian and United States economies, particularly in respect to trade and investment, this process has not altered the fundamental character of Canadian capitalism, the Canadian state, or its relationship to world imperialism. This character can be summarized in three propositions: The Canadian ruling class is an imperialist bourgeoisie, with highly monopolized holdings concentrated in Canada. It controls the Canadian state, a highly centralized and efficient mechanism for the defense of its class interests. It has its own national interests, distinct from those of the U. S. and other bourgeoisies, and utilizes the Canadian state energetically as an instrument to defend its national interests against all comers. Canada is not "dominated" or "oppressed" or "exploited" by foreign capital investment. It is not a colony or a semicolony, but an independent capitalist state—an imperialist and oppressor state.

The limits of continental integration

14. The Canadian ruling class's general policy in interimperialist conflicts since the Second World War has been to develop and maintain close economic and political ties with U. S. imperialism, while using the Canadian state as the vehicle to defend its own particular interests. If this policy has brought many gains, it has provided no permanent solution to the problems posed by interimperialist conflicts.

U. S. capital is not prepared to let the Canadian ruling class "have its cake and eat it too"—that is, to enjoy simultaneously all the benefits of continental integration and all those of independent statehood. Washington has proven very aware of the existence of the border, of its competition with Canadian capitalists, and capable of taking effective measures to defend its interests in this contest.

An alliance with U. S. capital brings with it all the weaknesses and problems of the American giant. Continental integration has brought more than inflation and

recessions over the border; it has also encompassed Canada in the relative decline of North American competitiveness relative to European and Japanese competition. In context of rising interimperialist competition, this can only raise the question, in time, of some degree of reorientation of Canadian capitalism toward closer ties with the other imperialist powers.

Nationalism is the main ideological cement of bourgeois rule in Canada, and a central instrument to promote popular identification with the institutions of the state. The task of protecting, developing, and enhancing the prestige of these state institutions therefore cuts against any course of economic and political integration with the U. S.

The controversy over Canada-U. S. relations during the past few years has revealed a considerable amount of pushing and shoving by various bourgeois currents who aim to steer Canada toward closer or less close continental integration (e. g., the controversy over the Gray Report; the debate on energy resources deals). A debate is underway around the degree to which anti-U. S. feelings should be developed as a means to promote pan-Canadian patriotism, which can then be used to support wage controls, or buttress Canadian unity against Quebec.

A period of rising class struggles generally produces divisions in the bourgeoisie, which deepen with the approach of a revolutionary challenge. The present radicalization underway in Canada should therefore tend to deepen these divisions in the ruling class over Canada's orientation in the imperialist world system, and its relationship to U. S. capitalism.

Full political and economic integration of Canadian capitalism into a North American framework, which would maximize access of Canadian industry into the North American market, would cost Canadian capitalists the vital protection of their own state power. Defending the main concentration of Canadian capital, within Canada's borders, demands a strong and authoritative Canadian state, acting energetically to promote the health of Canada's economy and of the Canadian-based monopolies, vis-a-vis their U. S. and other foreign rivals. But as an independent power, Canadian capitalism is buffeted by all the contradictions and crises of world imperialism today. It feels the impact of these contradictions with heightened severity in view of its small size relative to the unified markets of the U. S. and Western Europe. (In this sense the Economic Council of Canada glumly described Canada's position in world trade as "the outer one.") Further, it is doubly vulnerable due to its dependence on exports.

This hard choice before Canadian capitalism is a particular case of the general contradiction discussed earlier: the contradiction between the international character of capitalist production and the national limits of the capitalist state.

Canadian capitalism cannot resolve this contradiction.

Nationalism—a weapon of Canadian bourgeois rule

15. Nationalism was born in the epoch of rising capitalism. It reflected the need of the new capitalist class to establish large, independent, unified nation states as the basis of the capitalist market. In the imperialist countries, these "national tasks" were accomplished long ago—for the dominant nationalities. For these nations today, nationalist concepts do not correspond to any progressive national tasks.

On the contrary, in the imperialist countries, nationalism is the ideology of the ruling class, of class collaboration. Here nationalism has served the ruling classes well, lining up the working class behind imperialist exploitation and wars, pitting one section of the oppressed against another. Nationalism is the recruiting drum for imperialist war, calling on the workers to "die for their country," and slaughter their brothers and sisters who live under a different flag. Nationalism is the classic justification for imperialist exploitation of colonial peoples, the "lesser breeds without the law." In fulfilling this function, it takes the particular form of racism—the ideological justification of the pillage and enslavement of the nonwhite world by the "master race."

In its most virulent form, nationalism is the ideological weapon of fascism, the method of rule the capitalist class has resorted to in order to destroy the gains and organizations of the working class. The nationalist illusions of the working class, fostered by Social Democratic and Stalinist misleaderships, can serve as the bridge to break them from their allegiance to working-class organizations and line them up behind the fascist gangs.

Matters stand completely differently for nations where the expansion of imperialism has cut off the completion of the bourgeois-national revolution and has subjugated, oppressed, and colonized entire peoples. Not only do national tasks of a progressive character remain to be accomplished here, but they can be carried out completely only through the victory of a socialist revolution. In such situations, national consciousness can play a profoundly progressive role, because it stimulates and propels forward the struggle for national liberation. This, for example, is the case in Quebec.

Into which category does English Canada fall? Clearly there are no progressive national tasks to be carried out in the English-Canadian nation. Canada is an independent capitalist nation state—and it is an imperialist oppressor nation. So long as it remains so, English-Canadian nationalism will be a fundamentally reactionary ideology.

16. The fascist form of nationalism has been seen as yet only in embryonic form in Canada—one reason why so much of the left has embraced Canadian nationalism with such light-minded irresponsibility. But all the other functions of nationalism have been seen in Canadian history.

Nationalist feelings have been built up to justify Canadian participation in imperialist wars. More re-

cently, it is the belief in the unique character of Canada, free from the unsavory features of U.S. imperialism, that has been used to justify Canada's counterrevolutionary role in the Indochina ICC [International Control Commission] and in UN peacekeeping forces. If Canada is a "prison house of peoples," nationalism is the religion of the jail guards; anti-Québécois chauvinism is a major bourgeois weapon in dividing the working class and winning support for the Canadian state.

Rising class struggles across Canada today combine with the actions of Québécois and other oppressed nationalities to mount a growing challenge to Canadian bourgeois rule. The ruling class grasps increasingly to nationalism as a weapon of self-defense: to mobilize support for bourgeois Confederation and promote class collaboration. It is quick to tip its hat to the "struggle for Canadian independence from the U.S." A significant current of bourgeois opinion, which speaks through such authoritative voices as the bourgeoisie's largest daily paper, *The Toronto Star*, and its leading monthly magazine, *Maclean's*, urge the bourgeoisie to go much further. This "anti-U.S." current in the ruling class promotes a demagogic campaign against U.S. influence and U.S. "domination," aimed at mobilizing support for the institutions of capitalist Canada.

One likely future task of this nationalism is to provide the rationale for wage controls and antilabor measures. As the narrowing Canada-U.S. wage gap shows, the intractability of Canadian labor is a major threat to Bay Street in its competition with U.S. producers. How better to motivate wage controls than as an urgent measure of national defense against the wage-cutting Yankee corporations and against Washington's anti-Canadian protectionist measures?

17. The 1968 resolution on Canada-U.S. relations was published together with five articles expanding and elaborating its main theses. One of these articles seems to challenge the existence of Canadian nationalism as an ideology with real social roots. Referring to an issue of *Canadian Dimension* featuring "An Open Letter on Canadian Nationalism" it said: "The sad fact of the matter, one of the authors admits in a supplementary article—there is no doctrine of Canadian nationalism." The article continued: "There is no class, and ideology is always an instrument of class interests, there is no class whose interests a Pan-Canadian nationalism reflects."

The Canada-U.S. relations resolution, however, accurately portrayed the threat of nationalism. "Nationalism in advanced capitalist countries such as Canada has traditionally been a tool of the ruling class. In 1939 the banner of national unity was raised in order to gear the nation, specifically the working class, to sacrifice their lives in an imperialist world war. It is now being raised to mobilize English-speaking Canada against the legitimate struggle of the Québécois for their national rights. This bourgeois nationalism stands in the way of a class differentiation in society—in particular, the development of class consciousness amongst the workers and, where the workers are already organized along class lines, is designed to fracture them."

A "new," "progressive" Canadian nationalism?

18. Is there a "new nationalism" in Canada today—a nationalism of a new type, distinct from bourgeois nationalism? Can this "new nationalism" be said to possess an anti-imperialist character, developing toward anticapitalist consciousness?

In general terms, nationalism is an identification with the integrity, independence, values, culture, or language of the nation; the belief that the nation as a whole has common problems, goals, or tasks; and the concept that a struggle or common endeavor in pursuit of these goals is called for.

In a national struggle or movement, different social classes tend to stress different aspects of nationalism, to connect the struggle with their own specific objectives. But this does not mean that several distinct "nationalisms" coexist, one for each major social class. The pursuit of national goals by elements of every social class will have a common point of reference: the situation of the nation as a whole and the tasks that flow from this.

Nationalism has a progressive character only where it promotes the struggle against real aspects of national oppression suffered by a people—that is, where it corresponds to real national tasks (winning of national independence, establishment of national language, etc.) left unachieved by the bourgeois revolution, and which can now be achieved in their totality only through socialist revolution. In such struggles of oppressed nationalities, the working class does not develop a "different" nationalism from the bourgeoisie. Rather it is the most thorough-going and revolutionary advocate of the full achievement of the tasks of national emancipation, and has the most consistent interest in carrying through such tasks. In contrast, in imperialist nations where such tasks are already realized, nationalism serves only the bourgeoisie.

To argue that Canadian nationalism is progressive, one must prove first that Canada has been changed from an imperialist oppressor nation into an oppressed nation and a semicolon. No one has been able to do this. But even if it were so, Canadian nationalism would not be a "new" phenomenon, but would be similar to the nationalism of other oppressed nations.

To assert the existence of a progressive new nationalism in a nonoppressed, imperialist nation, a nationalism without national tasks but with an anticapitalist thrust, a nationalism coexisting with but separate from reactionary bourgeois nationalism—this would require a series of innovations in the Marxist analysis of nationalism.

19. An important aspect of the developing radicalization of the past ten years has been a growing understanding of, and opposition to, various manifestations of imperialism around the world. The Cuban revolution, the nonwhite resistance in South Africa, the Vietnamese liberation struggle, the Black revolt in the U.S., the Québécois revolt in Canada, the nationalist movement in Ireland—each in turn has awakened a significant sentiment of solidarity, particularly in student circles, and has sparked powerful actions in opposition to imperialist wars and examples of imperialist oppression.

As the U. S. stepped forward as "world cop" for world imperialism in Vietnam and elsewhere, powerful actions developed against the crimes of U. S. imperialism around the world. This helped press forward the break of millions of Canadians with the Cold War ideology, built up in part around identification with the U. S. "establishment" as defenders of democracy. Opposition to U. S. aggression in Vietnam has attained particularly massive proportions.

A significant range of English-Canadian radicals have concluded that actions against U. S. domination of Southeast Asia must be extended by launching a campaign against what is thought to be U. S. domination of Canada. Just as the Québécois must fight Ottawa, just as Latin Americans must fight Yankee imperialism, so, it is claimed, Canadians must fight U. S. penetration of Canada in its various forms.

This view confuses U. S. imperialism with the world imperialist system. The U. S. acts on behalf of world imperialism in Vietnam and elsewhere in the colonial world—and thus acts on behalf of Canada's capitalists.

The real enemy in Canada is not U. S. imperialism, but imperialism itself, as a world system. The battle against imperialism can only be joined by combatting the Canadian ruling class and its state. The enemy is at home. This view also slips into the error of assuming that U. S. imperialism has established the same form of superexploitation and oppression in its dealings with advanced capitalist countries like Canada that it imposes on its colonial and semicolonial subjects.

To generalize from opposition to U. S. imperialist domination of the colonial world to opposition to U. S. domination of Canada is a step backwards, a step away from anti-imperialist consciousness, which leads into a nationalist dead end. The Canadian revolutionary Marxists fight to lead elemental opposition to the crimes of U. S. imperialism forward to an understanding of the character of imperialism as a world system, and to the imperialist character of the Canadian ruling class. A central means of achieving this has been to lead actions against the crimes of U. S. imperialism which expose the complicity of the Canadian ruling class, and combine demands on U. S. and other imperialists with demands on Ottawa.

Who rules Canada?

20. Three aspects of the debate on Canada's relationship to U. S. and world imperialism deserve special attention: the question of Canadian "sovereignty," the impact of U. S. corporate ownership in Canada, and the concept of "anti-imperialist sentiment" advanced by the 1968 resolution on Canada-U. S. relations.

"Does U. S. capital dominate the Canadian economy through control of what might be described as its strategic or decisive sectors? This question has been posed in an attempt to settle the somewhat formalistic question—Does the Canadian capitalist class actually rule Canada or does the U. S. capitalist class in effect own and rule Canada?" ("Canada-U. S. Relations")

The 1968 resolution on Canada-U. S. relations posed these questions but declined to answer them. It stated they were largely irrelevant in view of the harmony of interests between the Canadian and U. S. ruling class-

es. This harmony is superficial. And the questions posed call for precise answers.

Do U. S. corporations own Canada? To assert this is false to the core. Ownership of Canadian industry is shared among capitalists of several nationalities (the Canadian plutocrats have the largest share). The statement, moreover, is misleading, as it implies that U. S. ownership and control of a substantial sector of capital in Canada necessarily brings with it a corresponding control of the Canadian state. Marxists have always rejected the mechanical view that shifts in the economic base are automatically and directly reflected in the political superstructure.

Do U. S. corporations "dominate" the Canadian economy? Do they "control" the economy? There is no question that U. S. capital has a heavy stake in the Canadian economy, concentrated in vital sectors. But to speak of U. S. "domination" or "control" implies more than merely an attempt to weigh the quantity of U. S. investment in Canada against Canadian capitalist holdings—a test whose result would be of dubious significance. Still less does it mean weighing the absolute strength of U. S. holdings. To speak of "U. S. domination" or "U. S. control" is to raise the question of power; to propose an answer to the question, "Who rules Canada?"

Who rules Canada? As the 1968 Canada-U. S. relations document stated, "The Canadian capitalist class is a powerful, tightly integrated, highly conscious and cohesive force, firmly in control of the state apparatus which it has constructed and shaped to serve its interests. The position of the Canadian capitalist class in control of the Canadian state apparatus is not challenged by U. S. capitalist interests."

This correct assessment, however, is undercut by the following sentence: "But while in control of the state, the Canadian capitalist class is by no means in control of the Canadian economy . . .," as well as the reference to "the myth of Canadian 'sovereignty and independence'" and the statement, in an article printed to round out the 1968 Canada-U. S. resolution, that Canada is controlled by "board rooms twice removed—on Wall Street and their political power-house, Washington." ("Watkins Report Filed Into Govt's Morgue," in *Canada-U. S. Relations, A Socialist Viewpoint*.)

A capitalist economy is fundamentally anarchic; its blind forces do not submit readily to the control of bourgeois states. Although means of governmental control of the economy have been greatly refined since the 1930s, they are so inadequate as to leave the state unable to halt the dislocating waves of the capitalist business cycle, to regulate inflation, or establish unemployment at "desired" levels. The economies of smaller imperialist powers are particularly difficult to control because they are strongly shaken by the economic tides generated inside their more weighty neighbors, and because of the sheer bulk of the international monopolies operating within their borders.

Within these limits, however, the Canadian state possesses all the tools of a modern capitalist state for controlling the economy, and has not hesitated to employ them.

Canada is not ruled by Wall Street board rooms or Washington governmental offices; it is ruled by the

Canadian bourgeoisie and their state, headed by the governmental cabinet, "the executive committee of the ruling class."

Myths and fallacies on the role of U. S. investment

21. What is the impact of U. S. investment on Canada? Much of the Canadian left has made a fundamental error in assuming that U. S. investment plays the same role in Canada as it does in the semicolonial world: that of cutting off possibilities of industrial development, carting away a substantial part of the economic surplus available for investment, and holding the economy as a whole in a state of economic backwardness.

In fact these effects are seen where there is the combination of two factors: foreign imperialist economic domination, and a backward and largely preindustrial society. Imperialism typically allies itself with the most backward and reactionary social layers, and blocks any movements that might carry through the social transformation necessary as a precondition to industrialization. Lacking sufficient opportunities for profitable investment, it exports most of its profits for investment in advanced countries. In this way, it blocks economic development, cutting short its own possibilities for expansion in the country concerned. None of these processes takes place in imperialist countries, which for this reason have become the main area of imperialist investment.

Pronationalist radicals have proposed a variety of arguments to demonstrate that U. S. corporations are more damaging to the interests of Canadian working people than corporations owned in Canada. Some of these arguments deserve examination.

a) "The U. S. exploits Canada by shipping home the profits of its Canadian holdings, which slows Canadian economic growth."

Statistics show that U. S. corporations are expanding their Canadian holdings, in balance, with capital generated in Canada, rather than with substantial net investment from the U. S. This fact argues strongly that Canada does not need injections of foreign capital to prosper, that a nationalized and planned Canadian economy could flourish without foreign investment.

Recent government statistics indicate that U. S. corporations continue to import more capital into Canada than they export from Canada to the U. S. These statistics are suspect; they probably overlook hidden forms of capital repatriation. But even if U. S. corporations are indeed, in balance, shipping profits out of Canada, it has not qualitatively affected the expansion of Canadian capitalism, which has proceeded since World War II at a rate close to that of its U. S. counterparts.

b) "Unemployment in Canada is consistently higher than in the U. S. and other advanced capitalist countries. This shows that the uniquely high level of foreign investment in Canada is generating unemployment."

Large-scale foreign investment tends to increase Canada's vulnerability to shifts in international trade and investment patterns, as does investment by Canadian

corporations abroad. But as far as investment policies are concerned, and they are the main factor governing unemployment, there is no evidence that those of U. S.-owned firms are different from those of Canadian-owned corporations. A number of studies, from A. E. Safarian's *Foreign Ownership of Canadian Industry* to the government's Gray Report, document that the "performance" of foreign-owned firms is similar to that of Canadian corporations.

c) "The wage gap between Canadian and American workers means that U. S. corporations are superexploiting Canadian workers; in this way U. S. ownership damages the interests of Canadian workers."

The 8.5 percent gap in the average wage rate (1972) is small compared to the wage gaps within the U. S. and within Canada: the gap between Ontario and Francophone workers in Quebec is 40 percent. Yet it can be said that, in balance, U. S. and Canadian corporations with operations on both sides of the border tend to superexploit Canadian workers relative to American workers. But this is not an argument against U. S. ownership. U. S. corporations do not in any sense cause the wage gap, or generate it; they merely take advantage of it. (The U. S.-Japan wage gap is much larger, but is in no sense caused by U. S. investment in Japan, which remains quite limited.)

In general, while the wage gap between imperialist nations and semicolonies is widening, the wage differential among the various imperialist countries is tending to decline. Rapidly rising U. S. investment in Canada has accompanied a swift decline in the wage gap from 27 percent in 1962 to 8.5 percent today.

If the wage gap signifies that the economic relationship of the U. S. to Canada is exploitative we would equally have to assert that Swedish imperialism exploits Germany, that German imperialism exploits France, that French imperialism exploits Belgium, that Belgian imperialism exploits Britain, whose imperialists in turn exploit Japan. Rather than clarifying the question, such statements only serve to obscure the real relationships between these countries.

d) "U. S.-owned corporations tend to shut down, and to lay off workers, more frequently than Canadian corporations do."

