

*John M. Ditsky*

**ALL IRISH HERE:  
THE "IRISHMAN" IN MODERN DRAMA**

It is on record that in Ireland . . . mirrors reflect, thanks to some as yet undefined property, silhouettes and countrysides which do not belong to the world as we know it.<sup>1</sup>

Ionesco's location of the keyhole to the anti-worlds in the Celtic countries is less an accident of literary whimsy than a logical extension of a certain symbolic attachment to the concept of Irishness relatively common in contemporary literature, particularly drama. In speaking of contemporary representative Irishmen in literature, however, we are not discussing the blustering roughneck of Restoration and nineteenth-century comedy, any more than we mean the racist cartoon stereotype of nineteenth-century American newspapers or the professional Irishman of Third-Avenue bars; rather, I am referring to the way in which certain British and American playwrights of the past century have created explicitly "Irish" roles within their dramas, attaching special abilities and responsibilities to the characters designated to fill those roles.

**I**

This form of literary Irishman is typically a wanderer, or at least a homeless or displaced person burdened with the fact of his experience and the need to express its weight. Even within Irish literature itself, therefore, there may appear the walking stereotype of the representative dispossessed Irishman, exile within his own land as much as within others' lands. In Synge's *Playboy of the Western World* (1907), the figure of the coming rebellion against a conformist tradition is the displaced Irish Everyman, Christy Mahon, Christian Man, who expresses his eventual claim to manhood in terms both religious and sexual,

defining his developing self against a son's debt of servitude to a father who is himself a rebel. Christy's Da, Old Mahon, "a squatter" according to the stage directions, is a figure of discontent with his lot, "a man 'd be raging all times, the while he was waking, like a gaudy officer you'd hear cursing and damning and swearing oaths."<sup>2</sup>

The restive Old Mahon takes out his anger in "shying clods against the visage of the stars" (25), for he has been in bondage to a hostile soil, even though he has "sons and daughters walking all great states and territories of the world" (25). This remarkable and obviously representative man, trapped in an existence of mad ravings and assaults on authority, does not realize the chance of independence, ironically enough, until his own son's act of violence against him sets both loose upon the roads of Ireland, if not of the world at large—with youth at last "master of all fights" (80) and in charge of Mahon's traditional Irishness, "romancing through a romping lifetime from this hour to the dawning of the judgment day" (80). It is interesting to note that Christy, with what Pegeen absurdly calls his "kind of a quality name" (22), does finally assert his native kingliness by means of committing violence, acting the lover and play-boy ("Look at the mule he has, kicking the stars", exclaims the father watching his son race, a spontaneous bursting into poetry that recognizes the son's ability to challenge the stars better than the father in his crazy rages), and speaking poetry (as in the gorgeous language of the love scene with Pegeen, 64-66). "Spit of" his father (50), with a weakness for whiskey, women, and the sight of his own image (79), Christy Mahon is lost to the little world of Mayo forever, surely on his way to becoming the true Playboy of the greater Western World (46), America, where they use "bloody knives" (18) and where poets, "fine fiery fellows with great rages when their temper's roused" (23), can cope with their stars and their unkillable Dads.

## II

If the Irishman in Ireland is already a figure of some discontent, a symbolic interpreter of the world he inhabits to other and less sighted fellows, then the Irishman in America is uniquely equipped to become the custodian of the American dream, acting as a kind of ultra-genuine American in spirit—somewhat resembling the way Irish Catholics have

