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Socialist Voice #308, March 2, 2009

New Left Party in Philippines Seeks Power for the Masses

By Peter Boyle

More than a thousand people, including 920 elected delegates, attended the inaugural congress of Partido Lakas ng Masa (Power of the Masses Party) in Manila on January 30, 2009. They represented the mass organizations of workers, urban poor, peasants, students, street vendors, jeepney and tricycle drivers, women and senior citizens – a mass base estimated at 300,000 according to PLM leaders.

The slogan “PLM: A new party for our time, a party of change, a party of socialism” set a confident tone for the congress, which adopted a target of one million members in Manila and two million in the country as a whole by 2010 (when presidential elections are due).

Sonny Melencio, who was elected chairperson of the PLM, describes the new party as a “combination mass movement and electoral party” that was inspired by the recent Latin American experiences that have put into power progressive and socialist parties in countries like Venezuela and Bolivia.

“We are trying to build a mass party that can lead an uprising as well as engage in elections,” he said.

“The socialist victories in Latin America were not simply victories in the ballot boxes. Those electoral victories were preceded by popular uprisings that mobilized millions of people. During the elections, these uprisings were transformed into giant mobilizations, but the mobilizations are also continuing in an ongoing process of building new institutions of popular power.”

The PLM congress adopted a Platform of the Masses, a transitional program aimed at the “dismantling of the rotten capitalist system and its replacement by socialism.”

This program consists of key demands around economic and political reforms that the party will campaign for. The program includes the nationalization of basic industries and services, such as electricity, oil, and water; the provision of basic needs of the masses, such as land, decent housing, education, jobs, and health; and the establishment of a genuine government of the masses.

Popular power

“But the political aspect of the program is crucial,” Melencio told *Green Left Weekly* in an extensive interview (see <http://links.org.au/node/893> for video of the full interview). “We want to put power into the hands of the masses. This has to happen from below through the transformation of *barangay*(neighbourhood) councils into *barangay* assemblies that can institute alternative structures to replace the congress that is dominated by the *trapo*(traditional politician) elite.

“The masses are tired of a system where successive people’s uprisings, such as EDSA I and EDSA II which changed nothing. EDSA III was a failure and led by another *trapo*, “Erap” [Joseph Estrada], who wanted to return to power. [See note on EDSA uprisings at the end of this article – SV]

“We don’t want another EDSA where ‘people’s power’ is hijacked by the elite. So we need an uprising that is heading by the *masa* themselves and crowned by the institution of a government of the *masa*.”

The forces that launched the PLM came out of an experience in a broad collation of the left called Laban ng Masa (Struggle of the Masses). This alliance including most of the left except the sections associated by the Communist Party of the Philippines, a significant force that holds on to a sectarian approach to the rest of the left, according to Melencio.

This alliance operated on consensus and, unfortunately, there was no consensus on how to relate to important issues such as the Moro struggle for self-determination, the rebel soldiers movement, and the commitment of serious resources to building the alliance at all levels, especially at the grassroots, according to Melencio.

“So we decided to form a party that could do this grassroots organizing among the masses, to mobilize them in the streets and in elections too. However, we are still pursuing left regroupment and the PLM has an inclusive approach.”

Melencio hopes that some other groups from Laban ng Masa might join the PLM in the next few months.

Well-known leaders of the broader left, including president of the University of the Philippines and Laban ng Masa chairperson Dr. Francisco Nemenzo, former Akbayan Congress representative Etta Rosales, current Akbayan Congress representative Risa Hontiveros, and Ric Reyes delivered greetings to the PLM congress in person.

Rebel soldiers movement

The major alliance the PLM is building is with the military rebels. Melencio has been visiting the rebel military leaders in detention and discussing the possibility of them joining the PLM. Some have already expressed their willingness to join or support the PLM. The PLM congress received a message of support from imprisoned Brigadier-General Danilo Lim, a widely respected leader of the rebel soldiers movement

“Some of the military rebel groups are in full agreement with the PLM platform. In fact the platform of the PLM is based on a platform put forward by the Young Officers Union for New Government (YOUNG),” said Melencio.

“They asked us to comment on it, during the days of Laban ng Masa, and we developed it into the Platform of the Masses. We have some more things to discuss, including how to explain socialism to the ranks of the soldiers.”

Melencio said that some of the rebel soldiers had been studying the Venezuelan revolution and reading about Hugo Chavez and “Socialism for the 21st century.” The PLM has been discussing putting forward Brigadier-General Lim as its presidential candidate in 2010.

There were international observers at the PLM inaugural congress from the Japan Confederation of Railway Workers Union, the Sweden’s Left Party, the Democratic Socialist Perspective of Australia, and the Ceylon Bank Employees Union. Solidarity greetings were presented from these groups and other international parties, including the Socialist Party of Malaysia (PSM), Papernas from Indonesia, and Partido Obrero Revolucionario (POR, Spain), which emailed greetings.

Peter Boyle is national secretary of the Democratic Socialist Perspective (Australia). He attended the PLM congress as an international observer. See his greetings to the Laban ng Masa convention, at <http://links.org.au/node/893>. This article is reprinted with permission from Links: Internatinal Journal of Socialist Renewal (links.org.au/node/893).

Note on EDSA Uprisings: EDSA (Epifanio de los Santos Avenue), a broad 24-km road circling Manila, capital of the Philippines, was the site of major demonstrations instrumental in the toppling of presidents Ferdinand Marcos (February 1986) and Joseph Estrada (January 2001), termed EDSA I and EDSA II. Neither uprising achieved any significant shift in power to the Filipino people. In April 2001, supporters of Estrada rallied in an unsuccessful effort to oust President Gloria Macapagal-Arroyo, an event often termed EDSA III. —(*Socialist Voice*)

Socialist Voice #309, March 9, 2009

‘First Victory’ in Guadeloupe General Strike; Movement Spreads to Other French Colonies

By Richard Fidler

The general strike in Guadeloupe ended March 4, when an Accord was signed between the LKP Strike Collective and the local governments, the employers’ federation and the French government that granted the strikers their top 20 immediate demands and provided for continued negotiations on the remaining 126 mid-term and long-term demands. The LKP, or Lihannaj Kont Pwofitasyon — Collective against super-exploitation — is a coalition of 49 unions and grassroots organizations.