There is no reason to think that this should be true. To the degree that U. S.-owned corporations are concentrated in manufacturing and mining, they will tend to suffer from the marked cyclical swings in employment in these sectors, in exactly the same manner as the Canadian corporations in these fields. A study of recent plant closures in Ontario by the Ontario Federation of Labor found that just over 50 percent of layoffs are by U. S. firms; this is roughly equivalent to the U. S. stake in Ontario's manufacturing and mining.

e) "U. S. capital is biased toward investing in resource industries, which are more capital-intensive and do not generate much complementary employment; thus they employ fewer Canadians. In this way Canada is forced into the role of resource hinterland to U. S. industry."

Since long before U.S. corporations acquired their Canadian holdings, Canadian exports have been largely made up of resources and foodstuffs; Canadian imports have been primarily manufactured goods. This continuing reality has nothing to do with U.S. ownership, but flows from the shape of world imperialism. Relative to the United States, Canada is a country rich in resources but with a small market for manufactured goods. Canadian economic development centers on the areas that provide the greatest profits; resources are prominent among them. Manufacturing enterprises center where the market is richest; 90 percent of the North American market is in the U.S. Only a nationalized, planned economy can reverse this trend.

Efforts by some to demonstrate that U.S. investment in Canadian resources is producing a net decline in industrial employment in Canada are unconvincing. While the percentage of the Canadian work force employed in secondary manufacturing has shown a small decline in recent years, similar trends have been observed in other imperialist countries, including the United States itself.

In general, imperialist foreign investment today is orienting away from concentration in resource industries; there is no reason to think that the same tendency will not be seen in the investment of U.S. corporations in Canada.

f) "U.S. ownership in Canada is a vehicle for implementing U.S. economic nationalist and protectionist policies. In particular, U.S. corporations will tend to shift operations south of the border in order to improve the U.S. balance-of-payments situation."

This is the main argument in the "deindustrialization" thesis of the Movement for an Independent and Socialist Canada (MISC). The MISC's belief that the struggle to save single-industry and resource-based towns from extinction would give rise to a powerful movement for Canadian independence was the fundamental projection underlying its split from the New Democratic Party.

There is no doubt that Washington's protectionist measures aim to "shift production south of the border," in the limited sense of aiming to increase U.S. exports and decrease imports. Many U.S. corporations whose main base of operation is south of the border will benefit by such policies. Similarly, in the interests of stabilizing the U.S. balance-of-payments position, and thereby the U.S. dollar—the motivations behind Nixon's August 15, 1971, wage-freeze decree and protectionist measures—U.S. imperialism may dictate cutbacks in foreign investments which can result in industrial closures in Canada as in other countries. In this sense, U.S. ownership is a vehicle to apply these policies. But to the degree that U.S. corporations have substantial operations in Canada, it will be in their interest to seek to have Canada exempted from such measures in order to maintain the profitability of their Canadian holdings. In balance, U.S. investment in Canada, far from being the Trojan Horse of deindustrialization, has tended to limit the full impact of U.S. protectionist measures on the Canadian economy.

g) "U.S. ownership of the Canadian economy pro-

duces an inefficient 'branch plant economy,' where three or four branch plants of U.S. giants do the work that could be done more cheaply by a single, Canadian-owned firm."

The existence of several small and less efficient units in many industries where one large unit could produce more cheaply is a result of the existence of a distinct Canadian market in these industries, protected by a tariff wall—a market much smaller than that of the United States. One way to eliminate the relative inefficiency is to abolish tariffs between the U.S. and Canada and create an integrated continental market, as has been done in the automobile industry. The traditional objection against continental integration of this sort is that a good part of Canadian industry exists only because of the tariff wall and is too inefficient to survive without it.

Bourgeois economists debate the problem in terms of the alternative to integration vs. tariff walls, and fail to arrive at an adequate solution. They reject the obviously adequate and satisfactory solution—a nationalized and planned economy.

Their debate on tariffs, while interesting, has nothing to do with U.S. investment in Canada.

h) "U.S. ownership tends to concentrate opportunities for entrepreneurial initiative south of the border."

Opportunities for entrepreneurial initiative translates into plain language as "chances for capitalists to make a killing." It is unclear what this aspect of the debate has to do with the interests of the working class.

i) "U.S. firms with Canadian operations do their scientific research south of the border. As a result, U.S. ownership in Canada blocks the development of Canadian science, and forces Canadian scientists to leave the country to seek employment."

The Gray Report on foreign investment in Canada states, "The evidence does *not* indicate substantially better Canadian performance by Canadian controlled firms than by foreign controlled firms with respect to expenditures on research and development, exports and further processing." In other words, if scientific research in Canada is weak, this has nothing to do with the nationality of ownership of Canadian industry.

Expenditure on scientific research per capita is three to five times as high in the U.S. as in European countries. As a result, tens of thousands of European scientists have migrated to join better-financed laboratories in the U.S. But this has nothing to do with the effects of U.S. ownership abroad. It results from the greater size of U.S. corporations and their bigger research budgets. The same factors doubtless come into play in Canada.

In general, many of the "evils" of U.S. investment turn out to be damaging to the interests of Canadian capitalists, rather than to Canadian workers. Many others turn out in fact to flow from the character and shape of the world imperialist system itself, rather than from the specific nationality of investment. There is no sign that U.S. investment "underdevelops" Canada, blocking industrial growth, in the manner it does in the semicolonial world. And even if it were demonstrated

that foreign capitalists were, in balance, in some way more injurious to the interests of the Canadian working class than our home-grown variety, there would be no cause to draw nationalist conclusions—for foreign investment is an integral part of the imperialist system of which Canada is a part.

Canadian workers suffer the effects of the specific weaknesses of Canadian capitalism. But the problem is not the United States, U. S. domination, or U. S. ownership, but the character of world imperialism, and Canada's position in the world imperialist market.

Are we indifferent to the nationality of the boss?

21. What then is the attitude of revolutionaries to U. S. investment in Canada? Are we indifferent to the extent of U. S. ownership? The 1968 resolution on Canada-U. S. relations is at least equivocal on this point.

The document notes that we have advanced the demand for nationalization of the CPR in response to its curtailment of services and layoffs. "It was a matter of indifference whether the CPR was or is now basically U. S.-owned," the document continues. Yet only three paragraphs earlier the document announced:

"Nor are we indifferent to the increasing economic penetration of U. S. capital into Canada, its increasing control of the economy, and what goes with that—its determination of Canada's role in world affairs."

The article on the Watkins Report associated with the resolution, already cited, seems to advocate that foreign-owned firms be singled out for nationalization. "Ultimately, what alternative is there to public ownership of U. S. capital in this country that continues to violate the interests of the Canadian people?" It goes on to point out that public ownership of foreign capital "... opens up the question of public ownership of Canadian capital," which also "violates the interests of the working people."

Yet the resolution is clearly opposed to raising any general demand for nationalization of foreign corporations: "Without making public ownership of U. S. interests a general demand, as U. S. interests violate Canadian law by refusing to accept orders from Cuba and China, etc., the question of their nationalization increasingly comes to the fore. This is not the separating out of 'bad' capitalists from 'good' capitalists for 'punishment' by nationalization, but popularizing the whole concept from necessity." The question that is left entirely open is whether foreign-owned corporations "violate the interests of the Canadian people" in some distinctive manner not shared with Canadian-owned firms.

The rise of international imperialist corporations, the so-called multinationals, is a feature common to imperialism around the world. Far from stabilizing imperialism, they have introduced a series of new contradictions which imperialism is powerless to solve. They are a chief agency through which an imperialist economy is shaken by waves of inflation, recession, or sharp turns in investment policy originating far from its borders. Smaller imperialist economies with large foreign-owned sectors are particularly susceptible to these un-

settling effects. A wave of retrenchment by world giants can provoke serious economic difficulties within their borders. In a multitude of ways, international imperialist corporations threaten the interests of working people. But the problem is not the particular nationality of their owners.

We are not indifferent to the impact on Canadian workers of these developments in world imperialism. We point to the nationalized and planned socialist world economy as the alternative to the crisis-wracked economy of imperialism, and we advance transitional demands to press forward the struggle against the capitalist order.

Are we indifferent to U. S. ownership in Canada? As scientific socialists, we are concerned with gaining a precise understanding of the structure and dynamics of Canadian capitalism. But we hold no brief for Canadian in place of U. S. ownership.

Revolutionary socialists are indifferent to the nationality of the boss. If 100 corporations are to rule Canada, we are indifferent as to whether their head offices are in Canada or in the United States. We believe that Canadian bosses are in no way preferable to their American counterparts. The problem is not U. S. imperialism, but imperialism *per se*; not U. S. corporations, but corporate power.

The theory of the "anti-imperialist sentiment"

23. "The struggle for Canadian independence from the U. S. will make socialism in Canada relevant." This concept, advanced by *Canadian Dimension* in 1967, swept across the Canadian left in the late 1960s as a wide range of radical currents advanced different strategies for a "struggle against U. S. domination." This coincided with the early stages of the present youth radicalization, in which anti-imperialist themes were central, and found particular expression in actions against the crimes of U. S. imperialism in Vietnam and elsewhere.

The 1968 resolution, "Canada-U. S. Relations," was an initial attempt and a first approximation in the analysis by Canadian revolutionaries of some new phenomena. It was contradictory in character. It reaffirmed a series of basic Marxist concepts, under heavy attack in the Canadian left at that time: the imperialist character of the Canadian ruling class, its control of the Canadian state, and the reactionary character of Canadian nationalism. It also introduced new concepts, which proved to be in error. A central error, which was to lead to considerable confusion, was the concept of a progressive "anti-imperialist sentiment." The resolution reads as follows:

"Ever-widening layers of the Canadian working class and petty bourgeoisie are developing an understanding and sympathy for the popular struggles developing across the globe—and they see Washington as the ruthless and bloody subverter of these struggles. An increasing number question the whole rationale of the Cold War and its pacts and alliances such as NATO and NORAD—they are beginning to see the United

States, and not the USSR and the workers' states, as the aggressive military force that threatens mankind with a world war and possible nuclear destruction.

"They see the U.S. as a violent society, a racist society, and a huckster society, reflected in the TV, radio programs, the books and the magazines that flood across the border. An increasing number are developing a concern about the flagrant violation of the law by U.S.-based corporations in this country which leads to loss of trade and, of course, jobs for Canadian workers.

"These above tendencies have been designated in some circles as nationalist—Canadian nationalism. The term is a misnomer, causing confusion rather than giving insight into the phenomenon, its dynamics and direction. More correctly, it should be designated as an elemental anti-imperialist sentiment—developing towards an anti-capitalist consciousness. Because it is essentially anti-imperialist, it finds no basis of support in any sector of the Canadian capitalist class and its spokesmen, who defend U.S. imperialism not only out of a natural affinity but with a clear understanding that their fate is inextricably tied to that of the U.S. ruling class."

24. The concept of the "elemental anti-imperialist sentiment" approaches a complex phenomenon from the wrong end. Discussing the "dynamic" of an arbitrarily defined "sentiment" detaches the analysis from objective reality. The analysis should start by examining real social movements, their roots in objective reality, their different class strands, and their direction, leading to proposals for program and action.

The resolution does not relate the "anti-imperialist sentiment" it describes to the real objective needs of the working class. It does not show that the anti-U.S. feelings of workers flow from any real damage done to their interests by U.S. ownership in Canada or by other forms of U.S. imperialist contact with Canadian life. Anti-U.S. feelings are judged to have an "anticapitalist thrust" merely because they receive no echo in the ruling class. This assertion is based on a very large *if*—the improbable assumption that no layer, no current of ruling-class opinion, can make contact with anti-U.S. feelings, an assumption now clearly proven wrong. The analysis is founded on the undialectical assumptions of the absence of frictions between the U.S. and Canadian ruling classes, and the unfissured unity of the Canadian bourgeoisie.

What was the "anti-imperialist sentiment"? No definition was provided. Was it opposition to imperialism as a system? That, surely, is progressive, and constituted a key component of the youth radicalization before and after 1968. But the 1968 document referred exclusively to American imperialism. So, over time, the formula was altered to read "anti-U.S.-imperialism." This, in turn, proved imprecise. Did we hold that opposition to every manifestation of U.S. influence in Canada was progressive—opposition to U.S. textbooks, to U.S. professors, to U.S. TV programs? The 1968 resolution seemed to suggest this. In this case, the formula would more accurately read "anti-U.S.-ism" or "anti-Americanism." Does such an elemental anti-Ameri-

can sentiment have an anticapitalist thrust? If *all* opposition to U.S. influence in Canada was progressive, then surely "pro-Canadianism," "Canadian nationalism," would be progressive, too. This path of reasoning posed a barrier to recognizing and combatting concrete manifestations of Canadian nationalism, despite the 1968 resolution's antinationalist stands. In the last analysis it could lead to a concept of a progressive "Canadian nationalism."

The 1968 resolution on Canada-U.S. relations described a sentiment, but projected no movement to which it might give rise. It projected no course of action, no programmatic proposals to counter U.S. imperialism. (An exception was the proposal for an "independent foreign policy for Canada.") The resolution stated that a "clear understanding of the progressive implications of this rising anti-imperialist sentiment is necessary so that we can meet the new challenges that it will pose before us." But it made no proposals which added anything to the body of programmatic concepts available to meet this challenge. It offered only a concept of sensitive orientation to an ill-defined sentiment—an orientation that was to prove sterile and misdirected.

25. The central concept behind the identification of the "anti-imperialist sentiment" proved to be erroneous. The 1968 resolution placed an equals sign between opposition to the crimes of U.S. imperialism around the world, and opposition to U.S. investment in Canada and to other manifestations of U.S. imperialist presence in Canada. There is no question about the positive significance of opposition to the imperialist character of U.S. foreign policy. But what about opposition to U.S. ownership in the Canadian economy, not to mention opposition to "U.S. TV, radio programs, books and magazines"? For this to be progressive, it would have to be clear that Canadian workers suffer particularly and especially from the U.S. *nationality* of capital investment, and, further, that opposition to its various manifestations will develop along class lines. The first point was unproven; the proof advanced for the second point was in error.

Nationalism's impact on the labor movement

26. As the Canadian bourgeoisie faces heightened competition in the world market, increasingly restricted opportunities to expand investments, and a greater need to attack the wages and living standards of Canadian workers, nationalism will become an increasingly important instrument to counter the workers' struggle, and to cut across developing class consciousness of Canadian workers. Challenged by the rise of Québécois independentism, the Canadian ruling class will increasingly resort to attempts to whip up anti-Quebec phobia and chauvinism among English-Canadian workers.

We have already seen the impact of such moods and such attempts on reformist layers of the left. We have pointed to the link between Social Democratic reformism and nationalist support of the existing bourgeois state, describing the NDP as nationalist, identifying the fate of the Canadian working class with the fate of the central bourgeois state, and not internationalist. While

the New Democratic Party leadership speaks out against "U. S. domination" of Canada, an imperialist nation, it refuses to defend the right of self-determination of Quebec, an oppressed nation.

Support of Canadian nationalism inevitably cuts across support of Quebec self-determination, as the recent evolution of the Movement for an Independent Socialist Canada (MISC) indicates. The MISC has spoken of "self-determination" for both Quebec and English Canada, ignoring the qualitative distinction between Quebec's situation as an oppressed nation and English Canada's role as oppressor of Quebec. Nationalist politics gave the leaders of the MISC's predecessor, the left-wing "Waffle" grouping, their theoretical rationale for abandoning the NDP, a key arena of working-class political action. MISC charged that the party was dominated by American unions and had demonstrated its incapacity to move forward in the struggle for Canadian independence.

The Communist Party has long projected a struggle for Canadian independence as a keystone in the application of peaceful-coexistence politics to Canada. The Maoist Communist Party of Canada (Marxist-Leninist) and the Canadian Liberation Movement see a national liberation struggle as primary in English Canada. The Canadian Party of Labor and the Healyite Workers League, on the other hand, while rejecting Canadian nationalism, show no greater insight into the character of nationalism — rejecting with equal fervor the national liberation struggle of the Québécois.

The prevailing disorientation on this question in the Canadian left only underscores the urgency of a powerful and educational intervention by the revolutionary vanguard.

The revolutionary socialist intervention

27. How, then, should revolutionary Marxists size up the broad debate that has developed around Canada's relationship to the United States? What do they judge to be its "dynamic"? How do they intervene? In reality, the diverse forces at work cannot be summed up by the definition of any "sentiment"; nor can a "sentiment" be singled out within the discussion which could be said to have a clearly "anticapitalist thrust." A close examination of what has been loosely termed "Canada's new nationalism" reveals a whole series of different forces at play.

First, the development of world imperialism is posing some hard choices for Canadian capitalism, regarding the degree to which it will prosper from continental integration, and the degree to which it must establish other ties, and act to protect specifically Canadian interests. Revolutionists must show the incapacity of every option within the capitalist framework to resolve the problems thrown forth in this debate.

Second, there is wide popular apprehension of the impact on Canada of international imperialist corporations and interimperialist competition, which is commonly perceived in terms of "U. S. domination." Revolutionists must demonstrate how real and urgent are

the dangers that world imperialism poses to the livelihood of Canadian workers — but that these dangers flow from the character of imperialism itself, rather than from any U. S. "domination" of Canada.

Third, a broadened popular understanding of U. S. imperialism's reactionary and exploitative role on the world stage has led many to the conclusion that it has the same relationship to Canada, that Canada is in some sense a colony which must struggle for its independence. Revolutionists must show this proposition to be fundamentally false and combat the nationalist slogans which flow from the concept of a struggle for Canadian independence. They must demonstrate the imperialist character of Canada, and propose a class-struggle program leading toward the overthrow of Canadian capitalism.

Fourth, the bourgeoisie, increasingly challenged by a rising tide of class struggle, seeks to buttress its rule by its traditional means — an appeal to nationalist feeling, including its anti-U. S. form. Inasmuch as the ideology of the ruling class is the dominant ideology of the society as a whole, an appeal to nationalist feelings can count on a significant response in all social classes.

Revolutionists combat the nationalist illusions of the masses, and advance a program that cuts against nationalist concepts, deepens the class struggle, and builds internationalist understanding in the working class and its vanguard.

Our starting point in developing such a program is the objective situation, the objective needs of the masses. Our program and our intervention cannot be founded on the desire to identify with the immediate sentiments and aspirations of the masses, except insofar as these correspond to the real objective needs of the working class and its allies. A program to intervene effectively and adroitly in the debate and ferment around the question of U. S. investment, Canadian independence, "U. S. domination," must be developed along these lines:

a) We defend the real class interests of working people. Where workers have national illusions, or voice their social indignation in a nationalist form, we do not identify with the nationalism of the workers, but with the real class interests which underlie their reactions.

b) We put forward a class-struggle program, aimed at showing workers in life that the enemy is at home — the Canadian ruling class — and to lead and direct their struggle against this ruling class.

c) We oppose Canadian nationalism, including its anti-U. S. expression: patriotism, the concept that Canadians should unite against U. S. domination, the concept that Canadians should struggle together for Canadian independence, defend Canadian culture, build a Canadian identity. We combat nationalist illusions in the working class.