made the U.S. Catholic Church their own in tone and structure. From the Irish boy named Finn, who went wandering in search of a better father and ended by lighting out for the territory in a total break with civilization, and also from the race of Irish cowboys that the Hucks of America became, up to those latter-day avatars of American dreaming named Kennedy and McCarthy, the Irish on the North American continent have occupied a special place in folklore and formal literature. Not surprisingly, Eugene O'Neill's work contains the greatest number of pertinent references to modern dramatic Irishness. In *The Hairy Ape* (1922), for example, the Ape who is Yank emerges from a Neanderthal milieu composed of "all the civilized white races"<sup>3</sup>; yet he defers to "an old, wizened Irishman" called, of course, Paddy (209)—though he tries to dismiss him as a "damned old Harp" (210). Paddy's song about how "whisky drove my old man mad!" (210) infuriates Yank, as does another which refers to a home in Canada—as would any suggestion that Yank's home is other than the stokehole, where he "belongs" (211). It is Paddy who waxes Masfield-rhapsodic about the "fine days of my youth" and the "fine beautiful ships" he sailed in then (213); and it is Paddy again who, "with a sort of religious exaltation", makes a Masfield-ironic comparison of those fine old days with the ugly present, when a sailor is a "flesh and blood wheel of the engines" (214). Paddy, says Yank, is lost in a dead dream of the past (215), and naturally enough wishes for death. When Yank brags "I'm steel—steel—steel!" (216), Paddy's drunken response is a mocking "Ho-ho-ho-ho-ho" (216). He then decides to stay off work:

. . . Let them log me and be damned. I'm no slave the like of you. I'll be sittin' here at me ease, and drinking, and thinking, and dreaming dreams.  
(217)

*Non serviam*, says the Irishman, but I will dream my dreams.

So that it is also Paddy who complains of the work (223-24), diagnoses Yank's trouble after Mildred's visit as "love" (227), and makes the Yank-Mildred meeting into a unified narrative (228-32) with a moral: Yank is a "hairy ape" to Mildred. And when Yank meets his tragic end at the hands of the gorilla, it is because Paddy's poetic image has pried him loose from his previous environment, and because Paddy has made him see that "I ain't got no past to tink in, nor nothin' dat's

comin', on'y what's now—and dat don't belong" (253). Here the Irish poet's function is conceivably a negative one—to give the American character a tragic awareness (within his limitations). How little one need stretch the point to see both Paddy and Yank in Eugene O'Neill.

That problem of synthesizing two kinds of dreaming—of reconciling the Irish sensitivity with the Yankee potential—obsesses Cornelius Melody of O'Neill's *A Touch of the Poet* (1958). Son of a shebeen keeper with pretensions to nobility, Melody (one cannot avoid noting the name) came to America with his father's intent, holding himself above the shanty Irish of his 1828 Massachusetts community. His daughter says of him:

. . . it's a great joke to hear him shout against mob rule, like one of the Yankee gentry, when you know what he came from. And after the way the Yanks swindled him when he came here . . . Oh, if I was a man with the chance he had, there wouldn't be a dream I'd not make come true!<sup>4</sup>

Sara loves Simon Harford, but "not too much", for he is her planned-for chance to "rise in the world" (31). Harford is a Yankee version of the Irishman, a pre-Thoreau "with a raft of great dreams" who wanted to live in the woods to find out "how the world can be changed" instead of engaging in business (29). Poet, he represents the Yankee strain Irishing itself, just as Sara is the Americanization of Irishness.

But even if such an adjustment is possible for the new generation, there can be no reconciliation of dreams and reality for the old: Cornelius quotes his favorite passage from Byron in praise of solitude in front of the mirror, but he is unable to prevent the loss of face that finally drives him to kill his beloved mare, and with it his pretensions to class mobility. Having killed the horse, "the livin' reminder, so to spake, av all his lyin' boasts and dreams" (169), he reverts to being the underdog Irishman he has so long denied being. It is a Pirandellian moment of mask-exchange that is highly relevant to the immigrant experience in America, just as Sara's strategic giving of herself to Simon represents a "practical" utilization of Irish beauty that is ultimately just as meaningful. Defined and poeticized by the dramatic representation of Irishness, the give-and-take in O'Neill's play is the way America came to maturity. The touch of the poet, furthermore, is a giddiness inherent

in the contemplation of reality, of death, by a sensitive soul. It is the grace of making an end that is at odds with Yankee "practicality", itself so determined to overlook the fact of death.

