

The Relationship Between Canada and the United States in the Global Political

Economy

Student's Name

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The United States and Canada have always had a profound and versatile form of partnership. These two nations have been in this alliance with the general perspective of sharing values and interests. However, looking at the bilateral history of the USA in the form of ideals and mutual commitment, one can realize that the US-Canada relationship could be more than it appears to the public (Panitch & Konings, 2009). America is considered the world's superpower and, by a more significant margin, the most influential based on economic sustainability. Comparatively, Canada is inferior to the USA in all commercial aspects, making it unrealistic to equate them as equal trading partners. Thus, although it might appear that the US-Canada relationship was established to address some bilateral, multilateral, and global issues, it is more of a secondary imperialist partner based on the economic perception.

One can interpret the relationship between Canada and the United States by understanding the American role in the era of neoliberal finance. According to Panitch and Gindin (2014), the USA Empire was established back in the twentieth century to control capitalism worldwide. Knowing that many nations were facing financial challenges due to economic turbulence, America ventured into broader competitive capitalist strategies. The economic alliance signed by the US and Canada back in the 1970s was part of the deal that would enable America to protect Canada's financial and corporate institutions from the rapidly evolving economic vulnerabilities. However, such protection came with some undisclosed costs considering that the US started controlling Canada's economic functions. Indeed, such an outcome shows that the Canada-US relationship is less of a pure trading partnership but more of a secondary imperialist alliance.

The theory of imperialism can also explain the US-Canada global political economy. According to Klassen (2014), more emphasis should focus on understanding the connection between spatial expansion and capitalism, whereby trade can transform its actual value. By adopting the term “empire,” Klassen (2014) considers collective imperialism by those nations boosting with advanced capitalist states as the most dominant factor in inter-imperialist rivalry. Besides, Klassen (2014) insists that Canada does not qualify to be considered an advanced capitalist state in its current economic state. Such a view bases on the understanding that Canada does not have real national bargaining power over its interests since some independent imperialists control its economy and the state in its entirety. Hence, such matters make Canada be more of a secondary imperialist partner to the United States.

Further, one can evaluate the relationship between Canada and the USA based on the current dictatorship linkages with the existing leading corporations. According to Klassen (2014), the nationally owned firms operating under Canadian ownership mainly dominate Canada’s corporate network. As a result, changes in the global political economy between 1996 and 2006 led to directorship interlocks between the large Canadian corporations and the foreign-based firms. The most evident interlocks were between Canadian multinational enterprises and the USA firms. Based on this form of business agreement, Canada became more of an American-influenced economy that lacked the authority to make its independent business decisions. Most of the transformations in the Canadian nation since 2001 have been a structural effect of capital internalization due to the decomposition of power blocks alongside the corporate entities. Thus, such issues show that Canada operates as a secondary imperialistic partner to the United States.

One could question the US-Canada political economy based on the anti-free trade movement. Panitch and Gindin (2014) assert that forming the partnership between these two nations aimed to romanticize the Canadian state and help it establish itself economically.

Instead, Panitch and Gindin (2014) believe that the idea of the US entering a partnership with Canada was mainly about controlling Canadian sovereignty. The effects of the trade agreement led to deep structural economic dependency. For example, the NAFTA trade deal was a form of Canada selling itself to American interests (Panitch and Gindin, 2014). The Canadian state considered the NAFTA agreement to increase its sovereignty and market access to its products as one of the leading exporters to the USA. However, details emerged that America became powerful in crucial business dealings involving these two states. Accordingly, such an outcome proves that Canada is more of a secondary imperialist partner to the United States.

One could explain the US-Canada global political economy through the concept of corporate capitalism. According to Panitch (2016), small industries can barely survive in an environment dominated by corporate capitalism. Through the trade agreements formed between these two nations, Canada's financial capitalists decided to shift their capital into an industry where larger firms would dominate the smaller ones. As a result, the American manufacturing firms started buying out any form of competition arising from the more minor industries in Canada, which saw the USA become a dominant industry in the end. The long-term effects of such trade relations meant that most Canadian capitalists lacked the power for market access and survival, resulting in them becoming more dependent on the United States (Panitch, 2016). Therefore, through such economic platforms, Canada became more of a secondary imperialist partner to America.

The free wage labor is another concept that explains the US-Canada global political economy. Following the formation of the trade and industry partnership, the capitalist nature of production emerged in that Canada became the direct producer of free wage labor. Besides, the Canadian farmers became subjects for elimination based on three conditions. The first circumstance was that they would over-exploit themselves by remaining on the land.

The second choice was that the farmers would move to other productive agricultural areas in North America. The last alternative for the farmers was to move to wage labor. According to Panitch (2016), the forms of production in Canada, even where nature produced a marketable staple, entirely relied on the total surplus extraction. Panitch (2016) asserts that the transition conditions to become an industrial proletariat led to the accumulation of capitalist societies mainly operating under the US authority. Hence, such circumstances show how Canada acts as an imperialist partner to America.

Another way to elaborate Canada and the US relationship is through the amount of invested capital. According to Scott (1975), America has spent more in Canada than it has in any other nation. Currently, the USA has more than thirty percent of its total investments located in Canada. Such volume of investment is a significant amount when compared to other foreign investments that America has made. For example, the USA invested approximately 21,000 million dollars in Canada in 1969 (Scott, 1975). In the same year, America's investment in entire Europe totaled 21,554 million dollars, while the sum invested in Latin America was 13,811 million dollars (Scott, 1975). When considering these investments, it is evident that Canada is way above other states. Indeed, such a level of investment indicates that America is extending its power by acquiring Canada, making the Canadian nation an imperialist partner.

Additionally, quality investment can detail the US-Canada global political economy. Currently, the US dominates most Canadian primary resources and is the principal consumer of Canada's energy. In the manufacturing sector, America controls more than 60% of Canada's productive capacity (Scott, 1975). Most of the large firms in Canada operate based on the patent licenses leased by owners from the USA. In some circumstances, American subsidies contract the employees working in these firms. Moreover, Canada possesses few facilities that are vital for the independence of an industrialized nation. Thus, such quality of

investment is an indication that the US is stretching its political power by inhabiting the Canadian country that eventually makes the latter state a secondary imperialist partner.

An analysis based on the discounting measures also shows that Canada is an imperial nation to America. The Marxists consider the foreign investment as a direct act of imperialism. According to Scott (1975), the economic figures indicating the extent of assets do not provide a detailed explanation as to why the USA has a saturated venture in Canada. Based on a statistical perspective, Canada qualifies to be considered an economic region compared to others like the UK and Latin America. However, the level of investments made by the US causes the Canadian citizens to become victims of exploitation after incorporating some economics in the calculations. Upon applying some investment statistics based on real people, one can easily deduce that Canada adsorbs one-third of the entire foreign investment from the USA. Therefore, through these discounting calculations, it is evident that the foreign investment from the US to Canada is direct imperialism.

To summarize, the USA has made a significant investment in the Canadian state. In the public's view, the relationship between these two nations is mutual, whereby both countries share values and interests. However, a detailed analysis shows that the USA has more hidden benefits through its involvement with Canada. Notably, America has extended its power to its neighboring country by acquiring and controlling most valuables through quality investments. As a result, Canada becomes a secondary imperialist partner to the US.

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