Nationalism vs. class-struggle slogans

28. The principal slogan of the "Waffle" Caucus of the New Democratic Party, and of the MISC after its split from the NDP, has been "For an Independent and

Socialist Canada," summarized on their automobile bumper stickers as "Canadian Independence: Yes!" Its aim was to express the Waffle-MISC leadership's concept that the struggle against "U. S. domination," for Canadian independence, must be led to victory through the nationalization of the "commanding heights" of the economy. This slogan is false and misleading. It projects an independence struggle for a state which, as we have seen, is already independent. It suggests the existence of tasks of "national liberation" in Canada. It implies that the Canadian bourgeoisie is not really the ruling class in Canada. It distracts from the main challenge before Canadian socialists, to project and lead forward the struggle against the Canadian ruling class.

Other slogans expressing the concept of an "independence" struggle, such as "For an Independent Foreign Policy" and "Nationalize U. S. Monopolies" share the same weakness. "For an Independent Foreign Policy" leaves open the question of what class interests such a policy must serve; a foreign policy "independent" of Washington could still serve the interests of world imperialism (e.g., Sweden, Ceylon, South Africa). Revolutionists must concretize their view of international policy around concepts of solidarity with the colonial revolution, aid to and trade with the workers' states, break with imperialist military pacts, etc., that express a clear anticapitalist content.

Where specific U. S. corporations damage the interests of Canadian workers, through layoffs, shutdowns, oil spills, ecological damage, discrimination against women or against Québécois, etc., we intervene advancing the same slogans and concepts we would use if the corporation concerned were Japanese, French, or Canadian. We have frequently called for the nationalization of specific corporations of various nationalities, without singling out the capitalists of any nationality for prime attention.

The slogan "Break Canada from the U. S. War Machine," occasionally advanced in the antiwar movement, reveals the same weakness. It begs the obvious question: are we opposed to the Canadian war machine? In this it cuts across a clear principled position on the responsibility of the Canadian bourgeoisie in the crimes of imperialism, which has been expressed in the slogan "End Canada's Complicity."

A campaign against "Americanization of the universities" has been launched by some nationalist circles, popularized mainly with evidence that the proportion of foreign-born professors increased during the massive university expansion of the 1960s. Revolutionary socialists have correctly opposed proposals for a quota system on foreign-born professors, pointing out that the nationality of the professors is not the problem, nor is the nationality of the textbooks—the problem is big-business control of the university. They have centered their intervention on the concept of student-faculty-support staff control of the university.

The 1968 resolution on Canada-U. S. relations was published together with a reply to Prof. Robin Matthews on the "Americanization" of the university. This reply opened up with the establishment of an area of agreement: "With U. S. capitalism continuing to expand its influence in the economic structure of Canada it is no

wonder that its influence should find expression in the universities." It continued by identifying U. S. professors, "some of whom are ignorant and contemptuous of Canadian social questions," and Canadian-born professors with a "colonialist mentality," as agents of this process, and then posed the question: "What is to be done about this 'Americanization' of Canadian universities?"

To argue in this manner is to accept the nationalist framework established by our opponents. This framework is wrong and must be challenged. We do not grant that "Americanization" is a correct description of a problem. Nor does the demand for "Canadian studies," advanced by some in the left, contribute in any way to the revolutionary Marxist projection of a university that serves the interests and struggles of the exploited and oppressed, in contrast to the "Canadian studies" now being churned out in the interests of the capitalists.

The culture of any society is the culture of its ruling class. Concepts that Canadian culture is superior to that of the United States, that it is less "violent," less "racist," or less "huckster" than U. S. culture, or that Canada should be protected from the influence of U. S. television, radio, books, and magazines, are widely held in Canada. But such smug self-congratulation has nothing in common with the attitude of revolutionary Marxists. The Canadian bourgeoisie has provided us with some outstanding examples of their capacities in these fields: the official "violence" of the War Measures repression, the virulent racism toward Canada's native peoples; the jingoism of government billboard slogans like "Canada: Stand Together, Understand Together."

29. How do revolutionary socialists combat nationalist illusions in specific struggles relating to Canada's role in world imperialism?

Where specific pacts or agreements between Canadian and U. S. capitalists threaten the interests of Canadian workers, we oppose them, but from an independent class point of view, so that we cut across the lining up of the working class behind the negotiating stance of the Canadian bourgeoisie. We have opposed energy resources deals, for example, on the grounds that they hand over the wealth of energy resources to the pillage and profiteering of the monopolies, rather than utilizing them for the benefit of working people in Canada and in the world as a whole. We have raised the need for planning in the use of scarce resources, and warned of the ecological danger posed by premature and incautious development of these resources. We have called for resources to be developed under public ownership in the framework of a long-range plan drawn up in the interests of the working people. We have not argued that Canadian energy resources should be preserved for Canadian use, or that Canadians must block the theft of "our" resources by foreign interests.

Similarly, we have argued against the proposed Mackenzie Pipeline primarily on the grounds of Native rights, ecology, and the fact that this project is conceived for the profit solely of private corporations.

In many cases of conflicts over "U. S. domination," the class content is minimal, but the opportunity for intervention can still be found. In 1972, for example, a broad range of citizens of Calgary campaigned suc-

cessfully to block the appointment of an American as police chief. This campaign apparently reflected substantial antagonisms between Canadian citizens and the American community in Calgary, thought to have better jobs, higher incomes, etc. We regard such feelings as an expression not of class consciousness, but of nationalist confusion. We explain that there is unfortunately no reason to think that a Canadian-born police chief will be more tolerable than an American. We can however grasp hold of the progressive essence in this issue—the broad popular fear and distrust of police forces that are not subject to democratic control, and raise slogans such as disarming of the police and popular election of the police commission.

30. The fate of the Canadian revolution, like all revolutions, will be decided in the framework of the world class struggle. In particular, the strength of the revolutionary forces in the United States, and the closeness of their ties with the Canadian left, will play a vital role in the Canadian revolution from its earliest stages. The present radicalization in the United States has been an inspiration to wide layers of Canadian radicals, providing them with examples for their struggle, and a broader perspective in which to judge the historical prospects of its outcome. A major function of nationalism in Canada today is to blind Canadians to the potential of the radicalization in the U. S., and to raise barriers to the alliance of Canadian and American workers. Canadian and American revolutionary socialists work to cut across such nationalist prejudices and deepen the ties of the left and the working-class movement in Canada and the United States.

Conclusion

31. The question of Canada-U. S. relations and the influence of Canadian nationalism have confused and disoriented almost the entire Canadian left.

Before the revolutionary vanguard lie tasks of major proportions. We must combat the influence of Canadian nationalism in the working class and the mass movement as a whole. We must actively defend and seek to advance the growing struggle of the Québécois against their national oppression, and educate the working people of English Canada about the common interest they share with the Québécois in struggling against the Canadian state which defends the profits and interests of the Canadian ruling class against the interests of both English- and French-speaking workers.

The revolutionary vanguard must show how the gathering crisis of world imperialism affects Canada. It must demonstrate that the attacks on the conditions of the working people that must inevitably flow from this crisis can be met only through a class-struggle strategy—based on mass struggle around a program of democratic and transitional demands rooted in the objective needs of the working people and their allies, and pointing toward the creation in Canada of a workers' and farmers' government.

It is by expropriating the Canadian bourgeoisie and the establishment of a planned economy to meet the needs of the vast majority, that the crises of imperialism will be ended. The only road forward for Canada is socialism—a socialist Canada in a United Socialist States of North America as part of a socialist world.

2. What ARE the Key Issues in the Canadian Nationalism Dispute?

By John Riddell

reprinted from *LSA/LSO Discussion Bulletin*, No. 39, March 1973

Introduction: The following text is an edited and expanded version of the Political Committee report on "Canada and the Crisis of World Imperialism" given by John Riddell to the Central Committee plenum of January 4-7, 1973. The Central Committee adopted the general line of this report by a vote of 20 in favor, 4 opposed, with 1 abstention. It adopted the general line of the Political Committee resolution, "Canada and the Crisis of World Imperialism," by a vote of 20 in favor, 1 opposed, with 4 abstentions.

Aim of this Report

At the September 1972 plenum of the Central Committee we had an extensive discussion of Canadian nationalism, and of Canadian imperialism's relationship to U.S. and world imperialism. It concluded with two decisions, both of them unanimous. First, we adopted a statement reasserting the long-standing position of the LSA-LSO on the fundamentally reactionary character of Canadian nationalism in its various guises. Second, we instructed the Political Committee to draft a resolution, elaborating the line of the theses on Canadian nationalism drawn up by the Political Bureau and circulated at that plenum, a resolution which was to replace the 1968 resolution, "Canada-U.S. Relations."

This draft resolution, "Canada and the Crisis of World Imperialism," was adopted by an 11 - 2 vote of the Political Committee, and is now before you. The publication of this resolution launched a lively discussion in the Canadian section.

This report will present the PC resolution to the Central Committee for its discussion and for its decision: whether or not to approve the general line of the resolution. You have all read and studied the PC resolution, and I will only summarize its main points. I will then take a look at how it stacks up against the main criticisms which have been leveled against it.

The International Significance of the Discussion

This discussion is of great importance and great value to the education of our cadres. In addition, it is of no little significance for the world movement, for it focuses in on a development which is taking place on a world scale.

The PC resolution begins by putting the Canadian reality in the framework of the world situation. Its first pages describe a key process of modern capitalism: the advancing integration of imperialist capital on world scale. This is seen in the interpenetration of foreign investment, the rise of "multinational" corporations, and by the very rapid increase of interimperialist trade over the past two decades.

Counterposed to these trends, we see the increasing economic competition of the imperialist powers, which use the state power at their disposal to defend the interests of

capitalism in their country against all competitors. We also note the increasing reliance of capitalism on the direct intervention of the national state powers in the class struggle and the economic processes of their respective countries, to guarantee the profits of monopoly capitalism in each country.

The national components of the world bourgeoisie are both partners and competitors. They are partners in defending world capitalist stability against the challenge of the working class, the struggles of the colonial and semicolonial world, and the worst ravages of economic anarchy. Closer partnerships are established within regional trade blocs. Yet each power defends its national interests as best it can, against all its opponents.

What we see today is the aggravation of a fundamental and key contradiction of the capitalist system: between the *international* character of capitalist production, and the *national* limits imposed by the capitalist state structures.

This contradiction is reflected in the shocks and jolts in the world imperialist economy today: Rival trade blocs are formed. Monetary crises explode. Tariff conflicts break out, and protectionist measures are taken by various national economies. Recessions become more pronounced, and take on international dimensions. Impelled forward by these problems, the bourgeoisies of various countries launch sharp attacks on the living standards of the workers in each country.

Canada has not proved immune to the impact of this process.

The popular debate in Canada over its relationship to world imperialism—specifically to U.S. imperialism—is no isolated phenomenon. Parallel debates are underway in other countries, impelled forward by the same underlying processes.

In Australia, where our newspaper *Direct Action* reports 30 percent of corporations to be foreign-owned, our comrades have discussed the same question which faces us: the significance of this foreign investment for the class struggle. Austrian comrades tell us of the impact on Austria of foreign ownership of the bulk of major private capital. The English comrades have been confronted with the challenge of the fight against the Common Market, and of the vast nationalist feelings that came to play in this struggle. In Norway and Denmark important movements developed against the Common Market, with a clear nationalist coloration, and our comrades had to develop a line of intervention. Western European socialists are discussing the significance of growing U.S. ownership in key and strategic economic sectors such as automobiles, computers, etc.

If the debate has developed further in the Canadian section, it is mainly because the process of international interpenetration of monopoly capital has gone further here. Canada has a higher level of foreign ownership of the economy than any other major imperialist power—a level estimated by the Gray Report at 28 percent of assets

of nonagricultural corporations in 1968. Most foreign ownership is by U.S. corporations. Foreign trade is exceptionally important to the Canadian economy, and about 70 percent of this trade is with the United States. Put in different terms, U.S. corporate investment in Canada is about the same size as its investment in all Western Europe, and the U.S. finds in Canada its most important source of imports, and market for exports.

"Canada and the Crisis of World Imperialism" explains how this situation is of capital importance for the Canadian economy and for Canadian political life.

Canadian Nationalism: The History of the Debate

The concept of the progressive character of Canadian nationalism was first put forward a year ago, at a public educational conference of the LSA-LSO held in Toronto on New Year's Eve weekend, at the beginning of 1972.

At that conference, Ross Dowson, Executive Secretary of the League, gave a featured address. In it, he spoke of the upsurge against the Amchitka bomb tests, terming it "a powerful movement of people in the streets, which we have to call nationalist." He continued:

"This Canadian nationalism is progressive, very progressive, and its essential character is progressive right through, just as I would say that Québec nationalism is progressive, revolutionary, right through, and that Black and Chicano nationalism is progressive right through. That's not to identify them. Because of course the Canadian people have a state and political parties, which presumably, constitutionally, electorally, control the state. Some of these other nations—their nationalism flows from their not having state power, aside from the inferior conditions which are sustained by the absence of having state power."

These comments are unedited. They comprise a brief excerpt from a lengthy address, but they grasp its central idea: that a new nationalism had developed in English Canada, which is progressive right through, although it is not identical with the kind of nationalism we see in Québec.

"Nationalism in advanced capitalist countries such as Canada has traditionally been a tool of the ruling class," the 1968 document stated. "In 1939 the banner of national unity was raised in order to gear the nation, specifically the working class, to sacrifice their lives in an imperialist world war. It is now being raised to mobilize English-speaking Canada against the legitimate struggle of the Québécois for their national rights. This bourgeois nationalism stands in the way of a class differentiation in society—in particular, the development of class consciousness amongst the workers and, where the workers are already organized along class lines, is designed to fracture them."

The discussion was slow to develop. The report by Ross Dowson on the Political Resolution, adopted by the April [1972] Central Committee plenum, included the suggestion that we should make a terminological change, substituting the term "Canadian nationalism" where we had previously said "anti-imperialist sentiment." But this proposal received no discussion at the plenum.

The concept of a progressive Canadian nationalism was

taken into our public press in an article in *Labor Challenge* of April 10, 1972. This article, discussing "Canadian unionism," repeated the formulations of the 1968 resolution on the "anti-imperialist sentiment" of a progressive character, but substituted the word "nationalist" where the word "anti-imperialist" had formerly appeared.

In June the concept went into the YS-LJS, and was inserted by the youth leadership into their Political Resolution. This resolution contained the following passage: "The rebellion against the arrogance of imperialism [the Amchitka upsurge—JR] marked the deepening of the nationalist, pro-Canada sentiment of the Canadian masses. As Amchitka showed, this pro-Canada sentiment was directed not in support of the Canadian bourgeoisie but against the brutality of U.S. imperialism. This sentiment has become central to Canadian political life. . . . It is a sentiment that is leading thousands to see the necessity for a struggle to win the control of Canada by the Canadian people, a struggle that is also against the Canadian ruling class which is unwilling and unable to break its ties with its senior partner in Washington." (*YS/LJS Discussion Bulletin*, Vol. 8, No. 1, page 7.)

That same month, the *Young Socialist* carried an article entitled "Which Road to Canadian Independence," which developed elements of a program for a Canadian nationalist movement. After explaining that the struggle against the "Americanization" of the university had to be waged against the Canadian capitalist class, not American professors, it stated:

"Students and faculty have to take the university out of the control of big business to establish a university which serves Canadians.

"The university should serve as an organizing center for the Canadian nationalist movement. During the Amchitka upsurge facilities on many campuses were used by activists in this way."

The LSA/LSO Political Resolution was published in July, and it also identified with this "progressive Canadian nationalism," which, it said, "has nothing in common with the bourgeois nationalism in Canadian history," and "has an anticapitalist thrust." It continued: "Canadian nationalism. . . serves to quicken, animate, and amplify the issues raised by the radicalizing movements and issuing from the class struggle, to generalize their impact, draw in wider forces, and make more militant the struggles. . . ." (*LSA/LSO Discussion Bulletin*, No. 5, p. 20-22).

This resolution, like the resolutions on women's liberation and Québec published in July, were issued in the name of the Central Committee. The text of these resolutions, however, had not been presented either to the Central Committee or the Political Committee for their approval.

On July 6, 1972, the Political Committee had its first discussion on the question of the progressive character of Canadian nationalism, a discussion which took place six months after this concept was first advanced publicly. The PC decided by a majority vote to issue a memorandum justifying our identification with Canadian nationalism. This memorandum launched the debate among Central Committee members. Twenty days later, the Political Committee withdrew the memorandum and reaffirmed our previous position of opposition to Canadian nationalism—a position then endorsed by the September plenum.

Nationalism: The Central Issue of the Discussion

What, then, is the real issue of this debate? The document by Ross Dowson, "The Key Issue at Dispute in Canada-U.S. Relations," (*Bulletin* No. 25) poses it as follows: "Is Canada becoming economically integrated with the United States, or is it not? This is a key question." The document's title implies that it must be considered *the* key question. But comrades Dowson and Lomas summed up the main issue, as they see it, very clearly in their statement to the Political Committee dated November 14, 1972. This statement, written eleven months after the Canadian nationalist thesis was first propounded, summarizes this thesis in three brief paragraphs.

"While Canada has an advanced capitalist economy with a strong capitalist class in state power, and is imperialist, Canada is rapidly approaching economic integration with the United States.

"While we do not consider that this fact projects any general national tasks, with respect to English Canada, alliances of any kind with the Canadian capitalist class or any part of them (the enemy is in our own country), we think that this economic integration of Canada with the most powerful imperialist power in the world will extend and deepen responses within the ranks of the working class, which we have characterized as anti-U.S.-imperialist and which we should now call nationalist—a nationalism which has been developing to an anticapitalist consciousness.

"It is not reactionary. It is not opposed in its general thrust to Québec nationalism, for instance. We must identify with it in order to understand politics in Canada and in order to effectively propagandize our revolutionary socialist views and build the Trotskyist party."

The key issue, as these comrades see it, is clear: Economic integration with the U.S. has produced a Canadian nationalism which is progressive, and which we must identify with.

Later, in his previously mentioned document, Comrade Dowson cautions us that "it is not correct to barge into the question of nationalism in Canada." Well, we're into it. We've been into it for 12 months. There's no evading giving clear answers to it. The key question before the movement is to reaffirm at the coming convention our long-standing position of opposition to Canadian nationalism.

What do we mean by "nationalism"? The term has not been defined by those who support the Canadian nationalist thesis. But it is defined by the Political Committee in its resolution as follows: "In general terms, nationalism is an identification with the integrity, independence, values, culture, or language of the nation; the belief that the nation as a whole has common problems, goals, or tasks; and the concept that a common struggle or process of common endeavor in pursuit of these goals is called for." That's a general definition that applies to progressive or reactionary nationalism; nationalism of any form. How does this apply to Canada, particularly to the anti-U.S. variety of Canadian nationalism which comrades Dowson and Lomas consider progressive? This nationalism of an anti-U.S. variety, with which we are called on to identify, can only mean pro-Canadianism, the promotion of a Canadian identity, patriotism, the sense of having a common problem; U.S. domination, U.S. control of the

Canadian economy, culture, government, society, the problem of the weight of U.S. investment, of U.S. culture, and the need for a common struggle, a common endeavor for Canadian independence, Canadian sovereignty, to defend Canadian culture, etc.

The key question is *not* whether we should be *sensitive* to the nationalist sentiments that Canadian workers may have. All of us are for sensitivity—for accurate estimations of the moods of the masses, alertness to shifting moods, adroitness in intervention, ability to sniff out the progressive essence, the justified grievances, that can find expression cloaked behind reactionary concepts like nationalism. Such sensitivity goes hand in hand with resolute opposition to concepts like Canadian nationalism, which, as the 1968 resolution puts it, blunt the cutting edge of the class struggle.