In Arthur Miller's *Memory of Two Mondays* (1955), Irishness is still a matter of special sensitivity and insight, with the added consciousness carried to the point of becoming a tragic burden—and a heritage of pain to be passed on to the young writer-to-be, Bert. Miller's suffering lot of Depression workers touches bottom (at first) in the drunken Tommy Kelly, but it also touches heaven in the lighthearted yet unhappy, virginal yet obsessed-with-purity, character of Kenneth, a recent immigrant to America. Kenneth recites poetry, having learned it at home: "there's all kinds of useless occupations in Ireland."<sup>5</sup> Nature-lover, singer of songs, Kenneth "shyly" responds to a question about "The Minstrel Boy", "All Irish here and none of yiz knows an Irish song" (341). But only Kenneth and Tommy are literally Irish; Kenneth is simply including his co-workers in a community of shared sorrows and hurts that makes all of them "Irish", to an extent.

Kenneth asks repeatedly that the windows of the warehouse be washed, so that all might see "the clouds and the various signs of approaching storms. And there might even be a bird now and again" (348). When Kenneth helps Bert save Tommy's job after Tommy comes in in a drunken stupor, and Tommy in recovering his composure becomes "defensive" and tries to "normalize everything" by exchanging banter in brogue with Kenneth, the talk turns into teasing—of Kenneth, on account of his Irishness (354). Finally, in the break between "Mondays", Kenneth helps the Miller-figure Bert to clean the windows, because as he says "You've got to have a sky to look at!" (357)

Underfed and unhealthy, Kenneth is slowly deteriorating; when Bert tells Kenneth how clever he thinks him, Kenneth demurs: "I never could hold my mind on a far-away thing" (358), thereby measuring his distance from the possibility of attaining the American dream of material success, or his own dreams, for that matter. He becomes suddenly angry:

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How's a man to live,  
Freezing all day in this palace of dust  
And night comes with one window and a bed  
And the streets full of strangers  
And not one of them's read a book through,  
Or seen a poem from beginning to end  
Or knows a song worth singing.  
Oh, this is an ice-cold city, Mother,  
And Roosevelt's not makin' it warmer, somehow. (359)

Immediately thereafter, the second part of the play begins: it is winter, Kenneth is sick, has headaches, and is forgetting the poems he used to be able to recite; appropriately enough, he cannot remember Whitman's "O Captain! My Captain!" past the line "The prize we sought is won . . ." (359). As that irony fades away, Kenneth presents others: he has started drinking heavily, and is thinking of taking a Civil Service job, which he predicts will be that of "guard in the insane asylum" (360); to do so, he admits, will be the sign that he has given up all hope. At the same time, Tommy Kelly has recovered from *his* alcoholism, and preaches moralistically about the importance of will-power, meanwhile badgering Kenneth for having become something like what Tommy used to be. Again, Tommy uses their shared Irishness to underscore the role-exchange that has occurred.

And it is Kenneth who objects, angrily, to the sight of warehouse girls in their rooms now freely available to all of the warehouse crew—thanks to the windows he and Bert have cleaned, hoping for better visions (364-69). Bert prepares to leave the warehouse for college, confessing that his experience in his job has been a "mystery," while Kenneth, doomed to the company of madmen, repeats his ritual "All Irish here" line (371). Accompanied by Kenneth's chanting of "The Minstrel Boy", the future-minstrel Bert finally leaves. Only Kenneth appears interested in his departure—Kenneth, who has given Tommy his stability, and Bert his genius for poetry. The last exchange between Bert and Kenneth is particularly meaningful:

BERT: Well—good luck. Kenny. *Blushing*: I hope you'll remember the poems again.

KENNETH, *as though they were unimportant*: No, they're gone, Bert. There's too much to do in this country for that kinda stuff. (375)

Indeed there is: America, especially Depression America, asks of the people in *Memory of Two Mondays* that they give up their dreaming: that they make a practical exchange of dreams for a small stake in the solid stuff of the real and possible. It is the Irishman who stands at the centre of this process, and who is spindled by its lines of reference to the institutions that represented America: State and Society, whorehouse and warehouse, college and asylum.