The LKP Strike Collective voted to end the strike, its member unions and community groups declaring this a “First Victory” after 44 days of general strike, repeated mass demonstrations, and negotiations. Some strikes are continuing, however, where the bosses’ associations have not signed the agreement on wages.

And on Saturday, March 7, 30,000 persons marched through the streets of the capital, Pointe à Pitre, to celebrate the victory achieved to this point.

The general strike began on January 20 and spread to neighbouring Martinique on February 5 as a protest against the high cost of living and, more generally, the gross inequality between the conditions of the black population and a tiny white elite, descendants of slaveholders, that controls most industry and agriculture. The two islands, each with a population of about 400,000, are officially designated overseas departments of France, and the repression of the strikers by the French government, which has flown in 2,000 gendarmes from the metropolis, has underscored their colonial oppression.

The islands, along with two other French colonies — Guyane in South America and La Réunion in the Indian Ocean, both of which are experiencing mounting unrest — have the highest unemployment rates in the European Union, double those of metropolitan France. Also, prices of basic commodities and food staples, most of them imported, are much higher.

The Guadeloupe accord on wages, reached initially on the night of February 26-27, provides for a €200 monthly increase for workers with a gross income of between €132 and €1849 per month (i.e. the minimum wage or up to 40% higher than the minimum); a 6% increase for those between €1849 and €2113; and a 3% increase for those with higher incomes. This agreement is called the “Jacques Bino Accord” in memory of the union activist who was killed during the strike. The cost of these wage increases is allocated between the employers and the French and local governments, with small business employers responsible for only a quarter of the increase.

Other concessions accepted by the bosses and the French and local governments, after lengthy and difficult negotiations, included:

- an average 6% reduction in the price of water;

- hiring of 22 Guadeloupian teachers on the waiting list;
- €40,000 in compensation for truckers and bus operators left out when urban and inter-city transportation was reorganized;
- various measures to aid farmers and fishers, including the setting aside of 64,000 hectares of farmland for future use, and a grant of €350,000 for the modernization and renewal of fishing gear for full-time fishers;
- an emergency plan for young people (jobs and training for 8,000 youth aged 16-25);
- lower bank service rates on certain products for individuals and small businesses; lower interest rates on loans are still being negotiated;
- a housing rent freeze and ban on evictions;
- some improvements in union rights, appointment of mediators to resolve outstanding conflicts in some major industries; and
- provisions for cultural development.

A parity commission with equal representation of unions and employers will oversee implementation of the agreements.

Leading the militant general strike, which shut down most businesses, schools, government offices and services, were the General Union of Workers of Guadeloupe (UGTG) and the various affiliates of the major French union centrals. The mass demonstrations, often mobilizing tens of thousands, were led by large disciplined contingents of marshals dressed in the LKP t-shirts. The strike collective held frequent mass meetings to report to the people on developments in the strike. A popular website included constant update reports, photos, and video presentations of speeches at the major rallies and demonstrations. See http://ugtg.org/?lang=cpf_gp.

The LKP platform included almost 150 demands for higher wages and improved social benefits, lower taxes and prices on necessities and transportation, construction of social housing, environmental decontamination, job training and priority hiring for Guadeloupians, an end to layoffs, worker participation in management, trade-union rights including collective agreements and occupational health and safety protection, creation of public services in strategic sectors, land reform and agricultural development, development of media and other facilities in the local language and culture, and investigation and prosecution of those responsible for the massacre of striking construction workers in May 1967, etc. Similar demands have been raised by the strikers in Martinique.

Reporting on the draft Accord at a mass meeting on the night of March 4, the 43rd day of the strike, union leader Rosan Mounien said: “From now on, things will no longer be done as before! That’s over! We have come to realize that when we are together, we are stronger! So there is only one thing to do: stay together!”

The bosses and the government, he said, had overlooked the fact that “when a people arises, when it develops awareness, when it is convinced of the rightness of its actions... there is

nothing that can stop it. The people sweep aside all obstacles placed in their path, like a whirlwind cleaning out all the dirt in a country.”

Asked by a French newspaper why the bosses had proved so resistant to the workers’ demands, LKP leader Élie Domota said: “To them, it is out of the question that the *nègres* (the negroes) would rebel and demand increases in their wages.”

The underlying conditions and issues in the strike movement were indicated in the preamble to the Jacques Bino Accord that ended the general strike. It states that “the present economic and social situation existing in Guadeloupe results from the perpetuation of the model of the plantation economy.” This economy, it says, “is based on monopoly privileges and abuses of dominant positions that generate injustices” that affect “the workers and the endogenous economic actors” and block “endogenous economic and social development”. The Accord calls for an end to these obstacles “by establishing a new economic order enhancing the status of everyone and promoting new social relationships”. (See *Journal officiel de la République Française*, March 7, 2009.)

LKP leader Domota told the French daily *L’Humanité* that although the strike movement had not advanced demands for institutional changes in Guadeloupe’s colonial status as an “overseas department” of France, “the people of Guadeloupe are demanding more respect, more dignity, work, an end to racial discrimination, increased wages and training to ensure the future of our youth.”

The French “overseas departments or territories”, said Domota, “are built on a colonial model. They are countries that want, in the future, to be recognized in full dignity, in full respect.”

