

The Dalhousie GAZETTE

Canada's oldest college newspaper. Member of Canadian University Press. Opinions expressed editorially are not the official opinion of the Council of Students. Official publication of Students of Dalhousie University, Halifax, Nova Scotia.

- Editor-in-Chief DENIS STAIRS
- Managing Editor MIKE KIRBY
- Associate Editor GEORGE MARTELL
- Business Manager BOB DAVISON
- News Editor Betty Archibald
- Associate News Editor Dave Nicholson
- Features Editor Bob Ryan
- Associate Feature Editor Jim Hurley
- Boys' Sports Editor Joel Jacobson
- Girls' Sports Editor Bobbie Wood
- Associate Girls' Sports Editor Sharon Blackburn
- Feature Columnist Peter Outhit
- Features Rolf Schultz, Ian MacKenzie
- Students' Council Reporter Ian MacKenzie
- Copywriter Brian Backman
- Cartoonist Jim Hurley
- CUP Sandra Greenleaf
- News Reporters: Philip Amys, Joan Stewart, Henry Muggah, Peter Spencer, Bill Dennis, Mary Doody, Jan Martell, Jim Bates, Ralph Ferguson, Marilyn Withrow
- Sports Reporters: Gerry Irwin, Blair Green, Brian Creighton, Jamie Richardson, Wayne Beaton, Albert Bartlett, Linda Lee, Linda Stoker, Linda Ramsay, Jean Hattie, Kay Tucker.
- Managing Typist Penelope Stanbury
- Typists Judy Lorway, Ellen Matheson, Nancy Crease, Winna Miller, Joan Smith
- Circulation Manager Sally Ross
- Circulation: Chris Banks, Joyce Wyman, Jane MacLean, Sharon Connolly, Charlotte Davidson, Heather Corston.
- Photography Dave Bissett, Joe MacDonald, Bob Risley

The American Influence On The Canadian Economy

by PETER GREEN



Mr. Greene, a Haligonian for most of his life, is a senior Commerce student at this university and is majoring in Economics. He points out the important, and "sometimes dominant and distortive," role the U.S. plays in the Canadian economy. He sees this trend as likely to continue as the U.S. becomes "increasingly dependent on Canada for raw materials." He calls for a general reappraisal of Canada's economic relationship toward the United States.

In the course of economic development which has made Canada one of the most highly industrialized nations in the world, the Canadian economy has been closely geared to external world forces.

Dominant in the Canadian economy, which has perpetuated Canada's traditional status as a primary producer for the export market. The American penetration is felt with greatest impact in the U.S. capital investment, particularly direct investment which involves control of industry, and the dominant importance of the U.S. as a market

for Canadian exports. In this latter area, a complementary dualism has developed in which the United States influence has induced growth in areas of our economy that complement the U.S. economy (primary and semi-processed materials) and has discouraged development in areas that are competitive. This has not worked to Canada's advantage as observation of the growth rates of our secondary industry reveals.

Business Cycles

Since the end of World War I the Canadian economy has been highly sensitive to cyclical business fluctuations emanating from the United States. The patterns of technology, corporate decision-making, business confidence, and consumer behaviour are so highly inter-woven that business cycle transmission is far more complex and effective than would appear from trade investment statistics.

The "general parallelism" of business fluctuations has been revealed by the depression of 1920-21, the Great Depression of 1929-33, and the downswings of 1937-38 and 1953-54. However, while Canada has been highly sensitive to American fluctuations, Canadian downswings have been milder and usually shorter than those in the United States. For example, the U.S. recession of 1948-49 was hardly reflected in Canada.

Foreign Investment

American investment in Canadian industry has grown steadily since the 1920's; the U.S. has thus replaced the U.K. as the main foreign capital supply source. Aggregate non-resident investment in Canada is in excess of \$24 billion. At the end of 1957, the U.S. held 76% of total foreign investment; the U.K. 17%. Comparative figures show that in 1945 the U.S. held 70% and the U.K. 25% of total; for 1926 U.S. investment was 53% and the U.K. 44%.

Direct investment, that is investment in voting stock which, in many cases, involves control, has always been a major part of foreign investment in Canada. From 1926 to 1954, non-resident control of Canadian industry shot up from 17% to 28%, while the U.S. share rose from 15% to 25% over the same period. Statistics taken from *Canada-United States Economic Relations*, a report prepared by I. Brecher and S. S. Reisman for the Royal Commission on Canada's Economic Prospects, show that the U.S. controlled 68% of capital employed in petroleum, 55% in mining, 45% in pulp and paper, 51% in chemicals, 95% in automobiles and parts, and 84% in rubber.

What have been the historical factors which have conspired to facilitate these massive foreign investments? Professors Brecher and Reisman write that "Canada has had a long tradition of freedom of flow of capital and income across its border. Canada has had a long history of stable and orderly government . . . a skilled labor force . . . a highly developed educational system . . . adequate transportation network and other social capital facilities . . . reasonably stable economic and social conditions . . . all of these factors have helped to make Canada an attractive outlet

LETTERS

...excellent performance...

Sir: A brief re-reading of the review of *Wonderful Town*, printed in the last edition of the *Gazette*, reminded me with a shock that I had neglected to discuss the thoroughly enjoyable performance of Penelope Stanbury to an adequate or deserved extent. My only apology for giving readers a false impression of the leading character in the play is simply that, having seen Miss Stanbury's very competent acting in previous plays, I simply took for granted another expert performance by a consistently good actress.

I found Miss Stanbury's portrayal of Ruth both a pleasing contrast to the innocent Eileen and also a character study with its own claims to attention. What would have been sophistication in a small town convincingly became a form of big-city gullibility in a girl who should have received more than the second glance that men never seemed to give her.