Comrades Dowson and Lomas tell us we must *identify* with Canadian nationalism. In plain English, this means "making ourselves one with" nationalism—supporting and promoting it. It means that we, as Trotskyists, should hold that the Canadian people have common problems and common tasks and that we support their nationalist aspirations.

Coming to grips with this thesis is the main issue before us:

The Main Ideas of the Political Committee Resolution

The resolution "Canada and the Crisis of World Imperialism" makes four central points in coming to grips with the questions posed by Canadian nationalism. Here is a summary of these points, which constitute the core of the line of the document.

1. While a considerable degree of integration has taken place between the Canadian and the United States economies, particularly in respect to trade and investment, this process has not altered the fundamental character of Canadian capitalism or the Canadian state. This character can be summarized in three propositions:

a) The Canadian ruling class is an imperialist bourgeoisie, with highly monopolized holdings concentrated in Canada.

b) This ruling class is in control of the Canadian state, a highly centralized and efficient mechanism for the defense of its class interests.

c) The Canadian bourgeoisie has its own national interests, distinct from those of the U.S. and other bourgeoisies, and utilizes the Canadian state as an instrument to defend them. Its national interests include defending the interests of Canadian capitalism against its imperialist competitors.

2. National consciousness has a progressive character only where it promotes the struggle against real aspects of national oppression suffered by a people. In other words, national consciousness is progressive where it corresponds to real national tasks (winning of national independence, establishment of national language, etc.), tasks left unachieved by the bourgeois revolution, and which can now be achieved in their totality only through socialist revolution.

In imperialist nations, because they suffer no national oppression, nationalism can only play a fundamentally reactionary role, blunting the cutting edge of the class struggle. This has been and remains the case for Canada. The bourgeoisie can employ nationalist demagoguery of an

anti-U.S. variety in support of its negotiating positions in its conflicts with U.S. imperialism, to rally workers to its class-collaborationist line (as for example in the event of the imposition of wage controls), to help head off developing class consciousness and fracture the organization of workers along class lines.

3. Our starting point in developing a program for the Canadian revolution is the objective situation, the objective needs of the masses. On this basis, we put forward transitional demands, "stemming from today's conditions and today's consciousness of wide layers of the working class and unalterably leading to one final conclusion: the conquest of power by the proletariat." (The Transitional Program)

Our program and our intervention cannot be founded on the desire to identify with the sentiments and aspirations of the masses, except insofar as these correspond to the real objective needs of the working class and its allies.

If no "national tasks" exist in English Canada, that is if English Canadian nationalism does not correspond to any objective needs of the working class and its allies, then no basis exists for an English Canadian nationalism of a progressive character, which Trotskyists would "identify with" or support.

4. We must intervene effectively and adroitly in the debate and ferment around the question of U.S. investment, Canadian independence, "U.S. domination." We do so along these lines:

a) We defend the real class interests of working people. Where workers have national illusions, or voice their social indignation in a nationalist form, we do not identify with the nationalism of the workers, but with the real class interests which underly their reactions.

b) We put forward a class struggle program, aimed at showing workers in life that the enemy is at home—the Canadian ruling class—and to lead and direct their struggle against this ruling class.

c) We oppose Canadian nationalism, including the anti-U.S. expression which I defined before—patriotism, the concept that Canadians should unite against U.S. domination, the concept that Canadians should struggle together for Canadian independence, defend Canadian culture, build a Canadian identity. We combat nationalist illusions in the working class.

What the Debate is Not About

One of the particular values of this debate is that it directs our attention to the realities of Canada today, and impels us to deepen our understanding of the Canadian economy and social structure. The debate has raised many important questions, questions which merit serious study, but which do not form part of the central core of basic issues on which the membership must take a stand, and which therefore have a secondary character in the present debate.

1. This debate is not about a difference in the assessment of the strength of the Canadian bourgeoisie, or the extent of its holdings. Such a consideration is relevant to the nationalism debate only insofar as it might indicate that a *qualitative change* has taken place in the character of the Canadian ruling class—for example, through its absorption by U.S. capitalism.

While study on the relative strength and holdings of the Canadian bourgeoisie vis-a-vis other national bourgeoisies is of great importance, its bearing on the main issues at

stake is unclear. Comrades are called on to vote not on conflicting sets of statistics, but on conflicting political lines dealing with our program and intervention.

2. This debate is not about whether a process of interpenetration of the Canadian and U.S. economies is underway. All participants in the debate agree that this is the case. Nor does it concern the precise degree to which this interpenetration has proceeded—although this question is important to an assessment, for example, of the prospects of the Canadian capitalist economy. To repeat, only if a qualitative change has taken place in the character of the Canadian state and ruling class—e.g., its transformation into a semicolonial—can such considerations be relevant to the nationalism debate.

3. This debate is not about just how much Canadian workers suffer from the weak position of Canadian imperialism or, if you prefer, the dominant position of U.S. and other major imperialist powers. The Political Committee resolution has much to say on this theme. Its purpose is not to pose for a vote a series of points of economic theory but to demonstrate the method we must use to go about investigating the *real* impact on workers of U.S. investment in Canada, and the strength of U.S. imperialism in general.

4. This debate is not about whether there has been a wave of nationalist sentiment in English Canada in the last few years. That fact is obvious to all. The debate is not about whether this nationalism can have "progressive aspects," in the sense that it can be the form in which genuine working class grievances can find twisted expression. That, too, is clear to all. The precise extent of these nationalist aspirations is certainly a question deserving study, but is not the point at issue either.

5. This debate is not about whether those who have nationalist illusions are necessarily right-wing. Nationalism, the ideology of the ruling class, is the dominant ideology of the entire society, and is generally the dominant view in the left. Many nationalists will surely move to the left, towards revolutionary conclusions. The question is whether *nationalism*, the body of ideas, helps this process or stands in the way; whether nationalism should form part of the body of ideas which we as Trotskyists in English Canada support or identify with.

The key issue is the character of English Canadian nationalism, an issue clearly posed by the juxtaposition of the capsulized statement by comrades Dowson and Lomas, already quoted, and of the main line of the Political Committee resolution, which I have summarized in this report.

A correct position on Canadian nationalism must be deduced by applying the fundamental concepts of Marxism to the concrete objective reality of Canadian society—the solid facts about the character of Canadian capitalism and Canadian class relationships. A Marxist analysis is based on the facts. But it does not end there.

An accumulation of data about the Canadian economy can only make the case for a progressive Canadian nationalism if it is related to the fundamental Marxist concepts on this question, and if it is shown that some qualitative change has taken place relative to these fundamental concepts. And while many significant questions, such as those enumerated above, have been raised in this debate, it is the Canadian nationalism dispute which constitutes the main and urgent question before us.

Comrade Dowson's Criticisms:

"A False, Disembodied Internationalism"

Comrade Ross Dowson's document, "A Step Backward Instead of Forward," (*Bulletin*, No. 18), summarizes his criticisms of the Political Committee resolution. We will now examine his main points, to see how the Political Committee resolution stacks up against the criticisms.

His first major point attacks what would appear to be one of the Political Committee resolution's chief merits: its firm grounding in the realities of the international development of imperialism. Comrade Dowson terms the initial section of the Political Committee resolution, which deals with this, "a false internationalism, abstract and disembodied." But he does not express a word of criticism of the *content* of this section. There's no indication why he believes the internationalism to be "abstract" and "false."

Comrade Dowson tells us that "the document fails to grasp that while abstract considerations of international solidarity can set in motion the top branches, the students, the intellectuals, the trunk of the tree has to be shaken, the masses themselves have to be set in motion."

International solidarity is more than an "abstract consideration" and affects more than "students, intellectuals." But "Canada and the Crisis of World Imperialism" does not discuss questions of solidarity. Its position is that you cannot understand the reality of the Canadian class struggle except by first placing it in the world context, assessing the world trends and their impact on Canada. To start by ignoring the world context, or by claiming without rigorous proof that Canada is an exception to the world trends, would lead certainly to false conclusions.

Is the Political Committee Revising Our Understanding of U.S. Imperialism's Role?

Points 2 and 3 of Comrade Dowson's critique accuse the Political Committee of "revising our basic understanding of the role of U.S. imperialism—the dominant and overriding power both on the world scale and in relationship to all other imperialist powers."

Comrade Dowson will have to spell out this concept of the role of U.S. imperialism, so we can see if there's a difference here. The Political Committee resolution states its disagreement with the view of the 1968 resolution, which sees all other imperialist powers, from Canada to Japan to West Germany, as "weak, declining, subservient, compliant junior partners of Wall Street." That view is wrong, and has been amply proven wrong by events of the past years. Comrade Dowson has said that some parts of the 1968 resolution need updating; he might specify whether he agrees this is one of them.

His critique continues by quoting Trotsky in 1928 to the effect that U.S. imperialism tries to solve its economic problems at the expense of other imperialist powers—a statement which, we all will agree, continues to hold true today. The quotation thus merely buttresses the thesis of the Political Committee resolution.

Comrade Dowson then quotes the Political Committee resolution as follows:

"The history of imperialism shows a constantly shifting balance of forces, in which the second rank power of yesterday frequently surges forward to catch up and bypass its earlier developed neighbor. The law of uneven development undermines in turn each supreme imperialist

power. Any prediction based on the assumption that the inter-imperialist balance of forces will not change will surely prove erroneous." ("Canada and the Crisis of World Imperialism")

Comrade Dowson says this passage "defies all economic reality." In fact, it does no more than describe a very obvious reality: The balance of forces among imperialist powers is constantly shifting, and over the last decade has weakened the relative position of the U.S. American hegemony has not been eliminated, and is not going to be in the foreseeable future. But there is a shifting balance of forces. Without doubt, it is an example of the law of uneven development applied to the imperialist world system. If imperialism were to enjoy an unlimited future development, uninterrupted by socialist revolution, it is not excluded that U.S. hegemony could be ended at some point—but this is hardly our prognosis.

Of course, no imperialist bourgeoisie can hope to displace the preeminence of U.S. imperialism today. All of them, however, strive to shift the relationship of forces in their favor—however gradually. Nationalism is an ideological weapon of the imperialist powers in enlisting the workers of their country to support measures required for this competitive struggle.

Is Canada "Imperialized"?

Comrade Dowson's fourth point condemns the Political Committee resolution for its "refusal to recognize that U.S. capitalism's relationship to Canada is that of an imperialist power," that Canada is "an imperialized imperialism," that the relationship of the U.S. to English Canada is imperialist, just like its relationship to Québec.

The relationship of the U.S. to both Québec and English Canada can be said to be "imperialist"—but in quite different ways. One is the relationship of an imperialist power to an oppressed nation; the other is the relationship of an imperialist power to another imperialist power. These are two qualitatively different relationships and should not be confused.

What does it mean to say that Canada is an "imperialized imperialism." The term must be defined, and explained. Does U.S. imperialism "imperialize" England, too? Argentina? Is Canada the only country in the world to which the term applies? If so, what does the term mean?

What does it mean to say, as Comrade Dowson has said, that the relationship of U.S. imperialism to Canada is exploitative? (*Labor Challenge*, May 8, 1972) We all know that U.S. imperialism exploits Canadian workers. But does it exploit Canada, as a nation? Is U.S. imperialism strangling the Canadian economy, distorting it, forcing it into a semicolonial mould, after the pattern of Brazil or Argentina? What evidence is there of this?

Comrade Dowson asks whether the U.S. corporations are "imperialist" in English Canada, as they are in Québec. Of course they are. They are imperialist in their operations in the United States, too. Imperialism does not mean simply foreign investment. The word Imperialism describes the character of capitalism today: monopoly capitalism, the highest stage of capitalism. Canadian capitalism would be imperialist even if it had little investment outside Canada's borders, because of the monopoly capitalist character of the Canadian ruling class.

What, then, is the character of Canada's relationship to

the United States? We must start with the difference between imperialist countries, and the colonial and semicolonial world. We all believe Canada is an imperialist country. This means that the U.S.'s relationship to Canada is *different* from its relationship to Québec or Brazil or Ghana or Iran.

How Canada Differs From Semicolonies

In the colonial and semicolonial world, imperialist domination has blocked the completion of the bourgeois-democratic revolution: the freeing of the country from foreign control, the creation of a unified national market, the establishment of a centralized state controlled by the ruling class of that nation, etc. Imperialist domination has blocked the establishment of the political and social and economic preconditions for the development of the local economy, the carrying through of industrialization. The result is economic backwardness, superexploitation. In such a situation, foreign investment is an agency of imperialist domination.

None of this is true in the relationship among imperialist countries. There, the bourgeoisie in each country has presided over the achievement of the basic "national" tasks of its bourgeois revolution. It controls a state power; industrialization has preceded apace, and foreign investment, far from being part of the mechanism which blocks economic development, is integrated into the framework of a highly developed capitalist economy.

This, in brief summary form, is the essence of the difference.

Of course, within the imperialist sector, monopolies take advantage of wage gaps to invest where wages are low and profits are high. Imperialist powers seize every opportunity to rob, plunder, and defraud their weaker counterparts. When a weaker imperialist power like Canada has dealings with a stronger power like the U.S., there's no mystery about who winds up with the short end of the stick. The working class, of course, is always called on to shoulder the costs of its ruling class's misfortunes.

Yet all this is different from the pattern in colonial and semicolonial countries, where the local bourgeoisie typically cannot use state power to defend its particular interests in any decisive confrontation with imperialism, and where foreign investment and foreign domination distort the economy qualitatively and produce the chronic backwardness of the countries of the colonial world.

Does "imperialized" mean that such a relationship exists between Canada and the U.S.? No? Then, what does it mean?

Where Do the Interests of the Working Class Lie?

Comrade Dowson's critique pours scorn on the attempt of the Political Committee to ascertain the impact of U.S. corporate ownership in the working class, saying the Political Committee is playing a "plus and minus game as to whether the Canadian working class suffers or actually benefits. . . ." ("A Step Backwards. . ."). In fact the Political Committee holds only that in order to defend the class interests of the workers, we must find out where their interests lie, and what are the real ways in which these interests are attacked by capitalism.

We often talk of movements, demands, with a radical dynamic. Why? Because these movements, these demands,

grow out of a real oppression, a real exploitation which capitalism cannot end. The oppression of women is real, and it cannot be ended under capitalism. That's what gives women's liberation its radical dynamic, its anticapitalist thrust.

In Québec there is a real national oppression, which weighs on the life of every Québécois. The rise of Québec nationalist consciousness is progressive because it promotes the struggle against that oppression, the struggle to complete tasks of national liberation which can no longer be accomplished under capitalism.

But if the illness is imaginary, the cure can be imaginary too. Where there is no national oppression, nationalist consciousness places no demands which cannot be met within the framework of capitalism, and met largely through the use of procapitalist demagoguery: It is not true, that "any nation that feels oppressed, is oppressed." Many Israelis today think that the source of their dilemma is the hostility of the Arab world. They are wrong—just as were the German workers in the 1930s who felt the source of their problems was the Jews. Where nationalism does not relate to the struggle against real national oppression, it is readily coopted and utilized by the ruling class.

Comrades Dowson and Lomas state that Canada's relationship to the U.S. "does not project any kind of national task for Canada." If this is true, if there is no basis for a progressive national struggle, national-liberation movement, then we need go no further—the ideology that promotes a struggle for national tasks, national liberation, will not be progressive.

The Political Committee resolution rejects the concept of a progressive nationalism for an imperialist country like Canada. But it states that very real class interests of the workers often lie behind their nationalist sentiments—class interests which we can identify with and develop. But what are these interests? It's not sufficient to merely declare that U.S. investment is the problem—that in this sense U.S. bosses are more injurious to Canadian workers than Canadian bosses. This proposition must be proved—and we're waiting to see the proof.

There are many economic problems in Canada which flow from its relationship to world imperialism. The Political Committee resolution discusses them: Canada's dependency on world trade, on resource exports, its relative weakness vis-à-vis the U. S., the wage gap between Canada and the U.S., the ways in which the Canadian economy is less well balanced than, say, the American or German. But the source of these problems is not foreign investment, but monopoly capitalism: the shape and structure of the imperialist world market. And if that is the truth, then that is what we must explain.

When Have Marxists Supported Nationalism of Imperialist Countries?

The sixth point of Comrade Dowson's critique launches a search for a basis in Marxism to support the nationalism of an imperialist country.

Quotations from an article by Lenin on Russian national pride are used to imply that Lenin supported some kind of Russian nationalism. I hope comrades will read Lenin's entire article; they will see that there is no truth to this interpretation.

What Lenin attempts to do is what we have done on

occasion in popular talks about socialism. I would call it the "Two Canadas" speech. This line of argument can be said to have a kind of "national pride" in it—but of a distinct antinationalist character. It might go roughly as follows:

"We are proud of this country, of its beautiful rivers, forests, its mighty industry which Canadian workers have created, and with the long record of heroic struggle by Canadian workers, with the heroes and martyrs of this struggle. But there are two Canadas. The other Canada is that of the exploiters, the tiny minority which pillages this country for their private profit, etc. Our aim is to take the power, take control of the industries, so this Canada will be ours." This is an antinationalist speech.

To say that we identify with Canada, *one* Canada, and defend it against foreign domination; that is different, that is nationalist.

In his article on Russian national pride, Lenin was giving the "Two Russias" speech to Russian workers influenced by patriotism at the outset of World War One. He never identified with the anti-German-imperialist and nationalist sentiments of the Russian masses.

Comrade Dowson also quotes a passage of the Transitional Program, which stands in fact as a very eloquent defense of the method of the Political Committee resolution, "Canada and the Crisis of World Imperialism." In this passage, quoted in Comrade Dowson's document, Trotsky explains that when you see a worker or small farmer who is a patriot and wants to defend the fatherland, you must ask: "What is he really worried about? What are the class interests he's really trying to defend?" Isn't the problem really that he's worried his home will be destroyed, his family will be killed by a war, whose source, he falsely believes, is foreign imperialism? Shouldn't we try to identify with the class interests, that progressive kernel in his thinking, and point out on this basis that patriotism is not the answer, that nationalism is wrong, and that he must struggle against his own ruling class?

This is the method the Political Committee resolution applies, for example, in the famous "case of the Calgary Cop." There was wide protest in Calgary last year against the appointment of an American as police chief—[the protestors argued] that the answer was to hire a Canadian. They are wrong and we should say so. Such sentiments are not progressive; they lead to dead-end chauvinism. In such a situation we can intervene around class concepts, talking of the need for democratic control of the police force, and using this to link up with the rational kernel in the protest, the fear of arbitrary and brutal police forces, in order to combat its nationalist form.

Does the Canadian Bourgeoisie Have State Power?

Comrade Dowson's fifth point in "A Step Backwards Instead of Forward," undermines our long-standing concept of the character of the Canadian state, the concept that the Canadian bourgeoisie controls this state.

The Political Committee resolution states, as we have outlined, that (1) a Canadian bourgeoisie of an imperialist character exists; (2) it controls the Canadian state, and (3) it utilizes state power to defend, as best it can, its national interest. Comrade Dowson has not made clear where he stands on these points. But his arguments tend to imply

they are not correct. And indeed, if these three propositions are correct, it is hard to see how Canadian nationalism could have a progressive character.