The UGTG itself calls for independence of Guadeloupe. On March 8, the day after the mass victory march of 30,000, the union published on its website a resolution to this effect adopted at its 12th Congress in April 2008. (See translation below.)

In neighboring Martinique, a general strike that began February 5 around demands similar to those in Guadeloupe has also mobilized the population of some 400,000 in demonstrations of up to 25,000 in the capital, Fort-de-France. It has already produced a provisional accord with the Collectif du 5 février (an organizing committee like the LKP) that contains many of the same provisions as the one in Guadeloupe — and it includes a 20% reduction in the price of some basic consumer products. But the strike movement continues in that island.

A similar mass movement appears to be developing in another French colony, La Réunion, an island in the Indian Ocean with a population of about 800,000. A coalition of 25 trade unions, parties and other mass organizations (the Collectif des organisations syndicales, politiques et associatives de La Réunion — COSPAR) has mobilized up to 30,000 in the streets in support of a platform of 62 demands, many of them similar to those in the Caribbean colonies.

Does a Guadeloupian People Exist?

Excerpts from a resolution adopted by the Union Générale des Travailleurs de Guadeloupe at its 12th Congress, April 2-5, 2008.

To this question, the French Constitution replies “NO”, considering that we, the sons and daughters of slaves and others who have come from various continents, are but a population, a component of the French People, thereby integrating its last colonies within the French bosom; in a word, the red green yellow [colours of Guadeloupe], a component of the blue, white, red [colours of the French flag].

And yet, we Guadeloupians... we have a history, a language, a land, beliefs, social and cultural practices... All indicators that make us a People....

To this question, the response of the French State cannot be different, for Guadeloupian society is built on relations of colonial domination in accordance with a “natural” order established for centuries: at the top of the scale, the whites, and at the bottom, the *nègres*.

Department, Monodepartmental region, French Department of America, Ultraperipheral region, Overseas Department, Ultramarine regions, so many terms to try to hide a glaring reality: Guadeloupe is just a colony of France, a country occupied by the French State.

And a colony lives, survives only in order to serve the Metropolis, its Metropolis. ...

In this situation, what should we do? Let it be and disappear, or fight for the right of self-determination of the Guadeloupian people? An inalienable right, constantly reaffirmed and perpetually denied and invalidated by the various French and European policies through laws for adaptation and readaptation, orientation and programming, with the criminal complicity of the elected politicians.

The dynamism of the social movement and the political and symbolic implications of the demands, demonstrating the rejection of submission, of capitalist and colonial exploitation, the right to respect to all of its potentialities, including that of creating new social relations in a new, more just and more equitable society.

... We Guadeloupians are, along with the Martiniquais and the Guyanais [the people of Martinique and La Guyane], colonized and dominated, not through some curse or twist of fate but as the consequence of imperialist strategies that systematically attempt to dominate us.

The Guadeloupian people have the right to self-determination. The right of the Guadeloupian nation to full sovereignty and national independence is undeniable. The interests of the working class, of the Guadeloupian producers and creators, will be preserved only through their engagement in the struggle for the national liberation of our country.

The UGTG is and remains a class and mass organization convinced of the need to transform social relations for the purpose of achieving a more just society, securing for everyone his or her right to work, to health, to education, to culture, to life.

More than ever, we proclaim our adherence to the patriotic option, and we enshrine our style, our methods, our principles, values and conceptions within the perspective of affirming the Guadeloupian identity.

Reprinted, with permission, from Richard Fidler's blog Life on the Left. For more on this struggle, see his February 26 post, General strike shakes France's Caribbean colonies. That post includes "Guadeloupe: A people arise," by Dimitris Fasfalis, as well as a message of solidarity from the national coordinating committee of the undocumented (CNSP – Coordination nationale des sans-papiers), and links to other sources of information.

Socialist Voice #310, March 16, 2009

Khawaja Sentenced to 10 Years; Tories Plan New 'Anti-Terror' Law

By Richard Fidler

Mohammad Momin Khawaja, the first person to be sentenced under Canada's post-9/11 terrorism laws, was ordered March 12 to serve 10½ years in prison, with no eligibility for parole for 5 years. Under the Anti-Terrorism Act, this term will be consecutive to the more than 5 years he has spent awaiting trial and sentence.

The harsh sentence follows the 30-year-old Ottawa-area software developer's conviction in October on five charges of participating in a "terrorist group" and helping to build an explosive device which, the defence argued, was intended for use in fighting the foreign troops, including Canadians, now occupying Afghanistan. Khawaja's trial was the first major prosecution under the Anti-Terrorism Act. The prosecution was unsuccessful on its major charges that tried to link Khawaja to a bombing plot in England for which five individuals, all Muslims like Khawaja, were sentenced to life imprisonment.

The trial was notable for the judge's ruling, when convicting Khawaja, that the Afghan resistance is "terrorist" under Canadian law, and that "those who support and participate" in the armed resistance "are by definition, engaging in terrorist activity". See my earlier article on this: "Afghan resistance is 'terrorist' under Canadian law, Khawaja trial judge rules."

In sentencing submissions, defence lawyer Lawrence Greenspon had argued that Khawaja should be released on the basis of jail time already served. The prosecution, however, sought to throw the book at him, urging the judge to hand down two life sentences. Political factors were clearly at work. The date of sentencing, originally set for November 18, was then postponed to mid-February and finally to March 12. On that very day, the Harper government introduced Bill C-19, new "anti-terror" legislation that will give police temporary powers of preventive arrest and the ability to compel witnesses to testify at closed hearings in front of judges.