Miss Stanbury's competent singing and dancing proved to be enjoyable side-effects stemming from a thoroughly excellent performance that took in its stride the various demands of paying the reporter with the Conga line, the provincial writer, and the burlesque of an African hunter's unfaithful wife.

I hope that I have not misled any of those readers (if there were any in the first place) who had not seen the play and who were therefore not aware of the general excellence of the leading lady.

BETTY ARCHIBALD.

...sloppy...

Sir: Apathy seems to come and go on this Campus without apparent reason, but one section in which it has been dominant for years is in the dress of a very large majority of students, and most noticeably so among the undergraduates.

It is that Arts and Science and other undergraduate students are dominated by the traditional, sloppily-dressed Engineers, whose desire seems to depict a rather assinine out-door, he-man type?

Is it that undergraduates have a complex which makes them feel so inferior to graduates and professional-school students, that they must reflect it in their attire?

Is it that these students feel they must keep up with the Joneses and dress as sloppily as, or more sloppily than, students in other Colleges and Universities in Canada and the U.S.?

What, you may ask, would be the result of substituting neater dress for the present sloppy attire? Apart from appearing and asserting yourselves as individuals as opposed to conforming to the mass of rabble which presently exists, you must decide the question for yourself.

A white shirt and a tie is all that is necessary for the males, with the possible exception of the Engineers, for whom there is little hope. For the girls . . . oh, our pitiful Maritime women . . . if *Vogue*, *Chate-laine*, and other leading fashion magazines can make no impression on their appreciation of style . . . as it seems they have none . . . well, there seems to be no hope at all.

Apathetic . . . Who? Me?

"A BLUE SUIT"

CONTINUED ON PAGE 6

"vital" industries, are controlled by foreign interests, we are ultimately subject to the decisions and and a "Be quiet" attitude on the part of government in economic matters.

Because large sectors of our industry, including large shares of for private foreign capital." The salient factors then have been a long tradition of political stability

CONTINUED ON PAGE 6

NFCUS Appears Weak At Local Level

Just two weeks ago, the Students' Council of St. Francis Xavier University unceremoniously ejected the St. FX branch of the National Federation of Canadian University Students from its campus. Whether or not their decision to withdraw their membership from the organization because of its "uselessness" will be ratified by their Student Forum this week remains to be seen.

But the controversy brings to mind a similar withdrawal of four large universities in 1955: McGill, Toronto, UBC, and Manitoba. All four rejoined the Federation within the next two years, but not before their dissatisfaction with its operations, or rather, lack of them, had been expressed.

At present, five French-Canadian universities are considering resignation on the ground that a proposed NFCUS education brief implies advocacy of Federal Government interference in a field coming solely within provincial jurisdiction.

These political disturbances within the Federation would seem to indicate critical weaknesses in its organization, and/or management. On the other hand, while observing the activities of the National Congress held here last fall we were extremely impressed by the maturity and competence which characterized the proceedings throughout.

Why, then does this organization, which appears so successful when operating on the national scene, fall into virtual oblivion at the individual campus level?

We are forced, in answering this question, to conclude with Peter Green, Atlantic Regional President of the Federation, that the fault lies with the local committees. Perhaps one of the most important and effective NFCUS endeavors, for example, is its activity in the field of international student relations—it sends delegates to the International Student Conference, it arranges exchange visits with students of other countries (particularly the Soviet Union), it operates a travel plan in order to assist students in going abroad—but all these operations are carried out almost entirely through the efforts of the National Executive. Similarly, the Federation's education briefs, which are gradually winning more and more student financial assistance from government coffers, are largely the result of the efforts of the Ottawa executive in combination with Regional and National NFCUS Conferences.

But at the local level about the only self-justification the Federation can find is the list of student retail discounts provided by neighbourhood merchants, a list that could

be just as easily obtained by an enterprising Students' Council or University Advertising Bureau. Certainly no other concrete service (with the exception of the visit of Soviet students, which, as we have said, was nationally organized) has been evidenced on this campus.

We have seen no comprehensive effort to acquaint students with the NFCUS Travel Plan. The Federation offers an excellent insurance policy at rates unmatched by regular commercial schemes, but we can recall only one adequate drive to inform the Student Body of its existence in four years; by that rating, at least half the students here do not know that it is available. Moreover, while the *Gazette* received news releases this year from the Federation's National and Regional Executives, no reports have been forthcoming from the local committee about activities here.

In view of all this there appears to be no question about the validity of Student Council complaints at St. FX. Yet the Federation is the sole organ of national student expression in Canada, and as such it is an invaluable institution. It performs significant functions on the national and international scenes; it has the potential to perform significant functions on the university campus level.

It would be a great misfortune if it were to disintegrate because of the indifference of individual member committees.

Well . . . Why?

With Munro Day buried, hangovers vanquished and unbookish activities scorned, this issue of the *Gazette* bleats out the final, frenzied wail of Dalhousie's 1960-61 extracurricular year. Political squabbles, organizational rivalries, the occasional cheering sports enthusiast, jazzy dance bands, the clink of glasses, the anxious plaints of students with social problems—all recede before the impending, annual trial of strength.

Gazette Editors accordingly wish to take this opportunity to thank all those who have actively participated in publishing the paper, as well as those among the reading audience who have taken time to show their interest by commenting upon or criticizing its content and policies. Without the former, there would be no campus newspaper; without the latter, our efforts would seem empty and unrewarding.

We wish also to thank the Students' Council for its co-operation, financial and otherwise, as well as all the speakers and members of campus organizations who have so willingly submitted to our interviews and questions.

The Editors have enjoyed their year, but one thing is still worrying them . . . Why did those professors go?