### III

Singer, poet, lover, and fighter, the Irishman in American drama is ultimately a loser, drinker, confronter of reality, and intimate of Death. Incompatible with the American success-ethic, he is nevertheless a vital part of an opposing (but as important; perhaps more important) American tradition: the infusion of poetry to give the Dream sustenance. Yet the Irishman in modern drama finally suffers the same fate as the characters he complements, the lingering effects of the age's malaise. Larry Slade in *The Iceman Cometh* (1946), self-described as "the only real convert to death Hickey made",<sup>6</sup> is capable—in this parody-religious, parody-biblical, play—of only such "positive" acts as releasing the turncoat Parritt, the Mother-betrayer, from life: "Go, for the love of Christ, you mad tortured bastard, for your own sake!" (720) As for himself, he is cursed with intelligence and doomed by insight; no "pipe dream" for him, nor any loving idealized woman (Mother, Hickey's Evelyn, Willy Loman's Linda) to beguile him, to build up his unrealistic hopes of "happiness" and thereby contribute to his final tragedy. Larry is a "coward": "Life is too much for me. I'll be a weak fool looking with pity at the two sides of everything till the day I die!" (726) Larry is the modern intellectual, prevented by his own fairmindedness (or double vision) from acting, Hamleted onto the sidelines; naturally, he is also Irish. Had T.S. Eliot the requisite insight, he might have combined Sweeney and Prufrock, and done it all. In O'Neill, it is Larry, whose "mystic's meditative pale-blue eyes with a gleam of sharp sardonic humor in them" (574) have given him the dubious boon of being the only one to see the truth—beyond the tragic actor, Hickey, the Christ of this Last Supper and birthday party, this end and beginning of modern despair. And the truth of modern drama is death.

"Foolosopher", the others repeatedly call Larry, for his insight is necessarily insanity to them, and they cannot afford to share in its implications. Bringing to an abrupt and cruel close the movement begun in Synge, the figurative father in *The Iceman Cometh* sends his son to death in a Christ-Judas parallel of mercy and justice. Irish intelligence is left with the likes of Moran, half of the Fiedlerian team of detectives—Moran and Lieb—who come for Hickey, and whose message is that Hickey has lied. The Irishman was Truth, the Irishman is Death, and the pattern is complete.

Thus the exiled Irishman comes to occupy a new place in modern drama: having seen where we are all going before the rest of us see it, he has gone on ahead, and is waiting for us on the other side of death. He is, for instance, McCann, Harold Pinter's ultimate Irishman in *The Birthday Party*, part of another Judaic-Christian detective team of comic menace, that of Goldberg and McCann. If *The Birthday Party* (1958) seems clearly patterned at least in part on *The Iceman Cometh*, we can recognize in what the two plays share—a symbolic birthday party involving a negative rebirth, and a pair of investigators who "come for" the character who represents vision—a sequence of events that speaks clearly to our time, one in which Irishness plays an interesting but increasingly abstracted role.

Pinter's McCann (son of Cain?) drinks his Irish<sup>7</sup> and comes from the resonantly-named hamlet of Carrimacross (43). For him, poetry is reduced to the act of tearing newspapers into neat strips (37), an event as unsettling in its way as Paddy's choral laughter. McCann, who takes away Stanley's glasses in the blackout scene (63), is revealed as a defrocked priest (81). Confessions are his specialty. Like the business-like assassins of *The Dumb Waiter*, Goldberg and McCann threaten as well as complement each other, carrying on normal conversations—or are they?—even as their preparations and activities chill the spectators:

GOLDBERG, McCann, what are you so nervous about? Pull yourself together. Everywhere you go these days it's like a funeral.  
McCANN. That's true. (28)



And at the end of the play, it is McCann who repeatedly asks the gurgling, gagging, speechless Stanley, in a line picked up by Goldberg too, "What's your opinion, sir? Of this prospect, sir?" (84-85)—before the hapless Stanley is packed off to be taken for "special treatment" to "Monty" (85). Sight and speech being the important elements of Pinter's art that they are, McCann's contribution to Stanley's reduction to vegetable helplessness, as well as his joining of the ranks of abstract menace generally, accomplishes the end of poetry, the betrayal of insight.