The actual sentence, which could mean that Khawaja will be jailed more than 15 years, infuriated many commentators in the big-business media who bayed for more blood. Prof. Wesley Wark, who has fashioned a career for himself as an "anti-terror" expert, complained that the sentence "will leave some of our allies and friends shaking their heads, not for the first time, about Canada's approach to terrorist threats". Khawaja's "jihadist convictions", he protested, "will present a formidable challenge for any rehabilitation regime in prison". However, he congratulated Justice Douglas Rutherford for rejecting the "poisoned pill" argument of the defence that he ought "not to succumb to the popular passions of the post-9/11 age".

In an op-ed diatribe published in the *Ottawa Citizen* March 14, David B. Harris, the former chief of strategic planning at CSIS, the Canadian Security Intelligence Service, fulminated against "Islamist infiltration of our society and institutions", complaining that "Our government resources, already overwhelmed by floods of unscreenable immigrants and domestically

radicalized youth, might well be too busy to stop other Khawajas, and catastrophe.” The judge had cited pre-sentence reports by prison staff that Khawaja was a “model prisoner” with a positive influence on other inmates. But what if Khawaja were to be released on parole in five years, Harris asked. Was the judge unaware that Khawaja “represents a growing movement of Canadian dead-end Islamic extremists whose release into society could have repercussions of a sort generally unknown in more conventional criminal contexts”? And that “he is likely to be a menace for the hate he will spread in prison and, possibly, the more lethal hazards he could yet unleash upon society.”

The truth is, of course, that while CSIS has tracked and harassed hundreds of Canadian Muslims in recent years, convinced judges to jail a half-dozen of them without charge for more than five years, collaborated with the RCMP in sending others to foreign lands for horrendous torture and possible death, Khawaja’s conviction is the first major one under Canada’s anti-terror legislation. Similar prosecutions of a number of young people in Toronto have been falling apart as more and more evidence emerges that they were set up by police in a classic “sting”-type entrapment operation.

Yet the Tory government is forging ahead with its new repressive legislation. Bill C-19 is designed to re-introduce police powers that expired in 2007 when the Opposition parties, a majority in the House of Commons, refused to renew similar draconian provisions in the Anti-Terrorism Act that were subject to a “sunset” clause. Those powers were never used, in fact.

How will the Opposition deal with C-19 this time around? The Bloc Québécois says it will vote against the bill. Less clear is the Liberal position. The *Anti-Terrorism Act* was enacted in 2002 by a Liberal government. In 2007 a number of Liberal MPs joined with Tories on a parliamentary committee recommendation to support renewal of the controversial provisions.

And the NDP? It will probably vote against C-19. Law professor Michael Byers, a prominent supporter of the party (and unsuccessful candidate in the last federal election), told the *Ottawa Citizen* that he opposed it. But at the same time Byers praised the Khawaja sentence as “a balanced, reasonable, yet weighty outcome, one that shows our legal system, with all of its checks and balances, can deal responsibly and effectively with terrorism.”

Richard Fidler is a Socialist Voice Contributing Editor. This article was first published in his blog, Life On the Left

Socialist Voice #311, March 17, 2009

Israeli Apartheid Week Beats Back Attacks on Free Speech

By John Riddell

Despite intense government and media attacks, Israeli Apartheid Week was a big success this year. The annual student-based week of lectures and film showings, held March 1-8 in 13 cities across Canada, was marked by packed halls and respectful, attentive, and passionate debate. Attendance at daily events peaked at 500 in Toronto and Ottawa and 400 in Montreal.

As in previous years, Israeli Apartheid Week in Canada included presentations by indigenous leaders on their liberation struggle in this country. Internationally, Israeli Apartheid Week events were held in more than 40 cities, double last year's total.

The favourable response showed that understanding of Israeli Apartheid has been deepened by Israel's brutal assault on Gaza in December, in which 1,300 Palestinians were massacred.

The word "apartheid," first utilized by the white-supremacist regime in South Africa, accurately describes Israeli occupation of the West Bank and Gaza, which steals Palestinian land while enclosing the Palestinian people in walled Bantustans. It also applies to the systemic discrimination against Palestinians inside Israel and to that country's defiance of United Nations resolutions providing for return of Palestinian refugees.

Israeli Apartheid Week supports the international campaign for boycott, divestments, and sanctions against apartheid Israel, launched in 2005 by more than 170 Palestinian civil society organizations.

The campaign demands an end to Israeli occupation of Arab lands, equal rights for Palestinian citizens of Israel, and the right of return for all Palestinian refugees as stipulated in United Nations resolution 194.

Government intimidation

Despite the success of Israeli Apartheid Week, we must not underestimate the gravity of the government-led attacks on the event, which aimed not merely to discredit it but to prevent it from taking place.

Speaking in the House of Commons March 3, Jason Kenney, Minister of Citizenship, Immigration, and Multiculturalism, gave lip-service to the principle that "Canadians are free to express different views about the policies of foreign government," but insisted that "Israel Apartheid Week is not about that.... We condemn these efforts to single out and attack the Jewish people and their homeland." His clear implication was that these events – which are in fact free of even the slightest hint of hostility to Jews – are in violation of Canada's laws against "hate propaganda."

(Section 319 of the Criminal Code states that, subject to certain safeguards, anyone who "wilfully promotes hatred against any identifiable group" is guilty of an indictable or summary offense.)

Opposition leader Michael Ignatieff quickly joined in. Israeli Apartheid Week “goes beyond reasonable criticism,” he stated, because it “singles out one state, its citizens and its supporters for condemnation and exclusion.” (*National Post*, March 5)

Both Kenney and Ignatieff claimed that the event victimizes Jewish students, who are therefore “feeling increasingly vulnerable” (Kenney) and “wary of expressing their opinions, for fear of intimidation” (Ignatieff).

