

The multi-national corporation and Canada

It is only very recently that Canadians have learned to talk about multi-national corporations rather than simply foreign investment. The term is already obsolete; the American business schools now call them multi-national enterprises. Apparently even the word "corporation" is now too strong.

The issue with which I am concerned is: where does the power lie in the technological society of the West?

While there are a very large number of possible answers, four seem relevant for my purposes:

— power lies with the corporations, domestic and multi-national, that is, western societies in general and North American societies in particular are characterized by the dominance of corporate capitalism.

— power lies with governments and, vis-a-vis the multi-national corporations, with the nation-states or governments of the host countries.

— power lies with the technocrats, who really run both corporations and governments.

— power lies with nobody; technology is simply out of control, or what Ellul calls the autonomy of technique.

A fifth possibility which has no relevance to present-day reality is that power lies with the people.

Few would doubt that corporations have power at home, notably in the United States, and that multi-national corporations have power abroad. But there are differences of opinion as to how great that power is in each case.

Within the United States, there are power centres other than the corporate boardrooms, notably Washington. John Kenneth Galbraith, who is a sensitive though not profound observer of his times, maintains that the New Industrial State of Nature capitalism is characterized by an intermingling of the private and public sectors, or a technostructure, and that there is no private sector, at least so far as big business is concerned. The technostructure — which others, including Dwight David Eisenhower, have called the military-industrial complex — is run by technocrats. Real power with them. From this point of view, the hope of the future lies in completing the victory of the technocrats and then democratizing the technostructure and humanizing the technocrats.

While Galbraith is more realistic than most liberal economists, he is a liberal

economist, and it seems a reasonable presumption that he under-estimates the power of the corporations. Since the 1930's, there has been much talk about a managerial revolution. It is not clear that the technostructure is anything more than a new label for this — and with the serious drawback that the reality of the military-industrial complex which is masked is much more ominous now. Also, this way of looking at things fits well — too well — into the end-of-ideology thesis so popular among American liberal intellectuals. What is increasingly evident, however, is that the end-of-ideology is simply the liberal ideology in its highest form.

Corporation As Institution

The corporation as an institutional form absorbs technocrats without changing its own imperatives: to grow, to innovate, to control and to manipulate people — all largely mindless of the consequences for the human environment. Technocrats within the corporation improve its internal efficiency and increase its social costs. Technocrats within governments link the corporation and the government more closely together, both directly by pushing programmes which increase corporate

sales and indirectly by assuming responsibility for attempting to tidy up after the corporations.

Academics, by being technocrats rather than intellectuals, contribute not only by also helping to tidy up but, more importantly, by providing a rationale for this system of corporate capitalism. I.F. Stone has recently pointed out that even that greatest of technocrats, Robert McNamara, was unable to contain corporate greed for arms escalation. On two critical issues, the missile gap and the anti-ballistic missile, the technocrats were overridden by the necessities of the military-industrial complex. Noam Chomsky has shown how American political scientists aided and abetted the Pentagon in the war in Vietnam. Indeed, to read Chomsky is to wonder whether the world would not be safer if the corporations had more power and the technocrats less.

It is true that we live in a technological society. But the technology is invented and applied within the structure of corporate capitalism — its mode of production and its goals. At best, we have a technology biased towards instruments of violence and toward a range of harmful effects on the air we breathe, the water we drink, and so on. At

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