Having been among the first to succumb to the general flattening of character typical of the theatre of our time, then, the traditional Irish character is perhaps no longer a meaningful and viable entity on the modern stage. Reduction to a new stereotype, an ironic evolution for an especially poetic nature, suggests that there is no longer a need for the maintenance of such an Irish cartoon image when the Irish artist himself has, in our time, so consciously played the roles of rebel, exile, poet, singer, lover, fighter. Synge. Joyce. Who more theatrical than Behan? Didactic than Shaw? Mystical than Yeats? And finally, what more compelling example of the merger of art with "reality" than the ultimate Irishman, Samuel Beckett? The perceptions of reality, of the vital need for dreams and the fatal fact of Death, once treated as the special province of the dramatic Irishman, have become our common heritage. Ionesco was right: the special mirrors *are* found in Ireland. But in a sense that is painful to measure, though we know no Irish song, we're now All Irish Here.

#### NOTES

1. Eugene Ionesco, "The Stroller in the Air," *The Colonel's Photograph and Other Stories* (New York: Grove Press, 1969), pp. 48-49.
2. In *The Complete Works of John M. Synge* (New York: Random House, 1935), p. 25. Subsequent references to this and other plays are parenthesized within the text.
3. In *The Plays of Eugene O'Neill*, III (New York: Random House, 1954), 207.
4. New Haven: Yale University Press, 1957; pp. 26-27.
5. In *Arthur Miller's Collected Plays* (New York: Viking, 1957), p. 339.
6. In *O'Neill*, III, 227.
7. *The Birthday Party and The Room* (New York: Grove Press, 1968), p. 53.

*Howe Martyn*

## **PAST IS FUTURE FOR THE MULTINATIONAL FIRM**

The existence of businesses that operate in parallel within several nation-states, under central ownership and control, has come to be taken for granted during the short period in which they have become generally identified as "multinational firms" (a period which can be fixed by the introduction of the first course on *The Multinational Firm* at The American University, Washington, D.C., in 1961). The existence of multinational firms in their present form, which a growing literature is engrossed in describing and analyzing, has been made possible, however, as the accidental result of two historical conditions. Both of these are subject to change, with effects on the multinational firm of which some are foreseeable.

One of these conditions was the unquestioning acceptance of absentee ownership of the companies which were encouraged to be incorporated in Canada under the "National Policy" of industrialization adopted in 1879. The other was the acceptance in the United States of the wholly-owned subsidiary abroad. This was accepted as being different from the joint-venture with a foreign company, which could be illegal under Antitrust, and different also from the sharing of technology with foreigners through patent-exchange, which had been branded unpatriotic by the Nye Committee of the U.S. Senate.

What might have been if these conditions had not occurred has relevance for the future of international business if two possible new conditions materialize. One is the prohibition by host country governments of absentee ownership and control of companies. The other is the prohibition of the use abroad of American technology, even by a wholly-owned subsidiary as well as by licensing, under penalty of losing patent protection at home. This is an as yet little-noticed part of

the AFL/CIO labor union program for stopping "the export of jobs", presented to the U.S. Congress in the Hartke-Burke bill.<sup>1</sup>

### *Absentee Owners Industrialized Canada*

Canada has been the proving-ground of the multinational firm. Many American corporations that are now multinational gained their first experience with foreign subsidiaries in Canada, though these were regarded initially as merely branch plants and sales divisions. The largest amount of business done by American subsidiaries abroad is still in Canada, unless the European Community is taken as a unit.<sup>2</sup>

The process through which the foreign subsidiary became predominant in the Canadian economy was associated with a program aimed at supplementing with domestic manufactures the production of commodities for export, "colonial products", which had been the chief industries. This program was inaugurated in the "National Policy" of 1879 proclaimed by the first Prime Minister, Sir John A. Macdonald, of the new Dominion of Canada which had been granted self-government by the British North America Act of 1867.<sup>3</sup> The purpose of this National Policy of a century ago was the now familiar "economic integration", for the sake of the employment and profits of processing, by industrial diversification. The examples of countries obtaining industrial development at the time that were emulated by Canada were Germany and the United States. The means employed by the Government of Canada were protective tariffs and subsidized infrastructure (the Canadian Pacific Railway). But the companies that built factories inside the Canadian tariff walls, though "legal persons" by incorporation in Canada, were mainly dummies, owned and controlled by people who were not citizens of Canada.