The attacks on Israeli Apartheid Week are part of a wider campaign of government reprisals against critics of Israel. Kenney has assailed the Ontario Canadian Union of Public Employees for a pro-Palestinian resolution that he said “may have helped spark” a supposed incident where “anti-Israel slogans were shouted at Jewish students.” (*Globe and Mail*, February 24) And, in response to criticism from Canadian Arab Federation President Khaled Mouammar, Kenney threatened to withdraw \$447,000 in funding for CAF projects that teach English and provide job skills. (*Sun Media*, February 17)

Unfounded charges

The government’s claims that students have been intimidated encourages universities to crack down on Palestinian advocacy. A pretext for this repression is provided by lurid and fabricated media reports about campus harassment of Jews.

Take for example, a pro-Palestine demonstration at York University in Toronto February 11. Following the action, a York student paper published a critical report by Jonathan Blake Karoly that cited only one incident viewed as offensive: a pro-Palestinian student had pulled his Keffiyah scarf up to his cover nose and mouth. Karoly termed that action “tantamount to racism and discrimination.”

Accusations then escalated rapidly. On February 13, the *National Post* quoted Hillel@York President Daniel Ferman as saying demonstrators had shouted “dirty Jew” and “f—ing Jew.” Strangely, none of the reporters present heard that.

When the story was repeated by the Jewish Telegraphic Agency later that day, other unattributed quotes were added, such as: “Die bitch, go back to Israel.” Then, the *Ottawa Citizen* reported that Jewish students had been “held captive”; people were “banging on walls and screaming things like ‘death to the Jews.’ ”

On February 14, advertisements paid for by B’nai Brith, a prominent defender of Israeli policy, declared that “there have been documented cases of assaults on Jewish students,” to which police forces “all too often turn a blind eye.”

It is hardly surprising, in this atmosphere, that the *National Post* could report as fact that “a Jewish student was physically assaulted” at York even though the reporter admitted that he had not been able to verify that the incident at all. That, he said, was “immaterial,” because students feel “it could happen.”

The Big Lie

The media have published many such charges – always without names or direct quotations. Opponents of pro-Palestinian protests have filmed them extensively and produced many videos, without recording a single incriminating statement or action.

When 15,000 people gather for a demonstration, it is always possible for a couple of individuals – possibly right-wing or police plants – to act irresponsibly in front of a video camera. Yet nothing like that was recorded.

One of the right-wing videos, entitled “Peace on Campus,” found nothing better to display than standard images of political controversy – heated discussions, demonstrations, waving flags – while a solemn voice intones the words: “Intimidation. Prejudice. Hostility. Discrimination. Fear.”

It is the debate itself that they fear.

Even without any foundation in fact, such a high-voltage scare campaign can be intimidating. Jewish and other students are indeed being harassed – by media and government scare tactics.

Is Zionism beyond criticism?

The government of Stephen Harper, of course, does not rest its case solely on false reports of anti-Jewish harassment. His minister Jason Kenney, addressing the House of Commons March 3, accuses Israeli Apartheid Week of claiming that “Zionism is racism.” Speaking in Britain February 17, he assailed the “anti-Zionist version of anti-Semitism” which maintains that “the Jews alone have no right to a homeland.” (*CBC News*, February 17)

He made no reference to the plight of the Palestinians, who have been dispossessed, expelled, and oppressed during the building of an apartheid-based “homeland.” Taking possession of Palestine as a Jewish “homeland,” without reference to its inhabitants, is of course the defining purpose of Zionism.

Responding to Kenney, Judy Rebick and Alan Sears noted that Zionism has been strongly contested over the past century by “Jewish universalism,” which holds that the future of the Jewish community depends “on winning widespread freedoms that applied to all members of society.” (*National Post*, March 1)

The Harper government now seems intent on shutting down this debate by declaring Zionism to be beyond criticism.

Stifling student dissent

University administrations have applied these policies by obstructing pro-Palestinian activities with barriers that limit free academic discussion. Increasingly arcane and restrictive regulations provide the administration with ample pretexts, utilized on a selective basis.

Last October, the University of Toronto administration denied meeting space to Students Against Israeli Apartheid (SAIA). The decision was made, in consultation with U of T President David

Naylor, even before SAIA submitted an application. Administrators were confident some pretext could be found, and duly found one.

On February 24, York University administrators seized on another technicality (excessive noise during a demonstration) to fine York SAIA \$1,000 and ban it for one month.

Ottawa, Carleton, and Trent universities banned the poster advertising Israeli Apartheid Week: a drawing that showed an Israeli helicopter firing on a Palestinian child, evoking the slaughter of more than 400 children in Gaza under the Israeli bombardment.

Applications are frequently denied, or if approved, cancelled at the last moment, or, if permitted to take place, interrupted by squads of pro-Israeli disruptors and the unwanted intrusion of armed city police.

Such repressive moves encourage aggressive actions by right-wing groupings. A statement by Palestinian rights advocates at Toronto's three universities notes "an alarming increase in harassment, intimidation and physical violence against [Israeli Apartheid Week] organizers and guests." When such incidents are reported, the students say, campus police take no action.

A ready solution

The Toronto students stress that lectures should not have to take place behind heavy police lines. "We do not want our events to be militarized," they say. "Instead, we believe the freedom to hold Israeli Apartheid Week events could be relatively easily be guaranteed by a public statement from university administrations stating that free expression on campuses will be protected and that the University rejects the false claim that IAW events constitute 'hate speech.' "

Student activists at Carleton and Ottawa universities have called on the university administration to sponsor a full public debate on their universities' position on the proposed institutional boycott of Israeli academic institutions.

Such actions could quickly dispel the atmosphere of intimidation and permit a civil and respectful discussion of the tragic conflict in Palestine. The university administrations have yet to respond.

'We won't give an inch'

The federal government has seized on the issue of Israel to promote restrictions on freedom of speech that threaten the rights of everyone in Canada.