"The formalistic question, 'Does the Canadian capitalist class or the U.S. capitalist class rule Canada?'", Comrade Dowson tells us, "invites the formalistic reply that the U.S. capitalist class rules Canada." ("A Step Backward Instead of Forward") Without explaining this enigmatic formula, he continues that "there are no longer policies that the Canadian capitalist class can pursue that can take it into real conflict with the U.S. ruling class," that their relationship is "not without conflicts," but is a "mutually agreeable relationship." Conflicts exist, but no "real" conflicts can arise. What are we to make of this? The unspoken thesis is that conflicts are not "real" enough to permit the Canadian bourgeoisie to use nationalist demagoguery, for example, to mobilize support for its negotiating stance. This thesis stands in complete contradiction to the reality of Canadian politics today.

Comrade Dowson argues at length to prove the relative weakness of the Canadian state. Canada has no army of any consequence, we are told. It is in effect "an occupied country, occupied by the army and air force of U.S. imperialism." Is this intended to imply that Canada today is in a situation similar to France during its occupation by Germany (1940-44), when the power of the French state was a fiction? Or is Canada to be compared rather with Japan today, a country "occupied" by the U.S. army, and possessing only a tiny army?

Of course the Canadian bourgeoisie is weak compared to its U.S. counterpart. It can be said to possess less control of the highly trade-oriented Canadian economy than the U.S. bourgeoisie possesses over its much larger and less trade-dependent economy. In my opinion, however, the image of the enfeebled Canadian bourgeoisie presented by Comrade Dowson is exaggerated, and out of line with reality. But more important, even if his views regarding the Canadian bourgeoisie's relative weakness, were correct in their totality, they would not alter the facts of this bourgeoisie's control of the state, or ability to use state power to defend its particular interest; they would not make the case for Canadian nationalism.

Comrade Dowson argues that the Political Committee's analysis detaches the state from its roots in the Canadian economy. Discussion on this point would be aided if he would advance *his* conception of the character of the Canadian state, so that the differing conceptions could be tested against the facts. But while we lack information about Comrade Dowson's position, we can examine a proposition he appears to advance, that as U.S. investment rises toward some undefined qualitative turning point (50 percent of the economy? 75 percent?), some qualitative change in the character of the state will take place. Once this watershed is passed, it would seem, the Canadian state will act consistently in the interests of U.S. imperialism. Where their interests diverge, it will defend those of the U.S. rather than the Canadian bourgeoisie.

Comrade Dowson is absolutely correct to point out that control of the state cannot be divorced from control of the economy. The bourgeoisie's grip on state power is interlocked with its possession of a massive economic power base. In semicolonial countries, imperialist economic domination leads typically to a subservience of the state to the interests of foreign capital, in any decisive conflict with those of the "national" bourgeoisie.

Is such a situation arising in Canada? No evidence exists that this is so. There is no pattern of the decisions of Canadian government cutting against the interests of Canadian capital to favor those of foreign investors. Nor is it easy to see how the Canadian bourgeoisie would lose state power. It controls a massive block of capital; its state has massive means of self-defense.

Nor is it clear why Washington would wish to seize control of the instruments of power in Ottawa. In fact, it clearly regards the integrity, strength, and solidity of the Canadian state, and its firm control by the Canadian bourgeoisie as a bulwark against revolution in this continent. It is in the interests of Washington to respect the Canadian bourgeoisie's control of its own state, even if this means accepting the problems, the aggravations and frictions that result from Ottawa's defense of particularly Canadian capitalist interests.

In fact, no example has been produced where an imperialist country has been reduced to the status of a semicolon (although some cases of conquest and wartime occupation have special features). No example has been produced where an imperialist bourgeoisie has lost control of state power, except through war or revolution. No example has been produced of the absorption of an imperialist bourgeoisie by a stronger neighbor.

The reasons are clear. Imperialist bourgeoisies rest on economic holdings which are not only qualitatively more massive, but of a different type than those of semicolonial bourgeoisies—holdings rooted in the monopolized, highly profitable sectors of the world imperialist economy. They control state powers which are not new, unstable, or undeveloped, but which possess massive means of self-defense. And the conflicts among them are of a fundamentally different character from those which divide them from semicolonial bourgeoisies with "national" aspirations. Imperialist economies can absorb massive quantities of foreign investment without being deformed or colonized; this reflects the fundamental differences in their economies and social structures.

These concepts do not exclude borderline cases and exceptional circumstances, but rather provides a Marxist framework for their analysis. It is the framework we must apply to Canada today.

The Hypothesis of "Economic Integration"

The view of Comrades Dowson and Lomas that Canadian nationalism is progressive rests on their assertion that "Canada is rapidly approaching economic integration with the United States." This fact, they state, will "extend and deepen responses within the ranks of the working class. . . which we should now call nationalist, a nationalism which has been developing to an anticapitalist consciousness." ("A Step Backward Instead of Forward.")

Comrade Dowson is presenting substantial material to back up this thesis of "economic integration". This kind of research is of obvious value to the movement, and can bring us valuable new insights into the nature of the Canadian economy. Many supporters of the Political Committee resolution may feel he is overstating his case, and distorting reality. But this is not the main issue before us.

The question is, what has this mass of data on

"economic integration" got to do with the debate on Canadian nationalism?

"Canada and the Crisis of World Imperialism" also describes a process of growing international interpenetration of trade and investment, particularly pronounced between Canada and the United States. The Political Committee holds that this process is one of the elements in growing contradictions in world imperialism, contradictions whose effects are felt in attacks against the living standards of the working class.

What is the difference between the process of "economic integration" described by Comrades Dowson and Lomas, and the process described by the Political Committee?

It cannot be merely that in the view of comrades Dowson and Lomas, the process has gone further. No, in their view, the process has passed some qualitative turning point, and has now gone so far as to render Canadian nationalism progressive. What is this turning point? At this point the Dowson-Lomas argument dissolves in mists of confusion.

They offer no definition of "economic integration" which might serve to differentiate the process described between Canada and the United States from the process underway among other capitalist powers. They offer not one word of explanation of why or how "economic integration" has changed the character of Canadian nationalism. Any concrete discussion of the material they have put forward is rendered impossible, because the framework of the discussion is not defined.

In view of this, we can do no better than suggest some possible lines of argument which comrades Dowson and Lomas might be considering.

Do they believe that the Canadian bourgeoisie and state have been absorbed by U.S. imperialism, that an integrated continental bourgeoisie has developed, that Ottawa is a puppet state of this bourgeoisie? Does this mean that a struggle for self-determination is in order so that Canada can regain its lost independence?

Do they believe that Canada has been colonized, that it is becoming a semicolony of U.S. imperialism? This is the line of argument suggested by quotations they have drawn from Ernest Mandel. In this case, Canada would join the other semicolonial peoples, from the Iranians and the Chileans to the Nigerians, fighting for liberation from the economic shackles of imperialism.

Do they believe that "economic integration" threatens the livelihood or the material interests of Canadian workers so profoundly that the Canadian working class should struggle for economic independence, fight integration, and combat continentalism?

Do they believe that the Canadian bourgeoisie has been enfeebled or in some way pensioned off in the course of this process, so that it either has no national interests left to defend, or is incapable of taking any actions to defend them? In the first case, it would be the first national bourgeoisie without national interests. In the second, it would be the first time a national bourgeoisie had not used its state power to defend itself.

Elements of the documents of comrades Dowson and Lomas appear to sustain each of these four theories. Other elements of their argumentation appear to deny them. Yet these questions must be answered before the discussion of economic integration can get underway.

What is meant by "economic integration"? What does it have to do with a progressive Canadian nationalism?

The Views of Comrade Mandel

Comrade Dowson has presented several comments by Ernest Mandel on the relationship of Canadian and U.S. imperialism. (see "A Step Backward Instead of Forward") The thrust of these comments by Mandel is that Canada is on the road to becoming a semicolony, or is about to embark on that road, and that, further, Canada can be characterized as an "imperialized imperialism."

I am not aware if Comrade Mandel has done a special study of Canada, and if so, what his conclusions might be. I do not know whether his comments have a speculative, tentative character. He does not define his use of the now-famous term "imperialized imperialism."

The concept that Canada is on the road to becoming a semicolony does not square with reality, and does not appear to be held at this time by any of the participants in the debate in the Canadian section.

It is therefore not clear what assistance these quotations can be in the resolution of the dispute before us.

How Many Nationalisms?

Although comrades Dowson and Lomas base their case on the progressive character of Canadian nationalism, they do not clearly define what the nature of this nationalism is. At the same time, they refer to another kind of nationalism, "bourgeois nationalism," which they consider reactionary. This raises many questions.

Are there two separate nationalisms, one bourgeois and the other nonbourgeois, one reactionary and one progressive? Or is Canadian nationalism contradictory, with two separate and opposed sides? Or is there a separate "nationalism" corresponding to each social class or layer, whose character is determined by the class origin of the individual who gives it expression? How do we differentiate the nationalism we are to regard as "progressive" from that which is "reactionary." What is the nationalism, for example, of Walter Gordon—equal parts of both?

The "two nationalisms" approach contrasts strongly with the method we have hitherto employed. We have never spoken, for example, of "two nationalisms" of opposite character in Québec; we have analyzed national consciousness as a whole, and then examined the different expressions it is given by each social class.

"Canada and the Crisis of World Imperialism" makes the following comment on this point: "Nationalism receives different expressions by different social classes, as each strives to infuse it with its own objectives. But this does not mean that several distinct 'nationalisms' coexist, one for each major social class. The pursuit of national goals by elements of every social class will have a common point of reference: the situation of the nation as a whole and the tasks that flow from this."

Comrade Lomas's Theory of Nationalism

In Bulletin No. 21, Comrade Lomas begins a "Contribution on Nationalism," aimed at providing the theoretical underpinnings for the theory of a progressive Canadian nationalism.

The document opens with extensive quotations from a book by Hans Kohn, who is referred to as an academic, and as a philosophic idealist. Comrade Lomas explains that "Unfortunately our research has not uncovered any

comprehensive study of the questions from a Marxist standpoint . . . Many of Hans Kohn's observations pull together what various Marxists have said in various places. . . ."

The quotations which follow present a view of the rise of nationalism which has few points of contact with Marxist theory. Kohn makes no reference to the development of bourgeois production, the rise of the bourgeois class, its struggle for a unified national market, the class struggle which unfolded around national demands, or the bourgeois revolution. Unless Comrade Lomas' quotations do him a disservice, Kohn holds a non-Marxist theory of nationalism—an idealist theory. If we want the theory of Marxism, we must look to the Marxist thinkers.

The references to Marx, Engels, Lenin and Trotsky which follow in Lomas' document have a common theme: They are presented in an attempt to prove that there are no general objective criteria that we can use in assessing nationalism. In this sense, the Lomas document cuts across the fundamental thrust of Marxist thinking on nationalism.

Marxism—A Materialist Approach to the National Question

Marxism has a distinctively materialist view of nationalism, of its origins, its character. It originated in the historically progressive struggle of the rising bourgeoisie to establish independent and unified national states. In imperialist countries these "national tasks" of the bourgeois revolution were accomplished long ago at least for the dominant nationality. For these nations today, nationalist concepts of unity of the nation, of common struggles for common goals, do not correspond to any progressive national tasks, and nationalism subsists as the ideology of the ruling class, of class collaboration.

Matters stand differently where the expansion of imperialism has cut off completion of the bourgeois-democratic revolution and has subjugated, oppressed, and colonized nationalities. Not only do national tasks of a progressive character remain to be accomplished here, but they can be accomplished in their totality only through the victory of a socialist revolution. In such situations, national consciousness can be progressive in character, because it stimulates and propels forward the struggle for national liberation.

The dynamic of national consciousness can be opposite to its initial expressions. The outbreak of World War I saw a massive wave of nationalism among workers across Europe, who were convinced that their nation's victory was essential to defend the gains they had won through the class struggle. The invasion of Ethiopia by Italy resulted in a nationalist wave of support among the Ethiopian oppressed for their feudal Emperor, Haile Selassie. Yet we analyze national consciousness as reactionary in the first case and progressive in the second.

Why? Because the Marxist view of nationalism is not founded on the prevailing sentiments of the masses, but on the objective situation of the nation.

By attempting to develop a theory of nationalism dissociated from these materialist criteria, Comrade Lomas would unhinge our analysis of nationalism not only in English Canada, but in Québec and around the world.

From the point of view of Marxist theory, of course, the

concept of a progressive Canadian nationalism faces a substantial problem. Never have Marxists held the nationalism of an imperialist nation to be progressive. Proving the progressive character of Canadian nationalism is a theoretical task of unique difficulty, to say the least. It is all the more necessary to guard scrupulously the Marxist method as we proceed with this analysis.

The 1968 Resolution on Canada-U.S. Relations

Some attempts have been made to claim that our 1968 resolution held a position of support for Canadian nationalism. The passages I quoted earlier show conclusively that there is no truth in this position.

In the debate in the LSA-LSO prior to the adoption of this resolution in 1968, both sides agreed on one point: opposition to nationalism. This is why supporters of the 1968 resolution said at the time, "Do not burden us with an antinationalist campaign"; no one in the movement held a pronationalist position.

Both sides in the present dispute trace back their positions to aspects of the 1968 resolution: for the Political Committee, its antinationalism; for comrades Dowson and Lomas, its support of the "anti-imperialist sentiment." Both sides however have developed positions going far beyond this resolution, and differing from it on key points.

It would be helpful if comrades Dowson and Lomas would make a critical evaluation of this document from their point of view. Such an evaluation is contained in the Political Committee resolution.

The Political Committee believes that the concept of the "elemental anti-imperialist sentiment with the anticapitalist thrust," put forward in the 1968 resolution, proved sterile. It led to no programmatic conclusions, no indications for our intervention. It told us only to be "sensitive" to a phenomenon which was never adequately defined. In practice, this unclarity proved dangerous; for many it began to undercut the other main position of the 1968 resolution—its opposition to Canadian nationalism.

What was the "anti-imperialist sentiment"? Opposition to imperialism as a system? That, surely, is progressive. But the 1968 document referred exclusively to American imperialism. So the formula was altered to read "anti-U.S. imperialism." This in turn proved imprecise. Did we hold that opposition to every manifestation of U.S. influence in Canada was progressive—opposition to U.S. textbooks to U.S. professors, to U.S. TV programs? If so, the formula would more accurately read "anti-U.S.ism." Does such elemental anti-American feeling have an anticapitalist thrust? If *all* opposition to U.S. influence in Canada was progressive, then surely pro-Canadianism would be progressive too. This is the path of reasoning that led some comrades from the 1968 resolution to the concept of a progressive "nationalism."

The problem was reflected in the Waffle experience. The 1968 resolution indicated, at first glance, that we should identify with the Waffle's anti-imperialism and criticize its nationalism. As a general formula, this was absolutely correct. But the 1968 resolution defined "anti-imperialism" so loosely that it seemed to embrace every form of anti-American sentiment. Such a definition made the distinction between "anti-imperialism" and "nationalism" very unclear. The result was that we were very slow to recognize and to criticize the nationalist errors of the

Waffle leadership, even as they led the Waffle badly off course.

The 1968 resolution was contradictory in character. It reaffirmed a series of basic Marxist concepts, under heavy attack in the Canadian left at that time. It also introduced a new concept, which proved to be in error. "Canada and the Crisis of World Imperialism" builds on what we have learned in the intervening four years and corrects the errors of the 1968 resolution.

The Line of Our Press

A number of memoranda have been exchanged inside the Central Committee dealing with the question whether our press has violated or unilaterally changed our line on the question of Canada-U.S. relations. Comrade Dowson has submitted two memoranda arguing that this has occurred. As George Addison, editor of *Labor Challenge*, explains in his November 20 statement, this is not the case. He explains that our press has been applying the line of the movement, as developed by conventions, plenums, and leadership discussions.

What will we do in the four months which remain before our coming convention? A vote to support the line of "Canada and the Crisis of World Imperialism" will register the leadership's position on the issues in dispute. In this way, it will give a clear framework for the *Labor Challenge* editorial board on a series of questions about the character of political reality in Canada.

The replacement of the 1968 resolution is the task of the convention in April and not of this plenum. Before the convention, our line is governed by the decisions of past conventions and plenums, and, within that framework, the ongoing discussions of the central leadership. A sharp disagreement now exists in the leadership on the meaning of the 1968 resolution—whether or not it held an antinationalist position. Given this disagreement, the application of this resolution must correspond to its interpretation by the majority of the leadership, not by a minority or an individual.

The leadership is responsible for developing a coherent and consistent line in the press on the questions before the movement. A public debate in our press, on issues under dispute within the movement, would damage the movement. The leadership must put forward a single line, representing its majority positions on the questions before us. Under no circumstances is the leadership obligated to apply a minority point of view, or the interpretation by a minority or an individual of a past document. The leadership as a whole must determine how past documents are to be applied in today's reality.

The votes at the September plenum, and the vote at this plenum, will set a framework for the utilization of past resolutions and will register the majority opinion of this leadership on key aspects of the reality before us today. The September plenum reaffirmed this movement's opposition to Canadian nationalism in its various guises, and stated that it was an important task for us to explain the reactionary character of Canadian nationalism. This report reaffirms that position.

The Political Committee considers that it is unfortunate that the two conflicting points of view on this question within the PC are not both represented within the Editorial Board of *Labor Challenge*. It is the line of this report that the representation of both points of view would

aid in the practical problems of working out our line. It would enable the paper to benefit from working out our line. It would enable the paper to benefit from the knowledge and experience of the most able comrades within the leadership, regardless of whether they hold a minority view.

Conclusion

"Canada and the Crisis of World Imperialism" is a blueprint for effective intervention in the discussion around Canadian nationalism, U.S. imperialism, and Canadian independence.

It comes to grips with the entire reality before us, not only the degree of close economic ties between the U.S. and Canada, but the continued existence of a Canadian ruling class and a Canadian state. It explains how to link up with the problems before the working class, and how to pose these problems in class terms—a class-struggle framework.

It provides the basis for a programmatic intervention, and for the development of our program along class-struggle lines.

It calls on us to state our views on the fundamentally reactionary character of Canadian nationalism.

The road before us is clear. A wave of nationalist illusions has swept the Canadian left, and has confused and disoriented its main contingents. This is a vital and valuable opportunity for us to intervene with our ideas and our program around the question raised by Canada's relationship to American and world imperialism. The Political Committee resolution provides us with the basis to do so.

I therefore move, on behalf of the Political Committee, that the Central Committee adopt the general line of the resolution, "Canada and the Crisis of World Imperialism" and of this report.

3. A New Stage in Canada-U.S. Relations

Counter-resolution to "Canada and the Crisis of World Imperialism"

Submitted by the United Tendency

reprinted from *LSA/LSO Discussion Bulletin* No. 43, April 1973

The World Context

Canada, an advanced capitalist and imperialist nation-state, is an integral part of the world imperialist system. As such, it is subject to all the broad general social and economic contradictions which plague that system and which are now being aggravated.

The broad outline of the last World Congress resolution, *The New Rise of World Revolution*, noted that the long period of imperialist expansion, generated by accelerated technological renovation in the advanced capitalist countries, had resulted in significant changes. In the United States, France, Italy, Japan, etc., there has been a veritable revolution in the social structures, a more thoroughgoing industrialization of the economy, a rapid decline in the importance of the agricultural sector of the economy, and a sustaining of the boom through the deliberate and systematic institution of permanent credit and monetary inflation. These processes had their parallel in Canada too.

On the basis of this overall analysis, our movement reached three conclusions: (1) that the essential motor forces of this long-term expansion would progressively exhaust themselves, thus setting off a more and more marked intensification of interimperialist competition; (2) that the antirecessionary techniques, would step up worldwide inflation and constant erosion of the buying power of currencies, finally producing a very grave crisis in the international monetary system; and (3) that these two factors, in conjunction, would increasingly give rise to limited recessions of the imperialist economy.