An ambiguity as to citizenship which persisted from the colonial period long into Canada's political autonomy can help explain the rarely questioned admittance of absentee owners into the Canadian economy. Canadians remained British Subjects, by choice, with rights to enter Britain without visa, to reside and work there without permit, to invest and manage there even in the most sensitive industries, e.g. those Lords of British communications, Beaverbrook and Thomson. British owners of Canadian companies could hardly be regarded as

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foreigners. A precedent for absentee ownership of Canadian companies slipped into the emerging Canadian economy. Ironically, the principal beneficiaries of the Canadian domicile allowed to non-residents through ownership of companies incorporated in Canada have been Americans.

It will be argued, of course, that the significance here attached to the Canadian situation is unwarranted, because hospitality to foreigners, including particularly protection of their property, is one of the oldest principles of international law. It will be argued, further, that treaties of "Friendship, Commerce and Navigation"<sup>4</sup> specifically provide reciprocal privileges for citizens of one party to conduct business in the territory of the other party. The foreigners involved were, however, traders, and they came and went home again. It was first in Canada that absentee owners achieved a permanent, large presence in the domestic industries of a politically independent country.

It must have been a near thing. There were many immigrants from Ireland in Canada, to whom the absentee landlord would have been anathema. The Canadian-incorporated company was an effective disguise. Actually, there was an alternative to absentee ownership and control, though more visible in historical perspective than it could have been in the beginning. The Massey and the Gurney families, for example, came to Canada from the United States to set up their farm implement and stove factories, and settled there.<sup>5</sup> But the dominating influence became the subsidiary, exemplified by General Electric, General Foods, and General Motors of Canada Limited.

### *Purely American Operations in Foreign Countries Could Be Loyal and Legal*

The second historical condition affecting the development of the multinational firm was that it was safe for American companies to operate in foreign countries through wholly-owned subsidiaries, while it had been made politically dangerous to enter into cooperative arrangements with foreign companies by Senator Gerald Nye, and legally dangerous by the Federal Trade Commission and the Antitrust Division of the Department of Justice. Senator Nye had associated international business with the "merchants of death", to whom he attributed responsibility for the arms races of the first World War and after, during hearings on the production and financing of munitions.<sup>6</sup>

An alternative to the multinational firm with its wholly-owned subsidiaries had shown considerable development during the first quarter of the twentieth century. This was the cooperative arrangement between companies in two countries or even among companies in several countries. Cooperation would be more feasible among companies in the established nations of Europe than the colonial relationship that developed in Canada while independence was new and not fully realized.

The cooperating companies transferred technology, e.g. by cross-licensing of patents. They exchanged market information and marketing experience. They opened their channels of distribution in their home markets to non-competitive products of their foreign associates, sometimes also providing local-language packaging and other modifications to suit local requirements. (These are all activities that are also carried out among the component companies in the multinational firm)<sup>7</sup>. The cooperating companies sometimes also formed jointly owned and controlled companies to enter new fields or third countries. An outstanding example was the cooperation of American du Pont and British Imperial Chemicals in the ownership and operation of Canadian Industries Limited and Duperial of Argentina. This was eventually terminated by U.S. Court orders in 1952.<sup>8</sup> It was in the growth industries of the period—chemical, electrical, metallurgical—that international cooperation was most active, just as the multinational firm is now in data-processing, electronics, transportation equipment and tourism.

Market allocation and price-fixing were included in the cooperative arrangements among European companies (as they are also, of course, within the multinational firm). It was from these that the European “cartels” got their bad name.<sup>9</sup>

Pejorative use of “cartel” was material in the attack on American companies that had cooperated with Europeans which was conducted through Congressional hearings by Senator Gerald Nye in 1934 and 1935.<sup>10</sup> Cooperation of Americans with Europeans in research which included sharing of discoveries was attacked by Senator Nye as anti-American. The political risks became an inhibiting influence against American participation in the cooperative approach to international business. There would have to be some safer way. This was found to be

total American ownership of operations abroad, which would appear to exclude any compromising deals with foreigners.