Among the victims of this policy is the Jewish community, which is both hindered from discussing its deep internal divisions on Israeli government policy and is simultaneously set up to take the rap for government infringements on civil liberties.

The government is acting from weakness: its stand of unconditional support for the Israeli government's crimes cannot stand the light of objective scrutiny.

"Serious movements have serious enemies," activist Naomi Klein said at Toronto's opening Israeli Apartheid Week meeting March 2. "All the attacks you are facing is a measure of the success of this movement."

Klein urged the movement stand firm. “Anger at use of the word apartheid increases even as Israel moves more openly to apartheid measures. It is a wake-up word. It brings to life the horror.”

Summing up the convictions of hundreds of Israeli Apartheid Week supporters, Klein declared, “We affirm our right to use tactics that actually work, images that evoke empathy, words that inspire a global movement. And we won’t give an inch.”

John Riddell is co-editor of Socialist Voice. This article was first published in rabble.ca.

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‘We are facing something more than a mere financial crisis’

An Interview with Cuban economist Oswaldo Martínez

2009 started off badly. The international economic crisis is the top priority of governments, companies, international organizations and individuals preoccupied with having a roof to sleep under and food on the table.

The situation has surprised almost everybody, albeit Cuba to a lesser degree. Almost a decade ago, Commander Fidel Castro warned that the conditions were being created for the outbreak of a crisis of enormous dimensions.

Oswaldo Martínez, director of the Research Centre for World Economy and chair of the Cuban National Assembly’s Economic Affairs Commission, had also alluded to the subject on several occasions. Looking back, the Economics PhD says: “They criticized us heavily, they called us catastrophists, but finally the crisis is here.”

Mass lay-offs all around the world, rising unemployment and poverty, shutdowns of companies and closures of banks are some of the most obvious effects of the crisis. What stage of the crisis are we in?

The crisis is just beginning, and no one can predict with certainty its duration or intensity. We are facing something more than a mere financial crisis: it is a global economic crisis that affects not only international finances but also the real economy. Due to the high degree of development achieved by speculation and financial capital in recent years, due to the extent of the breakdown in the financial sector and due to the high degree of globalization of the world economy, we can confidently conclude that the present crisis will be the worst since the Great Depression that occurred in the 30s.

What has been happening since August 2008 is the explosion of the speculative financial bubble, caused particularly by neoliberal policies. At this point the crisis is beginning to affect the real economy, that is, the economy that produces real goods and services, development of technology, and values that can be used to satisfy needs. How much more will it affect the real economy? It is hard to say. There are many opinions on this subject. Some suggest that the crisis may last between two and five years. If we use historical references, we see that the crisis of the 30s started in October 1929, developed at full speed until 1933, and the economies had not fully recovered their previous levels of activity when the Second World War started in 1939.

What finally solved that crisis, and I say “solve” in inverted commas because this is how capitalism solves a crisis, was precisely the Second World War; it was the destruction of productive forces as a result of the war that allowed post-1945 capitalism to initiate a new growth stage based on the reconstruction of everything that had been destroyed by the war. Every crisis, whether linked to a war or not, is above all a process of destruction of the productive forces.

Turning to the current situation, I would not presume to make a precise forecast on the duration of the crisis, but I will say that it is far from having hit bottom.

Which are the sectors that have been worst affected?

The explosion of the financial bubble has caused the collapse of stock markets and the bankruptcy of large corporate speculators (the so called investment banks, which in fact are not productive investors but speculative investors). Large banks have become bankrupt and credit at a global level has become scarce and expensive. The prices of raw materials and oil have plunged. Sectors of the real economy, such as the motor industry in the USA, are beginning to be affected by the crisis: the three largest companies, General Motors, Ford and Chrysler, are receiving support from the government to avoid bankruptcy. Several airlines have closed down, and flights have been reduced. Unemployment is on the rise, tourism is also affected. It is a snowball effect, which can lead to a much deeper crisis in 2009.

To some specialists, this is one more cyclical crisis of the capitalist system, one of those described by Marx in the 19th century. But it has also been said that it is not just “one more” but, given the huge dimensions it has reached, it is the expression of the internal destruction of late capitalism. What is your opinion?

I think that the current crisis is, without doubt, another cyclical crisis of capitalism. It is one more in the sense that the system that has been in place since 1825, the date of the first crisis identified by Marx, has suffered hundreds of similar crises. A crisis is not an abnormality of capitalism, rather, it is a regular feature and is even necessary to the system. Capitalism follows a particular logic, since it needs to destroy productive forces in order to pave the way for another stage of economic growth. However, the current crisis is undoubtedly the mark of a deep deterioration within the capitalist system.

I believe the crisis can reach very serious dimensions, but I do not think that, on its own, it represents the end of the capitalist system or its definitive destruction. One of the things that Marx argued with great lucidity was that capitalism does not collapse through an economic crisis. Capitalism has to be brought down, through political actions.

So you agree with what Marx said, and Vladimir Lenin and Rosa Luxemburg later demonstrated, that despite the self destructive nature of capitalism, there has to be a revolution to bring it down?

Of course I do. To think that capitalism will collapse on its own, due to a spontaneous force like an economic crisis, is to believe in utopia. The crisis may create conditions that promote large anti-capitalist political movements. A capable leadership of the masses that is adept at the art of politics can take advantage of the favourable conditions created by the greater poverty, unemployment, large-scale bankruptcy and desperation of the masses generated by the crisis.

Throughout history, major economic crises have been linked to revolutionary movements. For example, during the First World War there was a profound capitalist crisis, and the success of the first socialist revolution in Russia was linked to this. The crisis of the 1930's however, was linked to the rise of fascism because in Germany and Italy the desperation of the masses as a

result of the crisis was successfully turned by the right toward far-right, fascist, chauvinist and ultranationalist positions.