A Special Relationship—Integration

However, the growing instability of the world imperialist system and its impact on Canada cannot be understood without, above all, grappling with the specific and particular relationship Canada has with the United States of America. The expansion of the world market, increasing trade, the rise of the multi-national corporation, and the process of interpenetration of capital among the major powers have exacerbated competition among them. But this process finds a peculiar expression between the world's major imperialist power, the United States, and Canada.

The developing imperialist crisis has resulted in the breakdown of old alignments. U.S. capitalism has been confronted by attempts on the part of the bourgeoisies of several European states to work out new protective alliances directed primarily against it—notably, the formation of the European Economic Community. However, in U.S. capitalism's relations with the ruling class of Canada, the opposite has been the case. The U.S., with long-standing investments in Canada, has found an open door for an accelerated penetration of the Canadian economy through a massive flood of capital—particularly since the late fifties and sixties.

The international monetary crisis has resulted in increasing conflict among the major capitalist powers, with the U.S. trying to pass the cost of inflation and declining competitiveness onto Japan and West Germany. In Canada, on the other hand, the monetary crisis has resulted in the Canadian dollar becoming locked into the American dollar. Instead of a heightened trade war between the U.S. and Canada, the collapse of Canada's preferential trade relations with Britain has driven Canada into ever-increasing, if not almost total dependency on the U.S. Instead of acting to block the influx of U.S. capital into Canada, the Canadian bourgeoisie has opened the doors to a flood so massive that the ownership of the key industries and control of the financial institutions have passed into U.S. hands. Instead of increasing rivalry between U.S. and Canadian capital, we have been witness over the past two decades to a process of integration of the advanced capitalist economy of Canada into the economy of the United States.

This development has had profound effects on the dynamics of class relations in Canada and the processes of the class struggle itself.

Since the turn of the century and accelerating during the first and second world wars, and coinciding with Britain's decline as a world power, the Canadian economy has become increasingly locked into the U.S. economy—not only through trade, but through the structuring of its industry. Branch plants and industries were developed to supply both raw and partially finished material to U.S. parent plants, and to take advantage of the British preferential tariff system. In the '40s and '50s the U.S. capitalist class and its state worked out a series of mutually satisfactory preferential arrangements with the Canadian ruling class and its state, and steadily increased its investments in Canada. Commencing in the early '60s, the penetration of U.S. capital into Canada underwent a vast acceleration.

U.S. direct investment in 1946 stood at 2.3 billion. By 1963, it had risen to 12.8 billion and in 1971 it reached 24 billion, with some statisticians estimating the true value to be double that. In the space of eight years, U.S. investment in Canada had increased twofold.

The Canadian economy has become further locked into the U.S. economy through trade. By 1970, almost 70 percent of Canada's imports came from the U.S. and almost 68 percent of her exports went to the U.S. While the flow of capital investment has been a two-way process among the world's major imperialist powers (an interpenetration), it has been almost entirely a one-way process between Canada and the U.S.—from the U.S. into Canada. Through takeovers, amalgamations and corporate fusions, and through the formation of new corporations for the exploitation of the natural resources and work force of Canada, U.S. investment in established Canadian industries has reached such scope that the key sectors of the

economy, almost 60 percent of all manufacturing assets, are owned, not to speak of those that are controlled, by U.S. capital. In addition, the banks and the financial institutions, while possibly even majority-owned by Canadian corporate wealth, are controlled by U.S. corporate interests. Thus between Canadian and U.S. capital and their states, we do not have a situation of interimperialist rivalry, but a situation where the Canadian capitalist class and its state has facilitated the domination of U.S. capital over the Canadian economy. The Canadian capitalists are junior partners with U.S. corporate power, both in the world political arena (where they are very junior) and within the borders of the Canadian nation-state itself.

Canada and Imperialism

Canada is imperialist, but its international role cannot be said to be the role of an independent imperialist power. In relationship to its wealth and power at home, Canadian capitalism's foreign holdings are of modest proportions, slightly over two billion dollars, and concentrated in the advanced capitalist sector of the world. Its colonial investments are modest and offer little leverage.

Canada is imperialist primarily by the fact that it has an advanced capitalist economy and is structurally an integral part of the worldwide imperialist system. Canada is imperialist, not as an independent economic or military power, but through its *de jure* existence as an independent nation-state—from a political point of view—as a “free” associate member of the U.S. imperialist-dominated military alliances NATO-NORAD, and as mouthpiece, apologist, and agent for U.S. imperialism in such counterrevolutionary assaults as the attempt to crush the Vietnamese revolution.

A Colony or Semicolony?

The fact that the Canadian economy has many features of an underdeveloped economy (the bulk of its exports are raw and semi-finished goods while its imports are manufactured goods), and the catalogue of facts that show the subservient role of its ruling class to the U.S. capitalist class and its continental and worldwide interests—there factors have posed the question whether Canada is actually a colony or semicolony of the United States. Canada is neither. U.S. investment in Canada has distorted the development of the Canadian economy, but has not blocked its development. On the contrary, it has immeasurably advanced the pace of its industrialization. Canada has an advanced capitalist economy. The weight of agriculture in its economy has declined, and there is no agrarian question. The urban population in growing and the working class is organized along independent class lines, both economically and politically, against both U.S. and Canadian capital and against the Canadian state. Canada is firmly in the ranks of the advanced capitalist imperialist nation-states.

The Canadian State

U.S. ownership and control of the commanding heights of the Canadian economy and the integration of the Canadian and U.S. economies has posed questions as to the nature of the Canadian state and its role. As U.S. domination and economic integration have increased, the

Canadian state has not gotten stronger as a defender of private Canadian capitalist interests; it has reconciled whatever conflicts there have been with American capital in the overall interests of the whole. This function has been added to the state's other function of reconciling the conflicting interests of the Canadian capitalist class into a cohesive national policy—both as regards 1) the demands pressing in on them by such antagonistic forces as the working class and the oppressed nationalities—the Québécois, Native peoples, etc., and 2) its external interests, determined largely by the domination of U.S. capitalism.

The U.S. capitalist class has no reason to undermine the authority and integrity of the Canadian state as an instrument of class oppression within the nation-state itself. It certainly has no purpose in eliminating the Canada-U.S. border through formal absorption of Canada into the U.S. On the contrary, both U.S. and Canadian capitalists have common interests in sustaining the state in its role, and have every cause to assure its authority.

The central state apparatus of Canada has always been weak, particularly due to the nationalist opposition of the Québécois, and to centrifugal regional stresses from one coast to the other. This weakness of the federal state has increased all the more under the impact of growing domination of Canada by American capital. With little internal dissension, the Canadian capitalist class has acquiesced to its state taking on many of the characteristics of a satellite of the U.S. With the commanding positions in the Canadian economy being held by U.S. capital and with the interlocking of trade, the Canadian capitalist class has no alternative. So, too, the weakness of its imperialist holdings and its dependency on the U.S. for protection give them no other option.

The Canadian nation-state, as a “fortress-state” and as a power independent of U.S. capitalism and its state, is a dream, not of any important sector of the Canadian capitalist class, but of the Stalinists in their subservience to the diplomatic needs of the Kremlin, and of the social-democratic reformist NDP parliamentarians who aspire to administer it. It has little basis in reality.

As Marxists, we make no moral judgment on Canadian-U.S. economic integration and we do not project a program to either aid or deter this process. We seek to understand it as an objective fact and to direct the effects it has on the configuration of class relations and on the process of the class struggle itself, to the advantage of the Canadian and international socialist revolution.

The Internationalism of the New Radicalization

The new radicalization that arose across Canada in the early sixties was permeated with the spirit of internationalism. It was inspired by the Black struggle in the U.S., by the Chinese and the Cuban revolutions, by the revolt of the colonized people of Africa, and by the Vietnamese revolution.

This radicalization among widening layers of the Canadian population, particularly among the student youth, soon came up against the Canadian government, even though this same government had been able for a period to adapt to it with some success. The first big blow to nonclass illusions about the Canadian state came with Prime Minister Pearson's sudden reversal and capitulation to Washington's pressure to accept U.S.-controlled nuclear

arms as part of the expansion of U.S. military sites across the Canadian north at the height of the cold war. This was followed by a whole series of events, among them Ottawa's compliance with U.S. government regulations forbidding U.S.-owned Canadian-based industries from trading with Cuba and China, countries with which the left identified. But the most significant impact on the left was made by Ottawa's complete underwriting of Washington's genocidal assault on the Vietnamese revolution. As part of the U.S.-dominated military alliances NATO-NORAD, the Canadian government not only became a major arms supplier to the Pentagon war machine, but a chief apologist for U.S. imperialism, particularly through its role on the International Control Commission. The slogan that we first raised in the face of considerable opposition from both the Communist Party and the reformist NDP and trade-union leaderships was "End Canada's Complicity." This slogan, which was rapidly picked up in all the antiwar actions, accurately expressed both opposition to U.S. imperialism and opposition to the Canadian bourgeoisie's diplomatic and military support for the American government's international counterrevolutionary role.

It was during this period that the flood of U.S. capital into Canada took on massive proportions. U.S. corporations bought up innumerable plants, phased out others, displaced thousands of jobs, erected new operations and even whole new communities, and moved in on a big scale to exploit the vast and largely untapped natural resources of the country for the profit of U.S. corporate power. At the same time the Québec nationalist ferment began to take on a new scope. The cross-Canada radicalization solidarized with the Québécois, even to the extent of seeing broad parallels (if not complete identity) between the Québec struggle and the struggle of the colonial peoples. At this time, the view that Canada itself had become a "colony" of the U.S. began to take root and find support among growing numbers on the Canadian left.

Anti-Imperialism

The major feature of the new radicalization was and continues to be its internationalism. Its internationalism has been expressed as anti-imperialism directed primarily against the United States, the world's major imperialist power. This anti-imperialism has always contained a nationalist element. However, with the rising flood of U.S. capital into Canada more and more directing Canadian development and determining Canadian state policy, this nationalist element has grown tremendously in recent years. The radicalization, however, remains essentially anti-imperialist and continues to move in an anticapitalist and socialist direction, even in its growing nationalist framework.

Despite a couple of aborted ventures by the Communist Party and an occasional effort by some elements on the student left, anti-imperialism in Canada has not taken on the form of an anti-imperialist movement as such, a movement that directs its fire against the main enemy somewhere else (the U.S., for instance) rather than the capitalist enemy at home. The role of the Canadian government and the Canadian capitalist class as junior partners of U.S. imperialist interests has blocked this. Anti-imperialism in Canada has directed its fire at the enemy at home, the Canadian capitalist class and its

political representatives, both in its actions and its politics.

The anti-imperialist sentiment, we noted in our 1968 convention resolution, was developing towards an anticapitalist consciousness. Even where the forces organized around this sentiment explicitly called themselves nationalist, as in the case of the Waffle, they rejected any concept of an anti-imperialism concentrating its fire on a foreign enemy. In its Manifesto the Waffle rejected the concept of "an independence movement based on substituting Canadian capitalists for American capitalists or in public policy to make foreign corporations behave as if they were Canadian corporations." It went anticapitalist—into the NDP.

This anti-imperialism, even where it has explicitly called itself nationalist, has not been anti-U.S.-working-class. It has seen the American workers, and in particular Blacks and student radicals, as allies against U.S. capitalism. To be sure, there has been a certain impatience and even superior attitude to the U.S. workers for their toleration of the trade-union bureaucracy at the head of the international unions and for supporting the big-business American political parties.

In its opposition to the Canadian government, anti-imperialism began very early to turn to the newly formed and relatively open New Democratic Party. The so-called Watkins report on the scope of U.S. investment in Canada, sponsored by the Canadian government, established what the left already sensed and provided the facts for an objective explanation of the role of the Canadian capitalist class, a rudimentary class analysis, and carried its author and the new radicalization fully into the NDP. The result was the "Manifesto for an Independent and Socialist Canada" and the formation of the Waffle, the largest and broadest left-wing formation in the history of Canadian reformist labor politics.

The New Canadian Nationalism

The new Canadian nationalism is not a negation of the anti-U.S.-imperialism that we noted in our 1968 convention, but an extension of it. That is what makes it a key element in the unfolding radicalization.

It is false to counterpose internationalism—proletarian internationalism—to this new nationalism. This nationalism is not chauvinist. It is not against the American workers. It is not federalist, in opposition to Québec's right to self-determination. It is anti-imperialist and thus essentially internationalist.

This nationalism is not at all an ideological expression of the interests of Canadian capitalism, of private property and the Canadian state, which vigorously oppose it. The Canadian bourgeoisie counterposes an internationalism—to be sure, a mystified form of internationalism—to this nationalism. They attack the opposition to energy development in the North as standing in the way of continental progress. They harass the ecologists as conservatives and parochialists standing in the way of human progress. They denounce those concerned about the development of natural resources in the interests of the working people, as lacking vision of a North American economy whose benefits, they allege, all will share.

In their opposition to the status quo, Canadian nationalists are searching for justification in the historic past of Canada—its progressive and revolutionary past. Thus, we

have Léandre Bergeron's *Le Petit manuel d'histoire du Québec*, not only a best seller in Québec, but a best seller in English Canada (over 200,000 copies have been sold). Thus, there are demonstrations in honor of revolutionary heroes like Mackenzie and Papineau. Thus, there are numerous tracts and studies and university theses on the 1837 rebellions, on the martyrdom of Louis Riel, and on the Winnipeg General Strike. There has been a great flourishing of interest in the struggles of the Native peoples, in Canada's revolutionary-democratic traditions, in the labor and socialist movement, in Canada's pioneer feminists, etc.

A Relentless Opposition

The document "Canada and the Crisis of World Imperialism"—while it recognizes that the entire left is nationalist (according to its authors, *who offer no explanation of this phenomenon*, the left has embraced nationalism with light-minded irresponsibility)—calls for a "persistent and relentless campaign . . . to resist and turn back" its influence. This has led us to reverse our entire attitude to the broad left Waffle formation and to make its supposed *reactionary nationalism* the crucial determinant in our relations with it as it moved, under the assault of the right wing, out of the NDP. This policy continues to threaten our work in the NDP where this new nationalism is a vital factor in a left differentiating itself from the reformist leadership. The left wing, without the Waffle-MISC, is now isolated and under pressures, on the one hand, to adapt to the right, and on the other, to swing out in an ultraleft direction that threatens all our recent work in the NDP with disaster. Our campaign against nationalism has also served to blind us to the continued development of the Waffle-MISC outside of the NDP and the challenge it poses to us for the adherence of new forces among the revolutionary vanguard.

The United Tendency opposes such an evaluation of this nationalism and the orientation that flows from it. We see this new nationalism as an integral part of the deepening radicalization. We see it as essentially progressive in its thrust—progressive in that it raises the class question in this country and leads to a heightened internationalist consciousness.

The Nature of Nationalism

How are we to explain this nationalism arising in an advanced capitalist country at this time?

In itself, nationalism has neither a reactionary nor progressive character, out of time and space. We are required to make a concrete analysis, within definite historic limits, and to take into account the specific features under which the phenomenon arises.

Classically—that is, in the broad historic sense—nationalism is bourgeois. It first appeared during the rise of capitalism, in the struggle of the nascent capitalist class to establish the nation-state as a framework for the expansion of private property, freedom of enterprise and trade. In this early stage in the development of capitalism, nationalism had a fundamentally progressive character. As well as serving the interests of capitalist progress, nationalism contained and expressed a profoundly democratic concept—the concept of popular sovereignty—of a mother-land which claims to represent the people as a

whole, its vast majority, and which grants and defends their liberties and gives them a conscious stake in shaping its future.

In the imperialist stage of development, however, in the epoch of capitalist decay, nationalism in those countries which have established their national independence and sovereignty takes on a fundamentally reactionary character. It serves as an instrument of the capitalist class to mystify its rule, to delude the workers, to deter them from developing a class consciousness and organizing along independent class lines. It has been used to pit them against one another in interimperialist and colonial wars.

A New Phenomenon

Today in Canada, when we live in the imperialist stage of development, one might automatically assume that nationalism is an instrument of bourgeois rule and is reactionary to the core. We are obliged, however, to undertake a more concrete, a more specific examination of Canadian reality within the broader historical and international framework.

We have summarized in the following way the specific circumstances and historical conditions that have led to the radicalization expressing national aspirations:

Because of the historic delay of the Canadian-U.S. socialist revolution which will lead to the realization of a Socialist United States of the North American continent, a process of integration or absorption of the economy of Canada with that of the mightiest imperialist power in the world is taking place under capitalism. This has resulted in the widespread and growing development in English Canada over the past several years of a nationalism—a phenomenon which is traditionally part of an earlier bourgeois stage of development.

Due to the distorted and weak development of Canadian capitalist society, the Canadian bourgeoisie and their state acquiesce to this process of integration and by so doing violate these growing national aspirations. Arising as they do at a time of increasing capitalist crisis in Canada and across the world, and at a time of widening radicalization, these national aspirations lead toward conflict with the Canadian state, and toward a linking with the tasks of the Canadian and international socialist revolution.

Thus, Canadian nationalism has arisen today in response to a process of growing economic integration of Canada with the U.S. To our knowledge, the phenomenon of one advanced capitalist and imperialist nation being economically integrated, in a cold way, with another advanced capitalist and imperialist power is something new and unforeseen, except perhaps in an abstract and speculative way, by the Marxist movement. It is the product of a unique set of historical circumstances—namely, the uneven development and evolution of world capitalism as a whole in transition to socialism, in conjunction with the historically uneven development of Canadian capitalism vis-à-vis American capitalism. This historically unique situation has resulted in what can only be described as a new type of nationalism.

The Essence of the New Nationalism

To be sure, this new nationalism finds contradictory expressions; for instance, in the unmistakably bourgeois nationalist Committee for an Independent Canada, de-

signed, according to its chief spokesman Prof. [Abraham] Rotstein, to provide a counter-pole of attraction to the Waffle and NDP. Is this radicalization within its nationalist framework then ambivalent—requiring on the one hand a sympathetic, and on the other a hostile response on our part? Is this then only a matter of tactical orientation—a false one in the case of Waffle-MISC—that can still easily be corrected?

No! While composed of opposing aspects which take on different appearances or forms of expression, this nationalism contains an *essence* which is progressive. The necessary conditions for its production and reproduction are objectively present and operative. Nor is the anti-U.S.-imperialism, dealt with in our 1968 convention resolution, some mere sentiment, only flimsily connected with reality. Both constitute the reflection in the collective consciousness of the radicalizing forces of the increasing domination by U.S. capital over the Canadian economy and the acquiescence of the Canadian capitalist class to it. This has resulted in a heightened understanding in the ranks of the radicalization of the role of the Canadian capitalist class and the relationship of other classes to it. This analysis found vindication in the fact that the radicalization moved into the NDP and found expression in the Waffle, offering us an opportunity to develop our views in a much broader arena.

What establishes the progressive essence of this nationalism—what gives it its radical thrust—is the process that has led to the integration of the Canadian economy with that of the U.S. under capitalism, and the effect that this process has had on class relations and dynamics of the class struggle.

Nationalism and the Class Forces

First and foremost, integration has drastically weakened the Canadian state, and not only as an instrument capable of expressing the interests of any private Canadian capital that might find itself opposed to U.S. capitalist interests. It has weakened the state, from the point of view of its credibility as an instrument of democratic rule—the illusion that hides its fundamental character as an instrument of class oppression and is its main source of strength. It increasingly appears as an agency of something totally alien to radicalizing Canadians—U.S. corporate power.