Following the furor aroused by Senator Nye, the antitrust laws of the United States began to be invoked against American companies and their foreign associates, for actions outside the United States, previously generally assumed to be beyond U.S. jurisdiction. Verdicts in actions such as the U.S. vs. du Pont and I.C.I. (1952) established a risk that any American company (and its foreign associates) might be in violation of American law for any cooperative arrangement that could be found capable of limiting American trade, inside or outside the United States.<sup>11</sup> This made practically every agreement that might be entered into with an independent foreign company a legal risk. This risk has appeared, thus far, to be avoided, however, if the agreement is not actually with another entity but with one's self, i.e. a branch or, where foreign law and taxes dictate, a subsidiary. This must obviously be completely controlled by the company of which it is claimed to be a part.

Thus there has been an "American condition" pressing international business into the form of the multinational firm, and fitting neatly with the "Canadian condition" allowing it to take this form. The American condition has made the wholly-owned subsidiary the principal vehicle for foreign operations in the quarter-century of American industrial hegemony since the second World War, and in many countries beside Canada in which the "Canadian condition" has prevailed.

#### *Adapting to Nationalism Abroad and at Home*

The actual extent and probable duration of the conditions described may be much less than the present stature of the multinational firm might suggest. Further development of international business may occur in new locations and new forms, in the absence of the Canadian type of opportunity and the American constraint.

The circumstances under which absentee ownership crept into Canadian industry were a vestige of colonialism. If colonial status is admitted to include lack of domestic capital and technology, it can be seen to have existed not only throughout the former British, Dutch, French, and Spanish empires—a very large part of the world—but also

even in Europe in the period immediately following the second World War. But the term "colonialism" has only to be mentioned, as Americans will be the first to recognize, to make clear that this condition will not endure. The sovereign state claims the subsoil, especially oil, in Latin and Moslem countries,<sup>12</sup> and now pursues title into processing and marketing. Ownership of land is restricted to citizens or residents, from Norway to Bermuda. "Strategic" industries, which in Canada include banks and broadcasting and in the United States the distribution of alcoholic beverages, are restricted to nationals.

The principle gaining universal acceptance is that the resources of a country are the birthright of its inhabitants, which it is the duty of the state to protect. Included among those resources are the markets in the country, which can be transmuted into profits and capital-gains by companies that enjoy them. The demand is for at least a share, often a majority, of ownership of the equity of all companies operating in the country. It is a simple matter for a government to amend its company law to include citizenship or residence requirements for shareholders.

The effective restraint on this "nationalization" (in the broad sense) is not laws or treaties, but only the continuing shortage in many countries of capital and "know-how". This produces what has been clearly described in the program of the Andean Group of Latin American countries as a bargaining position.<sup>13</sup>

The bargaining strength of less-developed countries is growing, for two reasons. One is the scarcity of resources, ranging from energy sources to recreational living-space. The other is competition in the supply of capital and technology, now being offered against the United States by the European nations, Japan, Israel, and even the U.S.S.R. and China. National governments are reaching a position of being able to bargain for (a) portfolio investment rather than equity for capital, (b) turnkey plants, licensing, and at the most joint-ventures, for technology, and (c) agency arrangements for marketing. These amount to the reestablishment of cooperative arrangements among companies in different countries along the lines that have been indicated in Europe, and also in Japan.

European and Japanese companies have the advantage for operating without the "Canadian condition", that their governments have not

adopted the "American condition" and continue to permit arrangements which might be regarded in the United States as cartels. The Europeans have a further though subtle advantage of experience of management in organizations that must rely on cooperation rather than control. Corresponding experience has not been available in American companies, multinational or domestic, or even in American labor unions, but only among the managers of trade associations such as the Motor Vehicle Manufacturers Association and the American Bankers Association.

But new conditions affecting international business are portended in the United States. There are echoes of Senator Nye in the attack on the multinational firm being conducted in the Congress by Senator Hartke and Representative Burke, but openly directed by the AFL/CIO. The position of the unions is that the multinational firm is anti-American. It exports jobs and technology which should be kept exclusively for Americans in the United States, and therefore it must be dismantled.

Any success of the AFL/CIO Hartke-Burke attack will affect only American-based multinationals, simply making easier the growth that is in progress of firms originating from Europe, Japan, and elsewhere. Moreover, the central banks of the European countries and Japan hold an "overhang" of superfluous dollars. What is to prevent use of these to buy subsidiaries abroad from American companies if compulsory divestiture eventuates?