What I want to stress is that nothing is inevitably written in history. It all depends on the skill and expertise of the contending political forces. In the present situation, I think that it is possible to think about change: we are in a situation that in my view is quite likely to result in a radicalization of anti-capitalist movements.

It is yet another cyclical crisis, but it is different; what makes it unique?

I think the differences lie especially in the context. The present crisis is particularly complicated because the global economy is much more complicated than it was in 1929. In the first place, the level of economic globalization is vastly greater. The degree of interconnectedness of national economies back in 1929 was still incipient, corresponding to the technologies available at the time, especially in transportation and communications. In 1929 there was no internet, no email, no jet planes; they depended on telegraph communications, telephones were still quite underdeveloped, and planes were just starting to take to the skies.

Today the situation is very different. Globalization ensures that whatever happens in a powerful economy has an impact, within minutes, on the rest of the world. Markets are greatly interconnected, especially global financial markets, and that means that the world economy is like a spider web in which we are all trapped. A movement in any part of the spider web is felt everywhere else. Therefore, the capacity for this crisis to spread is infinitely greater than in 1929. That is the first difference.

Secondly, the level of financialization of the global economy is also vastly greater. Speculative capital and its operations play a much greater role than in 1929. Back then there were stock markets, but their functioning was much more simple. Today, financial speculation has achieved immense sophistication, and this sophistication is at the same time one of its weak points. That is, the speculative operations are so sophisticated, risky, unreal and fraudulent that they have been at the basis of the global financial breakdown.

Up until now no steps have been taken that are sufficiently radical to curb the crisis. However, little by little, we are seeing how states, above all the United States, have been intervening to avoid the bankruptcy of companies... with a “protagonist” approach reminiscent of the Keynesian methods used by Franklin D. Roosevelt to overcome the 1930s crisis. Today many claim that “neo-Keynesianism” will be the alternative.

In essence that is what they are trying to do: to apply neo-Keynesian methods in a very diffused manner. We can see this in what Barack Obama has announced in connection with a major public works program including the reconstruction of the highways system (roads, bridges, etc). That is a typical Keynesian method of generating employment and income and stimulating demand. But at the same time, measures like this are being combined with others that are contradictory, such as rescuing bankrupt speculators and allocating huge amounts of money to reconstitute the speculative structure which has failed and collapsed.

This is in contradiction to classic Keynesianism, and a clear expression that the neoliberals continue to hold some key positions of power; in fact, they have not been removed. We are witnessing a battle between a neo-liberalism that is unwilling to die and a neo-Keynesianism that is supposedly being established.

I very much doubt that neo-Keynesianism, even if it is strictly applied, can be the solution to this crisis, because the current crisis has new components. The crisis combines elements of over- and under-production simultaneously; it is a crisis that coincides with an attack on the environment so massive that it is not only economic, it is also environmental, jeopardizing the survival of human beings and the conditions for human life on this planet.

Do you mean that, in the form it has taken, Keynesianism will only be a temporary solution that will paper over the problems without getting at the roots?

Of course. It is inconceivable that Keynesianism and neo-Keynesianism can be an infallible recipe to resolve the economic problems of capitalism. Capitalism has suffered major crises with both neoliberal and Keynesian policies. Between 1973 and 1975 there was a severe capitalist crisis that occurred under Keynesian policies, and that was a factor that brought about the substitution of neoliberal policy for Keynesian policy.

We should put no credence in the false dichotomy according to which neoliberalism provokes the crisis and Keynesianism resolves it. Simply put, the system is contradictory and has a tendency to develop periodic economic crises. Whether they are neoliberal or Keynesian, economic policies can facilitate, postpone or stimulate, but they are not able to eliminate capitalist crises.

Then there is one solution left: socialism ...

Without a doubt. I am more convinced of this than ever before and I believe that we are very clearly faced today with the quandary posed by Rosa Luxemburg: "Socialism or barbarism". I do not believe that humanity will regress to barbarism, if only because our survival instinct is the strongest of all.

I believe rational conditions will prevail, and rational conditions imply a sense of social justice. I think we will overcome capitalism, and we will come to implement a creative socialism, socialism as a continuous search, which is not to deny that the system has certain general basic principles in common to all socialisms. However, based on these principles, there are immense possibilities for experimentation, controversy and creativity.

And that would be the socialism of the 21st century?

I think so. President Rafael Correa, in a lecture he gave in the main assembly hall at the University of Havana in January this year, explained that one of the problems of socialism is that it has adhered to a development model similar to that of capitalism; that is, a different and fairer way to achieve the same thing – GDP, industrialization and accumulation. What do you think?

Correa raised a good point. The socialism practiced by the countries of the Socialist Camp replicated the development model of capitalism, in the sense that socialism was conceived as a

quantitative result of growth in productive forces. It thus established a purely quantitative competition with capitalism, and development consisted in achieving this without taking into account that the capitalist model of development is the structuring of a consumer society that is inconceivable for humanity as a whole.

The planet would not survive. It is impossible to replicate the model of one car for each family, the model of the idyllic North American society, Hollywood etc. – absolutely impossible, and this cannot be the reality for the 250 million inhabitants of the United States, with a huge rearguard of poverty in the rest of the world. It is therefore necessary to come up with another model of development that is compatible with the environment and has a much more collective way of functioning.

Although I heard Correa say many correct things, there was one that seems incorrect to me. In his TV interview, when he was talking about this socialism of the 21st century, with which I am in full agreement, he referred to things that would be obsolete and would have to be done away with. Amongst them, he mentioned the class struggle, but I think that what he was explaining in his lecture in the main assembly hall about the political struggles that confront him in Ecuador, what he was describing is nothing more than an episode of the class struggle in which the agenda he represents is immersed.