Nationalism finds little expression among the Canadian bourgeoisie, which is firmly committed to its junior partner relationship with American capitalism. This is not surprising, as the integration of their economic interests has inevitably tended towards what might be described as a social integration of the owners and representatives of Canadian and U.S. capital. Their common outlook is reinforced by an unusual degree of intermarriage, common club affiliations, common educational background, etc. Hence, it is not unusual for the members of both bourgeoisie to almost intuitively respond and make adjustments so that their relations are not ruptured.

Nationalism, however, has found some response among a few disenchanted high government officials and bourgeois ideologues. Thus, we see ex-Liberal cabinet minister and nationalist Walter Gordon calling for public ownership of the Mackenzie Pipeline, and ex-Liberal cabinet minister and nationalist Eric Kierans urging public ownership of Manitoba's mining industry over the next ten years. Kierans' report has been condemned by the

Manitoba Mining Association as a "communist document, foreign to any Canadian thinking on the mining industry."

Rising Canadian nationalism is very much an expression of the alienation and radicalization of widening sectors of the higher skilled elements in the work force—scientists, technicians in every field, teachers, etc. The U.S. subsidiaries and branch plants develop almost no research in their Canadian operations, but draw on the advanced technology developed by the U.S. parent companies. At the same time, the vast majority of Canadian government grants for research and development (89 percent in 1968-69), as to be expected, go to the dominant capitalist force in the country—to foreign-owned, largely U.S. corporations. Research projects in the universities are designed to meet U.S. corporate need, as was clearly revealed to wide layers of the radicalization during the escalation of war research for the war in Vietnam. This has increasingly posed the issue of Americanization of the universities, widely discussed on Canadian campuses.

Canadian nationalism is growing in the working class, which has only been moderately affected by the radicalization until now. The international unions have provided an increased potential (seldom realized) for united labor action against corporations which span the border. However, the more powerful U.S. trade-union bureaucracy has also strengthened the Canadian trade-union bureaucracy. In this context, Canadian nationalism is giving impetus and new dimension to the rank-and-file struggle against the bureaucracy and for union democracy.

The new nationalist mood is by no means limited to the Canadian unionism of small service and craft unions, long sufferers of the imposed bureaucracy of international-office staff appointees. It is hitting such unions as the United Steelworkers and the Autoworkers, which already have considerable autonomy within the internationals. Canadian UAW director Dennis McDermott recently warned that "unless the international unions make some fairly drastic accommodations and adjustments . . . to the fervent nationalistic attitudes that pervade this country . . . their very survival as an effective entity is questionable." McDermott appears to have drafted a list of proposals designed to give the UAW even greater structural autonomy. In steel, there have been a whole series of applications which, if granted certification votes, could take the interior British Columbia locals outside the internationals into Canadian unions.

There is no question that this nationalism is profoundly altering the dynamics of class relations within Canada and the processes of the class struggle itself. Our responsibility as Canadian Trotskyists is to come to grips with it, to recognize its key role in the radicalization so that we can effectively propagandize our revolutionary-socialist views and build the vanguard party.

We are for "identification" with this nationalism, not to achieve "one-ness" with it (as, we have been informed, the Oxford Dictionary defines the word). We are for working within this nationalism which permeates the entire left. While we will oppose any and all adaptations to its backward expressions, we will project our Marxist analysis and present our Trotskyist program of democratic and transitional demands in a way which will link to the essentially anticapitalist dynamic of this new nationalism. In so doing, we will not become nationalists or some breed

of national communists; on the contrary, we will be acting as Trotskyists—as internationalists—which we are to the core.

April 3, 1973

FOOTNOTE

The United Tendency, in whose name the above counter-resolution has been issued, has been challenged to produce a program to meet the varied forms of expression that the new nationalism takes on in the areas where we are working to raise the class consciousness and combativity of the workers, feminists, students, etc.

The first responsibility of Marxists is to analyze a phenomenon in order to develop a general orientation to it. We must *first* answer the following questions: Is there a new nationalism? What is its source? How does it express itself? What are its forms? How does it influence class relations? Only after developing an overall understanding and a line, can we outline or advance a program. And even then, the program can only be an approximation and will continue to grow and develop with our experiences in the unfolding class struggle and in the living process. We will have to project our ideas, to test them, and to learn from our mistakes.

Since there are no uncompleted tasks of the classic

nationalist type, since there are no broad bourgeois-democratic tasks in Canada, we have said that our programmatic intervention must center around an amplification of Trotskyist democratic and transitional demands.

It seemed apparent long ago, when the U.S.-owned Crown-Zellerbach Corporation began phasing out the plant and entire town of Ocean Falls, that we would have called on the British Columbia NDP Government to take the plant over, without compensation, and turn it over to the democratic control of the workers or possibly the Native movement. It would also seem obvious that we would enthusiastically endorse public ownership of Manitoba's resource industries, particularly the Thompson Lake International Nickel operation, which would be certain to have a radicalizing impact on Sudbury workers. A program along these lines would enable us to intervene in the Mackenzie Pipeline debate, which cannot be done under a banner of antinationalism. Our intervention in this debate would express, programmatically, the interests of the Canadian working class, and the concept of Native peoples' and workers' control.

Comrade Courneyeur, who would today have us carry the banner of antinationalism as we intervene in the radicalization, attempted in an article (June 19, 1972, *Labor Challenge*) to pull together some of our experiences based on the correct orientation of the 1968 convention. It should be considered as a serious contribution to a future discussion of program.

4. Where the United Tendency Counter-resolution Goes Wrong

By John Riddell

reprinted from *LSA/LSO Discussion Bulletin* No. 51, April 1973

Two weeks before our convention, on April 3, the United Tendency submitted its counter-resolution, "A New Stage in Canada-U.S. Relations." In contrast to the eleven contributions of UT members previously printed in the discussion bulletin, the resolution aims to set down the UT's thesis on nationalism in systematic form. The assessment of this resolution is an important task before us. These limited comments aim to point out some of its key errors.

The Two Theses of the United Tendency Resolution

The resolution breaks down into two distinct propositions. The first is the assertion that a process of "economic integration" is underway between Canada and the U.S. The second is the theory that a progressive Canadian nationalism has emerged, with an anti-capitalist dynamic.

The theory of "economic integration" is a relatively recent element in the nationalism debate, having been first advanced in the Dowson-Lomas statement of Nov. 15, 1972. During the previous months, the concept of a progressive nationalism had been argued on empirical grounds. The experience of the Amchitka protests, the evolution of the Waffle, and other events were said to have proven the progressive character of this Canadian nationalism.

Even after the introduction of the "economic integration" thesis, it has stood without any logical connection to the conclusion that Canadian nationalism is progressive. Facts have been presented in quantity, but unrelated to the conclusion. This is clear in the resolution, as in the UT statement of March 16, 1973.

Let us attempt a simple experiment to test this. Let us assume for the sake of argument, that everything the United Tendency says about "economic integration" is correct. Do their pro-nationalist conclusions flow from their assumptions? Or are they false, regardless of the possible correctness of their view of "economic integration."

After this experiment, we will return briefly to the "economic integration" thesis, to examine two of its central errors.

The UT's Description of Canada's Progressive Nationalism

What is the United Tendency's view of Canadian nationalism? Here are the most characteristic passages of their resolution on this key point:

"The new Canadian nationalism . . . is a key element in the unfolding radicalization. . . . This nationalism is not chauvinist. It is not federalist. . . . It is anti-imperialist and thus essentially internationalist."

"We see it as essentially progressive in its thrust—progressive in that it raises the class question in this

country and leads to a heightened internationalist consciousness."

The Canadian bourgeoisie and their state acquiesce to this process of integration and by so doing violate the growing national aspirations. . . . these national aspirations lead toward conflict with the Canadian state, and toward a linking with the tasks of the Canadian and international socialist revolution."

"What establishes the progressive essence of this nationalism—what gives it its radical thrust—is the process that has led to the integration of the Canadian economy. . . ."

"While composed of opposing aspects . . . this nationalism contains an *essence* which is progressive."

"(we) present our Trotskyist program of democratic and transitional demands in a way which will link to the essentially anti-capitalist dynamic of this new nationalism."

As the United Tendency sees it, therefore, this nationalism is *progressive*. It has an independent dynamic: it is *anti-imperialist*, it *raises the class question*, it is essentially *internationalist*. It has a *radical thrust* and an *anticapitalist dynamic*. It is *not chauvinist*. It *leads toward conflict with the Canadian state*.

While the United Tendency recognizes the contradictory expressions of this nationalism, it confidently ascribes to it this impressive list of essential characteristics. Canadian nationalism, in the UT's view, has these features independently of circumstances or of the intervention of revolutionaries. The UT view of nationalism thus contrasts, not only with the Political Committee theses, but with the earlier views of two UT members, comrades Roberts and Jennings, whose contributions (*Bulletin* #30 and #34) held this nationalism to be contradictory and did not ascribe to it an inherent anticapitalist dynamic.

The United Tendency even goes so far as to ascribe to this nationalism the logic of permanent revolution in the colonial world—for national consciousness in Canada, we are told, "leads towards a *linking with the tasks of Canadian and international socialist revolution*."

No wonder both the founding statement of the United Tendency and its present resolution call on us to "*identify with*" this nationalism. Any social phenomenon with such a profound anticapitalist character compels us to identify with it, and much more—support it, promote it, build it, and develop a program for it.

What Does the UT Think Nationalism Is?

Despite its glowing description of Canadian nationalism, the United Tendency resolution makes no attempt to define the phenomenon. (To complicate matters further, the UT warns us of the perils of reliance on the Oxford Dictionary!) Fortunately, a clear definition has been provided by Dennis Lomas, secretary of the UT. He states: "We will use the term Canadian nationalism to refer to the

developing feeling of national identity of the English-Canadian population." We must assume that the UT accepts comrade Lomas' definition, since they provide no other.

The Lomas definition of nationalism coincides, moreover, with the definition used by the Political Committee in "Canada and the Crisis of World Imperialism," a definition which seems to have met with general acceptance in this debate:

"In general terms, nationalism is an identification with the integrity, independence, values, culture, or language of the nation; the belief that the nation as a whole has common problems, goals or tasks; and the concept that a common struggle or process of common endeavor in pursuit of these goals is called for."

The UT Dumps Our View of Nationalism as an Instrument of Bourgeois Rule in Canada

The UT resolution contains a recognition of the general character of nationalism as an instrument of bourgeois rule.

"In the imperialist stage of development, however, in the epoch of capitalist decay, nationalism in those countries which have established their national independence and sovereignty takes on a fundamentally reactionary character. It serves as an instrument of the capitalist class to mystify its rule, to delude the workers, to deter them from developing a class consciousness and organizing along independent class lines. It has been used to pit them against one another in interimperialist and colonial wars."

Canadian Trotskyists have always held nationalism to serve this function for the Canadian ruling class. (See the 1968 resolution on "Canada-U.S. Relations," or Comrade Dowson's description of the nationalism of the NDP in his 1970 contribution on "Our NDP Orientation.")

Why is the UT unable to apply this analysis to Canada today? Not only has a new, progressive nationalism arisen, according to the UT, but the old, reactionary nationalism seems to have disappeared without leaving a trace. Were the previous positions of Canadian Trotskyists wrong, or has there been a transformation of the character of the Canadian ruling class in the last two years?

"Nationalism finds little expression among the Canadian bourgeoisie," the UT informs us calmly, assuming that because the Canadian bourgeoisie have close social connections with their U.S. counterparts, they will be unable to utilize nationalist demagoguery as an instrument of capitalist rule in Canada. The UT analysis contains no word of any possible bourgeois use of Canadian nationalism in any form: neither as the ideology of the bourgeois parties nor as the ideology of Stalinists and of the social-democratic NDP leadership; neither anti-U.S. nationalism, nor anti-Québec, nor anti-Native, nor antiunion, nor anti-communist!

What can one say in the face of such extraordinary and stubborn blindness to the basic facts of political life in Canada?

(The UT's criterion for dividing the world into zones of progressive and reactionary nationalism—a masterpiece of formalism—is strangely ambiguous. Is nationalism reactionary in semi-colonies, which have won political independence—such as Cuba while Fidel and Che were

still fighting in the mountains? But perhaps, in the UT's view, Cuba under Batista was not "really" independent, just as they may hold that Canada is not "really" independent today. The UT would do better to start, not with the superficial criterion of political independence, but with the division between imperialist countries, on the one hand, and the colonies, semicolonies, and oppressed nationalities dominated by imperialism.)

A Progressive Nationalism—Unrelated to National Struggles

In contrast to bourgeois theories of nationalism, the Marxist view is rationalist and materialist. It holds that national consciousness has a progressive character only where it promotes the struggle against real aspects of national oppression suffered by a people. The *struggle* is progressive; therefore national consciousness which *promotes the struggle* is progressive.

But nowhere has the United Tendency ever spoken of struggles for national rights, or against foreign domination in Canada, which it regards as progressive. In fact it considers one of the main virtues of Canadian nationalism to be that it does *not* lead to an "anti-imperialist movement," that is, movements against an enemy outside of Canada. (How does the UT explain the Amchitka demonstrations—as anti-Trudeau?) For the UT, the progressive dynamic of nationalism is a purely mental process: being a Canadian nationalist tends to make you acquire anticapitalist consciousness.

This analysis breaks with all we have previously written on the character of progressive nationalism. It is in total contradiction to our analysis of Québec nationalism. In general, it dissociates our conceptions of the development of class consciousness from the process of the class struggle.

A "New Nationalism" Unforeseen by Marxist Theory

Marxists have regarded national consciousness as progressive where it corresponds to real national tasks (winning of national independence, establishment of a national language, etc.), tasks which originate in the epoch of bourgeois revolution but were left unachieved by this process.

The present epoch has produced new variations on this theme, such as the creation of new nationalities (Blacks in the U.S.) or the continuation of national struggles within workers states (e.g. the Ukraine, etc.). National consciousness of a progressive character, in such situations, nonetheless corresponds to progressive national tasks.

The United Tendency specifies that there are no such national tasks in Canada. It specifically rejects the concept that a struggle against "economic integration" of Canada and the U.S. is progressive. The UT holds that the process of "economic integration" is not to be condemned; its general impact on the Canadian economy is to speed industrialization. Canadian nationalism grows out of mass opposition to "economic integration." The opposition, it seems, is not progressive—we are cautioned against identifying with it. But the nationalism that goes with it *is* progressive.

The reply of the average left-wing Canadian nationalist would likely be this: If we're not going to oppose

integration with the U.S., then what sense is there in Canadian nationalism, except the stale and reactionary identification with the Canadian status quo?

No wonder the UT stresses the “uniqueness” of the Canadian situation, and the “newness” of this nationalism. The progressive essence they ascribe to nationalism has no basis in objective reality, or in progressive national tasks.

Why an “Anticapitalist Dynamic”?

Canadian nationalism has a “radical thrust,” the UT informs us, an “anticapitalist thrust.” For the UT, Canadian nationalism inherently turns against capitalism, independent of the intervention of revolutionary socialists.

Marxists have spoken of an anticapitalist dynamic of a national struggle in the following, precise, and limited sense. The national liberation of an oppressed and colonized people can be achieved in its totality only by a struggle against the capitalist order, which achieves victory through a socialist revolution and the establishment of a workers state. Therefore, though such a national struggle can go through prolonged periods of ebb, and can remain under bourgeois leadership for long periods, it cannot achieve victory in the capitalist framework. This is why, in the long view, it has an “anticapitalist dynamic.”

An analogous statement can be made about the character of the struggle for women’s liberation: Women cannot achieve liberation within the capitalist framework.

Why does Canadian nationalism have an anticapitalist dynamic? Can Canadian national aspirations be satisfied only under socialism? The concept is patently absurd.

Ascribing anticapitalist dynamics to *ideas* which are unrelated to anticapitalist struggles is an idealist deformation of the Marxist approach.

How Does Economic Integration Generate Canadian Nationalism?

It is the process of economic integration which gives Canadian nationalism its progressive essence, the UT tells us in its resolution, in its attempt to ground its conclusions in the facts. How does this work?

The evidence that follows is revealing in its bankruptcy. Integration eliminates the ability of the bourgeoisie to utilize nationalist demagoguery, we are told—in itself a startling assertion. But what is generating the “new nationalism”? The UT mentions “a few disenchanting high government officials and bourgeois ideologues.” It refers to the problems of Canadian scientists and researchers who realize that more research per capita is carried out in the U.S. than in Canada. It talks of the nationalist reactions of Canadian workers against the U.S.-based bureaucracy of the international unions. And that is all. Nor do the many documents of UT members provide other suggestions of how economic integration impels Canadians to nationalist conclusions.

We can only conclude that Canada’s progressive nationalism is basically irrational. Canadians *think* that U.S. corporate ownership is the source of their problems; in fact this is not the case.

Surely this would be the first time Marxist theorists have ascribed an anticapitalist dynamic to an irrational sentiment!

The “Four Great No’s” of the United Tendency

1. Economic integration is not harming Canada, or Canadian industry.
2. There is no anti-imperialist movement in Canada—nor is there going to be one.
3. There are no national tasks in English Canada, nor is there any national oppression.
4. Canada is not a colony or a semicolony, nor is it undergoing a process of colonization.

These four brief propositions of the UT resolution, each quite correct, contradict four basic assumptions of all other pronationalists in English Canada who argue from the standpoint of “Marxism.” The UT’s propositions do more: They eradicate the connection between the UT’s “progressive nationalism” and objective reality; between its theory of nationalism and the *facts*.

The approach of the UT contrasts sharply with the materialist approach of the theory generally identified with the Movement for an Independent Socialist Canada (MISC). The MISC theory holds that U.S. investment is deindustrializing Canada, turning it into a colony of U.S. imperialism, and undoing, if you will, the work of the Canadian bourgeois revolution. MISC believes that Canadian workers will *feel* the effects of U.S. investment in the massive unemployment it creates, and in other ways, and that this very real and tangible colonization of Canada drives Canadians to nationalist conclusions.

The MISC theory is dead wrong. But from the point of view of a materialist method, it stands far closer to Marxism than the view of the United Tendency.

A Program for the Objective Situation or for the Moods of the Masses?

“We will project our Marxist analysis,” the UT tells us, “and present our Trotskyist program of democratic and transitional demands in a way which will link to the essentially anticapitalist dynamic of this new nationalism.”

This guideline for developing our program stands in sharp contrast to the position of the Political Committee. The PC advocates presenting our program in a way which will link to the real class grievances, the progressive essence, which may take a deformed, nationalist form.

The UT declines to spell out the implications of its position for our programmatic intervention, aside from the banal advocacy of nationalization of monopolies, including those which are U.S.-owned. Its failure to put its position to the test of program demands of the movement that it buy “a pig in a poke.” If we accept the UT’s definition that Canadian nationalism is progressive, then and only then will we find out the implications of our decision for the Trotskyist program.

We must note however that in Québec, where Trotskyists have “linked their program to the essentially anticapitalist dynamic of nationalism,” this has led us to adopt slogans such as “For an Independent and Socialist Québec,” “French the Language of Work and Instruction,” and “Nationalize Foreign Monopolies.”

Supporters of the UT have made various attempts to begin to work out a program for English Canadian nationalism. Harry Kopyto, speaking for the UT in the Metro Toronto assembly April 1, advocated “Canadian

textbooks” and “a Canadian sports industry.” Another UT member, William Brant, writing in *Bulletin* no. 34, defended the demand for a Canadian studies department, and also the strange demand: “Open the resources of the university to the struggles in the interests of the Canadian people.”