The AFL/CIO attack is being conducted on the political level. If the organizers had looked into the past, they might have seen a possibility of attaining their purpose on the legal level. It has been noticed in this review that arrangements with foreign companies are assumed to be immune from Antitrust if they are completely controlled subsidiaries. Put to the test in the U.S. Courts, this might not prove valid, any more than the earlier assumption that arrangements by American companies with independent foreign companies applying outside the United States were immune.

If the open channel for the future spread of production and distribution internationally is to be cooperation of national companies in licensing and joint ventures, the need of American companies to have control will run them on sand-bars of foreign restrictions against absentee ownership—assuming that the American companies are not



already scuttled by labor politics or by antitrust lawsuits. A beacon-light flickered during the brief presence in the U.S. Administration of Peter G. Peterson. The survey he issued on December 27, 1971, *A Foreign Economic Policy in Perspective*, identified the need that "anti-trust policies . . . should be reexamined."<sup>44</sup> This shows awareness that conditions in Canada and elsewhere abroad affecting international business are changing, and suggests that American conditions need changing.

The obstacles to change are the Courts and the labor unions, not the companies which are pragmatic and can learn to operate in associations or joint-ventures if that is the internationally acceptable way. The hard position shared by Courts and unions is American absolutism. Both will have to recognize that this is untenable in the interdependent modern world. American unions cannot prevent workers in other countries from obtaining industrial employment, in national companies with European or Japanese affiliations if not in U.S. subsidiaries. The unions will learn sooner or later that they are threatening the foreign income the U.S. needs to balance its payments for essential imports such as metals, oil, and wood-pulp. The U.S. Courts have achieved an extra-territorial extension of Antitrust. This has fostered the contradiction of monopolistic American position in foreign countries. But it is also having the further effect of making American companies non-competitive with the French, Germans, and Japanese in forming new cooperative arrangements with the national companies in other countries.<sup>45</sup> To resolve these contradictions will be an appropriate problem for a conservative Supreme Court.

#### FOOTNOTES

1. Section 602, Title VI, Proposed Foreign Trade and Investment Act of 1972, introduced 1973.
2. Peter G. Peterson, *The United States in the Changing World Economy*, Vol. II, Washington, D.C., U.S. Government Printing Office, 1971, p. 43.
3. Donald Coughton, *John A. Macdonald*, Vol. II, Toronto, Macmillan, 1965, p. 120 *et seq.*
4. Stanley D. Metzger, *International Law, Trade and Finance*, Dobbs Ferry, N.Y., Oceana Publications, 1962, "Commercial Treaties of the United States," p. 147 *et seq.*
5. Herbert Marshall and Kenneth Taylor, *Canadian-American Industry*, New Haven, Conn., Yale University Press, 1956.
6. Wayne S. Cole, *Senator Gerald P. Nye and American Foreign Relations*, Minneapolis, The University of Minnesota Press, 1962.

7. Howe Martyn, *Multinational Business Management*, Lexington, Mass., Heath, 1970
8. Final Judgment: United States of America vs. Imperial Chemical Industries Ltd. and E. I. du Pont de Nemours and Company Inc., in the United States District Court for the Southern District of New York, July 30, 1952
9. Corwin D. Edwards, *Cartelization in Western Europe*, Washington, D.C., U.S. Department of State, 1964
10. Cole, *op. cit.*
11. A.D. Neale, *The Antitrust Laws of the United States of America*, New York, Cambridge University Press, 1960, p. 311
12. Raymond F. Mikesell, *Foreign Investment in the Petroleum and Mineral Industries*, Baltimore, Johns Hopkins Press, 1971
13. Carlos F. Diaz-Alejandro, "Latin America: Toward 2000 A.D.," in *Economics and World Order*, ed. Jagdish N. Bhagwati, New York, Macmillan, 1972, p. 233 *et seq.*
14. Peter G. Peterson, *The United States in the Changing World Economy*, Vol. I, "A Foreign Economic Perspective," Washington, D.C., U.S. Government Printing Office, 1971, p. 30
15. Tatsuo Murano and John O. Tomb, *Japan's Answer to the Multinational Enterprise*, Tokyo, The Sanwa Bank Limited, 1973