

repairs the reality of Canada's independence."

Although the statement as a whole is unexceptionable as a declaration — even at this late date — of independence, it may be judged more critically by those who have long since passed from the credo to the issues of timing and strategy.

Questionable assumption

On these grounds the chief assumption of the U.S.-Canada options paper that is questionable is that "no policy option is likely to be tenable in any context other than that of a harmonious relationship between Canada and the United States".

The qualifications follow immediately: the Canadian-American relationship may become more complex" and on both sides "perceptions will differ".

Potential — indeed actual — sources of conflict touching on vital national interests on both sides come immediately to mind and the likelihood of harmonious solution is, at the least, an open question. With a seasonally-adjusted unemployment rate in Canada hovering between 6 and 7 per cent, the various techniques used and contemplated by the Nixon Administration that impinge on our employment level are not easily a matter for harmonious resolution. The Canadian-American Committee has now pinpointed this question as the crucial source of tension between the two countries over the next few years. The DISC legislation (Domestic International Sales Corporation) now effectively in operation is organized in an aura of confidentiality that makes it almost impossible to gauge its effects on this country, even if we suspect that we are not substantially damaged.

The pending Burke-Hartke Bill is another matter and carries the weight of the American trade union movement behind it. Various estimates of potential loss of employment in Canada if this legislation could be passed provide cause for grave concern. If one adds to this the related employment issues of the auto pact, the Mackenzie Valley pipeline (offering no more than 400 permanent jobs) and other possible trade restrictions that may flow from the continuing American balance-of-payments crisis, then "harmonious" relations are by no means clearly in the cards.

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What is clearly exposed is the self-imposed Canadian vulnerability, which emanates from our previous (and existing) *laissez-faire* policies toward foreign investment. We must now clearly recognize that the multinational corporation is not a one-way street for creating employment but provides a channel into the heart of the Canadian economy for *reducing* employment if the more stringent American measures materialize.

The political and administrative control over these "multinational" corporations by the American Government remains intact, and they continue to serve as an available instrument of U.S. economic policy abroad.

The prospects are not all Cassandra-like by any means, however! The most positive sign is the growing awareness of the central question of independence among Canadian policy-makers, not only in External Affairs but in the Science Council and, occasionally, in other quarters, such as the Secretary of State's Department.

The acclamation for this statement, however, will not be universal. I suspect that the old guard among academic economists may be the last to reorient their thinking. Invocations will, no doubt, continue to the classical trinity of free trade, free capital markets and the supposedly greater prosperity that results for Canadian workers — should they have a job. On this latter point of solicitude for the worker, these sources have yet to accommodate themselves to minimum wage legislation.

If we can ever shed this colonial combination of innocence and dogma, and discover the present network of power and administrative relations posed by the presence of multinational corporations in our midst, we shall be well on the way to the end of that era future historians may subtitle "From Colony to Hibernation".

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Multinational firms continue to serve as an instrument of American policy