It might aid clarity if the UT would explain where they stand on such slogans as “Nationalize U.S. Monopolies,” and “For an Independent, Socialist Canada.”

The UT’s position on linking our program with Canadian nationalism, combined with its denial that Canadian nationalism has any roots in objectively posed national tasks or real national oppression, constitutes a deformation of the method of the transitional program. In explaining the transitional program, Trotskyists have always pointed out that it is founded on the objective situation, and the objective tasks before the masses. This basic concept is denied by the argumentation of the United Tendency.

Implications of the Nationalist Error

The UT’s position on Canadian nationalism constitutes a fundamental break with the basic Marxist principles on the character of nationalism. It would lead us to discount and disregard the capacity of the Canadian state to utilize nationalist demagogy, and ignore the very real evidence of this demagogy all around us. It would lead us to accept the confused nationalist concepts of the Canadian working people as progressive and anticapitalist in their dynamic, rather than developing a Marxist critique of these concepts which could serve to lead Canadian workers forward to class-struggle conclusions. It would have us “identify” with the nationalist confusions of Canadian working people, rather than educating them to cut across false nationalist consciousness and develop a class-struggle view.

It establishes a false theory of nationalism which breaks with the Marxist view on this subject and would disorient us not only in Canada, but in every country of the world where nationalism is a factor in the class struggle.

Where the UT Theory Takes Us

In “identifying” with Canada’s “progressive nationalism,” the UT states, “we will not become nationalists or some breed of national communists; on the contrary, we will be acting as Trotskyists—as internationalists—which we are to the core.”

Many of the statements of UT supporters indicate, however, that the dynamic of the UT’s position is to substitute a nationalist for a class analysis of key aspects of Canadian reality.

Comrade Lomas, after defining Canada’s progressive nationalism, continues by spelling out its “progressive essence.”

His document speaks of an arising “feeling of common goals, self-identity, and collective pride.” He says “a Canadian nationalism distinguished by a positive democratic spirit, self-respect, and resentment towards domination has arisen.” In his view, this is the first time in Canadian history that any form of Canadian nationalism has evoked a broad response.

“This nationalism,” he continues, “is democratic in character. It is a nationalism that expresses a desire for popular rule, represents the needs of the whole people,

reflects the aspirations of people for liberty and equality, and directed against the Canadian capitalist class which stands in its way.” The concept of the *people* as a whole, emphasized by repetition, stands in sharp contrast with our traditional class analysis.

He continues by approvingly quoting the nationalist self-identification of Margaret Atwood, who describes how nationalism arises from the impossibility of being a “citizen of the world,” and from the inborn “sense of territory” which demands that we “discover our place.” Her description remains the only explanation of the precise source of Canadian nationalism so far offered in the pages of UT members’ documentation.

Speaking for the UT in a Metro Toronto Assembly April 1, Harry Kopyto talked of the impact on Canada of the U.S. takeover, in outright nationalist terms:

“Do you think that the key industries of Canada can be taken over by the American bourgeoisie, that the banks can pass into the control of the American ruling class, that the Canadian state can be reduced to a virtual tool of this process of integration, that the American capitalist can come up here and dispossess the Indians, and pollute the Arctic, and dump their wastes in the water, and shut down the plants, and bring in all the economic and social and political contradictions that they have spawned in their own country, and superimpose these contradictions on top of our own capitalism’s contradictions, without a heightened awareness of exploitation, without a nationalist reaction against Canada’s ruling class which aids and abets this process. . . .”

In such comments, the nationalist “mask has become the face.”

Such outright nationalist statements, we have been told, do not represent the opinion of the UT as a whole. We can accept the fact that they represent only the personal attempts of UT spokespersons to apply the UT’s pronationalism to the reality before us. But do they not represent, in a sense, a good indication of the real “thrust”, the real “dynamic” of the United Tendency’s position on nationalism?

The Politics of Sensitivity

Speaking for the United Tendency in the April 8 Metro Toronto Assembly, Comrade William Brant explained his view of the real issue in the debate as follows:

“The Majority Tendency would have us intervene with distrust and hostility. With our line, we would intervene with understanding and confidence—and we shape our demands to meet the nationalist consciousness.”

Comrade Brant’s view is reminiscent of the position of the Political Committee last July. The Political Committee “Memorandum on the Use of the Term ‘Canadian Nationalism,’” which explained to the movement its advocacy of terming Canadian nationalism progressive, explained the change as a purely terminological question and a change required to intervene more effectively in the mass movement. (The memorandum, which the PC withdrew three weeks later, is appended to this contribution. Comrade Dowson indicated his agreement with the general line of the memorandum.)

It is correct for comrades to work to help us achieve a more adroit intervention in the mass movement; a more precise assessment of the moods of the masses. But this

must not be done at the expense of our program or our theoretical positions.

Would it facilitate our intervention in the MISC if we stopped telling its members that revolutionary socialists should work in the NDP? Would it facilitate our intervention in the Québécois nationalist milieu if we dropped our characterization of the Parti Québécois as bourgeois? Would it facilitate our intervention in Québec unions if we dropped our characterization of their leadership as a bureaucracy, and ceased calling on them to launch a labor party?

No, we do not change our theory, or our program, in order to be more sensitive to the moods of the masses. Our theory and program enable us to intervene *effectively*, and give revolutionary leadership to these movements.

Comrade Jennings of the United Tendency has accurately summed up our task in relation to the rise of Canadian nationalism. "We must free this rising class consciousness from its swaddling rags of nationalist illusion." (*Bulletin* no. 34) The United Tendency calls on us to carry out this task by *identifying* with this "nationalist illusion," convincing ourselves that it has an "anticapitalist dynamic," and dumping our long-standing principled position of the nature of "nationalist illusion" in imperialist countries. This is the result of the "politics of sensitivity."

The Debate on "Economic Integration"

All of the above comments have been written in the framework of our "experiment"—we have assumed that the United Tendency is correct in its view of "economic integration." We have seen that their view of nationalism does not follow from their theory of "economic integration," and must be rejected, whatever the truth of the "economic integration" theory. Let us now look briefly at two key aspects of the United Tendency's views of the "U.S. takeover" of Canada.

What Is This "Economic Integration"?

The UT points out that the "economic integration, which it believes to be now in process between Canada and the United States, is historically unique and unprecedented. Yet it makes no attempt to define what 'economic integration' means. Many of the trends described by the UT are very real; others are incorrectly described, but we can hardly take a stand for or against the theory of "economic integration" until the concept is clearly defined.

The position of the Political Committee on this question has been summarized in the following propositions:

- 1) There is a Canadian bourgeoisie, imperialist in character.
- 2) The Canadian bourgeoisie controls the Canadian state.
- 3) The Canadian bourgeoisie, tied to the U.S. and world bourgeoisie by common interests, also has distinctive national interests.
- 4) It defends these interests as best it can.

The discussion on "economic integration" cannot seriously get underway unless the proponents of this theory explain how it relates to these central ideas—how it qualitatively changes the class structure and the class relationships in Canada. The "dynamic" of the UT's position, it seems is to deny each of these four proposi-

tions. But its spokespersons have evaded taking an explicit position on any of these questions.

The Character of The Canadian State

The UT's resolution, however, takes visible steps towards a concept of control of the Canadian state by the U.S. bourgeoisie. It states coyly that the U.S. takeover has "posed questions" as to the nature of the Canadian state, carefully avoiding the posing of any answers. It states that "the Canadian state has not gotten stronger as a defender of private Canadian capitalist interests"—has it "gotten weaker" or stayed the same? If conflicts between U.S. and Canadian capital have occurred (the resolution does not seem sure whether this is the case), the Canadian state acts to reconcile these conflicts in the *interest of the whole* i.e., of continental capital. Beneath the tortured ambiguities of the UT, we find a clear implication: the Canadian state defends *continental* capital, and continental capital is overwhelmingly U.S.

William Brant, making the United Tendency presentation to a Metro Toronto Assembly on April 8, paraphrased this section of the resolution, making its meaning much more clear: "Integration means that the major decisions about the development of Canadian economy are made in the U.S. The Canadian state is under the increasing control and guidance of another power. The Canadian state serves the interests of integrated, mainly U.S., capital."

This conclusion, implying a fundamental shift in power in Ottawa from Canadian to U.S. hands, has massive implications for revolutionary politics in Canada, and gives the debate on "economic integration" a sudden relevance and urgency. Unfortunately, the United Tendency has yet to argue their case or give any evidence for their theory, if it is their theory, of U.S. control of the Canadian state. Hopefully, the brief time remaining before the convention will permit them to explain their view on this question.

The Commanding Heights

The only proof of this thesis—if it is their thesis—has been the proposition of a metaphor: the commanding heights. "U.S. ownership and control of the commanding heights of the Canadian economy necessarily changes the national character of the Canadian state." This would seem to be the argument that the UT seems to be advancing.

The metaphor of the "commanding heights" is drawn from left social-democratic thinking. The left of the British Labour Party, and to some extent the CCF and NDP in Canada, have traditionally defined the "socialist goal" as being the nationalization of the "commanding heights of the economy." This, they believe, will change the dynamic of the state and the economy, and set us on the road to socialism. Marxists have always objected that this concept abstracts from the crucial and determinant role of the *state*. Workers must win state power, and use it to take over ownership and control of the economy. Only then will the road to building a socialist society be open. The UT argument has the same flaw. It uses the concept of "commanding heights" in order to abstract from the role of the state. In doing so, it abstracts from politics, elaborating a concept that shifts in the economic base are automatically reflected in the political superstructure.

Interimperialist Competition

A further innovation of the UT resolution is the concept that Canada-U.S. economic relations are exempt from the main tendencies of imperialist development. Whereas elsewhere we see interpenetrations, in North America we see integration. Whereas elsewhere interimperialist rivalry increases, here it vanishes.

If this is true, then North America clearly represents a breakthrough for world imperialism, which offers it a new perspective of harmonious growth—as soon as “integration,” North American style, can supplant “interpenetration.” But why, if this is the case, do we see such persistent signs of concern by the Canadian bourgeoisie about its competitive position on the world market, about the potential for sales of Canadian-made goods beyond Canada’s borders—including in the U.S.?

In fact, increasing foreign investment and foreign trade makes Canada more and not less vulnerable to international competition. As a general rule, *economic* interpenetration—or integration, if you will—*increases* interimperialist competition. *Political* integration is required to overcome it. So far, world capitalism has made no progress towards achieving real political integration of its national units.

European capitalism has achieved a tariff union—but subsidies have emerged in place of tariffs as a competitive means of increasing investment inside the national frontiers. North American capitalism has taken steps towards closer monetary ties, and the business cycle, the rate of inflation, etc., is largely synchronized within the continent.

But Canada and the United States have separate states. The class struggle in each country has its own dynamic; the relationship of class forces is strikingly different on the two sides of the frontier. The rate of profit is determined independently, and can rise on one side of the frontier while it declines on the other. This, as well as other factors, can give rise to strong shifts of capital northwards or southwards—all the more because of tight trade and investment ties. Regardless of the degree of U.S. ownership, capitalism within Canada’s frontiers is in competition with capitalism south of the border.

The Canadian state is controlled by bourgeois whose interests and holdings are concentrated in Canada. It therefore tries to promote the relative prosperity of Canadian industry, of capitalism in Canada. To do so, it must defend capitalism in Canada, as best it can, against the impact of foreign competition, including competition in the U.S. This will remain true unless the Canadian state comes to be controlled by what is called, in the semicolonial world, a “comprador” element of the bourgeoisie—that is, an element whose fundamental allegiance is to foreign capital, rather than to capital within the national frontiers.

Despite the “commanding heights” theory, there is no evidence that this is the case in Canada.

A Final Word

The United Tendency resolution gives evidence of a political position still evolving.

A characteristic example, is its startling definitions of “imperialism,” “colony,” and “semicolon.” “Colony” and “semicolon” are defined in such a way as to place Québec in the same noncolonial category as English Canada; “imperialist” is defined so as to place a Québec ruled by a René Lévesque puppet government in the imperialist category as English Canada. Doubtless we will hear more on this theme.

Hopefully, the future evolution of the thinking of United Tendency members, and the future course of the discussion, will lead them to discard the false and disastrous pronationalist theory of the UT resolution. On this point, we trust the last word has not yet been spoken.

One point is however clear. The arguments of the United Tendency have not successfully challenged the positions of the Political Committee resolution “Canada and the Crisis of World Imperialism” on any major point. The adoption of the general line of this resolution by the coming convention is the necessary next step towards the further development and elaboration of our understanding of Canada, its class structure, and its relationship to U.S. and world imperialism.

Appendix: Memorandum on the Use of the Term "Canadian Nationalism"

In its 1968 resolution, "Canada-U.S. Relations", the League identified with the developing sentiment against growing U.S. influence in Canada. Supplementary material contained in the pamphlet of that name, challenged the NDP to meet this sentiment that was developing among youth, particularly on the campuses, and being expressed in New Left circles.

We characterized this sentiment as anti-imperialist, developing in an anti-Canadian-capitalist direction. We pointed out that it found no support by any layer of the Canadian bourgeoisie, which had long since opted for a junior partnership with U.S. imperialism.

While there was no question in our mind as to its character and dynamic, we did not at that time accept the term, Canadian nationalism. We said, "This term is a misnomer, causing confusion rather than giving insight into this phenomenon, its dynamic and direction."

Why the confusion? We said: "Nationalism in advanced capitalist countries has traditionally been a tool of the ruling class." We mentioned the second imperialist world war and Québec—where the ruling Canadian capitalist class used nationalism against oppressed peoples at home and abroad and against the Canadian working class.

Contrasting this reactionary phenomenon with the new nationalism we said: "Far from promoting this 'nationalism' the Canadian ruling class, their parties, and their spokesmen, stand firmly united against it. The bourgeoisie show such unshakeable and impervious unity in their acquiescence before U.S. imperialism and its domination over Canadian internal and external affairs that they expose themselves more and more as apologists and lickspittles for the U.S. ruling class."

Further on we said: "This brand of 'nationalism,' far from uniting the nation behind the bourgeoisie, far from smearing over class lines, is tending to unite the overwhelming majority of other classes and subclasses *against* the bourgeoisie. It is discrediting the traditional parties of the bourgeoisie as not representing any interests that could be said to be Canadian, as being in essence an agent of another power—a foreign power, U.S. imperialism—whose role is increasingly becoming more clear and more hated and more feared.

"In fact the traditional parties are discrediting not only themselves but the very state institutions that they have erected to cover over the real power structure. They are saying that these institutions in reality have no power that can prevail over the economic power of the U.S. ruling class.

"In admitting that they are a party to Canada's internal and external policy being made in Washington and Wall Street, the bourgeois parties are even performing the salutary task of undermining the parliamentary illusions of the Canadian people. They are underscoring the need for the working class to take power and lay down new

economic foundations from which new social relations will form."

Does the term Canadian nationalism *now* cause confusion? No, it does not. In the whole four-year period between 1968 and 1972 this phenomenon has broadened and deepened, finding expression in a range of struggles thrown up in the radicalization and the class struggle. In the course of these developments the name Canadian nationalism has been firmly fixed on it.

Quickly affirming our view, this Canadian nationalism found its way into the New Democratic Party. Not only did it go to the NDP, but in a very short space of time, became the nucleus around which a broad left wing developed which characterized itself as socialist. The Waffle has been the main area of our NDP work.

The most massive protest of the entire youth radicalization in Canada was in response to Nixon's going ahead with the Amchitka nuclear bomb test. This protest was not an antiwar protest but was anti-U.S.-imperialist, anti-Nixon, antipollution, and pro-Canadian.

Many of these youth carried the Canadian flag and sang "O Canada" in protest. Of all the left tendencies, we were the only one to intervene—in fact in some areas we led the actions and took them forward into an anti-Vietnam-war direction.

In this and a whole series of experiences, it has become clear that the name Canadian nationalism is the established term used in the student movement, the various radicalizing sectors, the NDP, and the mass media to denote this phenomenon.

Further, this sentiment is clearly understood on a wide scale to be radical in its implications and directions. Hence there is no longer any basis to say, as we did in 1968, that the term Canadian nationalism would cause confusion. On the contrary our long insistence on qualifying the established and widely understood term for this sentiment—substituting anti-imperialist for Canadian nationalism, putting it in quotes and brackets, and sometimes counterposing it to internationalism—has set up apart in the eyes of the radicalizing forces affected by Canadian nationalism. It has had the impact of creating hesitancy and doubts in the minds of comrades about identifying with the healthy and progressive thrust of this current in the radicalization.

For this reason we must now end our policy of qualifying the term Canadian nationalism, which serves no purpose other than to create confusion in the minds of militants outside our movement and comrades inside our movement.

There is no question of principle involved here. There is no change in our assessment of this sentiment, the nature, direction, or weight in the radicalization or class struggle in Canada from that put forward in 1968.

What is involved here is a change in name to more

accurately describe this sentiment as it is and as it defines itself in life.

With respect to acceptance of new names and terminology, we can refer to Lenin, who in 1920 came up against a terminological block which prevented the international communist movement from fully understanding and identifying with the movements for colonial liberation.

The scientific terminology used by the Marxist movement to describe these movements was "bourgeois-democratic," flowing from the historical character of these revolutions. But this term prevented many revolutionaries from seeing the socialist dynamic of the colonial struggles and blocked them from fully identifying with it.

Lenin in his report on nationalities to the second congress of the Comintern proposed that the nationalist movements based on proletarian and other oppressed layers in the population of colonial countries be designated as "national-revolutionary" instead of "bourgeois-democratic." This name change opened the way to a full understanding of the anticapitalist thrust of the "bourgeois-democratic" revolutions in the colonial world.

Although in Canada, we are not encountering the nationalism of a colonized nation, we are dealing with a new and unique development when we speak of Canadian nationalism. Terminology can either facilitate our understanding and identification with this important component of the radicalization or hinder it.

The term Canadian nationalism has the advantage of describing the sentiment as it is—a developing consciousness, which expresses itself in nationalist terms, against Canada's subservient junior partner relationship to the United States.

We identify with this developing consciousness because

of its profound anti-imperialist and anticapitalist thrust and our use of the term Canadian nationalism is designed to clear the way for the intervention of our movement in this element of the radicalization.

Our decision to accept the term Canadian nationalism is based on Canadian experience, both on the particular feature of U.S. capitalism's relations with the Canadian ruling class, and the response of the Canadian radicalization.

U.S. capital investment has become a big factor in the economy of a number of advanced capitalist countries. *But it plays a truly unique role in Canada.* General Motors, as we have noted, hires 25,000 Canadian employees and as a corporate entity is about one-third the size of the entire Canadian economy. U.S. investment in Canada is greater than its entire Latin American investment. More key industries in Canada are under foreign control (predominantly U.S.) than in any other advanced capitalist country in the world.

Moreover, Canada's population, unlike that of any other advanced capitalist country, is concentrated in a thin strip across the U.S. northern border. Over this border floods T.V. and radio programs, books and magazines of the most violent, racist, and huckster character. These factors have had a tremendous impact on the thinking of Canadian youth and the working class as a whole.

In our epoch, the revolutionary socialists, the Marxists, above all must be sensitive to the new aspects of national consciousness which are developing throughout the world, and of which Canadian nationalism is an example.

Gary Porter
Organizational Secretary
LSA/LSO

July 11, 1972