Who opposes this agenda? It is undoubtedly the oligarchy, the bourgeoisie. Who can he rely on to support him against those enemies? The workers, the peasants, the indigenous peoples. What I have in mind is not a narrow classic definition of “class”, but the undeniable existence of social classes, broadly speaking, and the struggle of those classes is undeniable and evident. If we renounce the class struggle, what would we be left with? Class collaboration? I do not think Ecuador can proceed to 21st century socialism with the cooperation of people like Gustavo Novoa [Former president of Ecuador (2000-2003), now living in exile in the Dominican Republic -SV] or that sector of the Catholic church and all those who are now trying to overthrow Correa.

Many expectations have developed worldwide in relation to the presidency of Barack Obama. What role can his government play with regards to solving the crisis?

I do not have high hopes of change. I believe that Obama’s government may represent a certain change in U.S. politics that is more cosmetic than substantive. In my opinion, he represents the position of a certain political sector in the United States which understood that it was impossible to continue with a regime that was as unpopular, worn out and disagreeable as that of George Bush. However, there is something we must take into account, and at least give him the benefit of the doubt: Obama’s ideas are one thing, and where the deepening economic crisis may take him is another thing. And once again I have to use the Thirties as an example.

In 1932, when the crisis was full-blown, Franklin D. Roosevelt was elected president. His ideas were nothing extraordinary, there was nothing in his election platform that would suggest what would happen next: his policy of active state intervention in the economy, of basing himself on the trade unions or regulating the private U.S. economy along the lines of a national economy.

All those measures were taken more as the result of what the crisis forced him to do, than as a result of a pre-existing political philosophy. Something similar could happen with Obama; we must give him the benefit of the doubt to see where the crisis might take him.

In the past few weeks there has been a lot on talk about the role of Latin American integration in confronting the crisis. Although this process is only in its initial stages, there have been changes at the structural level that point towards integration. How can integration help us face the crisis as a region and as a country?

I think that the integration of Latin America and the Caribbean will be a key strategic factor in the future of the region, of course, and I do not mean integration as an appendage of the United States. For decades, Latin American integration has been not much more than rhetoric, and not practice. But now we are seeing the beginning of a new period, characterized in particular by the Summit of Salvador de Bahía, held last December, when Cuba joined the Rio Group. We also have the ALBA (Bolivarian Alternative for the Americas), a new model of integration based on solidarity and cooperation, not on the market.

This situation coincides with the big crisis that is forcing Latin America to rethink her position in the global economy. This also coincides with the profound crisis in the neoliberal policy that dominated the region during the last 30 years. It is a great moment, and I think that there is a real possibility that true Latin American and Caribbean integration is beginning to take firm steps.

Some commentators are arguing that in the wake of the current crisis the world economy will be structured in large regional blocks: one in Asia, another that will continue to exist in North America, and a new one taking shape in Latin America. This is a very interesting possibility.

Martinez was interviewed by Luisa Maria Gonzalez García, a journalism student at the University of Havana. The interview was published in Spanish on March 14, 2009 in Apporea. Translated for Socialist Voice by Richard Fidler. A somewhat different translation by Damaris Garzón was published in CubaDebate.

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The Indian Nation

By Ray Bobb

Ray Bobb is a member of the Seabird Island Indian Band, located along the lower Fraser River in British Columbia.

The purpose of this mini-essay is to present Canadian Indians as an internal colony and to indicate some aspects of a strategy for sovereignty. An internal colony is a people subject to colonial rule within an imperialist settler-state.

Possibly, six internal colonies exist: American Indians, Canadian Indians, Aborigines, Maoris and, by way of slavery and annexation, African-Americans and Mexican-Americans. These peoples are colonized within four imperialist settler-states: the U.S., Canada, Australia, and New Zealand.

Geographically, each internal colony is composed of many communities or territories that are distributed throughout an imperialist settler-state. Demographically, with the exception of the African-Americans and Mexican-Americans, internal colonies have small populations. Due to expropriation, the members of an internal colony are also members of the working class of an imperialist settler-state.

The concept of a Native internal colony is diametrically opposed to the new Canadian concept of First Nations. The concept of First Nations is a product of Canada's ongoing effort to make circumscribed treaties with Indian tribes and bands that will, ultimately, de-legislate the existence of a colonized people and, formally, incorporate them into Canada. Treaties are, by definition, made between nations. For the purpose of piecemeal treaty-making the federal government has designated Indian tribes and bands to be nations, i.e., First Nations.

The federal government is intent upon treaties as opposed to other types of agreements because the matter on which Canada wants resolution concerns the relationship between two peoples and, therefore, two nations. The "new relationship" that Canada wants to establish is, simply, one in which Indians no longer exist. Canada's present Indian policy is tantamount to bureaucratic ethnic cleansing and forced annexation.

In the federal government's comprehensive treaty process Indians are required, tribe by tribe or band by band, to (1) renounce their nationality by agreeing to remove themselves from the jurisdiction of the *Indian Act* and (2) cede their right to self-determination by formally incorporating into Canada. These requirements of the treaty process contravene Article 15 of the UN *Universal Declaration on Human Rights* and Article 1 of the UN *International Covenant on Civil and Political Rights* that state, respectively, "No one shall be arbitrarily deprived of his nationality" and "All peoples have the right of self-determination." Insofar as the treaty process is a bottleneck for receiving government funds and having Indian rights recognized, it is coercive.

The federal government's present Indian policy was, for a short time, proposed as the *Government White Paper Policy on Indians* (1969). The White Paper proposed to unilaterally abolish the *Indian Act*, the Department of Indian Affairs, Indian reserve land, old treaty rights, and aboriginal rights and title. This proposal was actively opposed by all Native people. The federal government began immediately to create a Native leadership that is dependent upon government funding and that can be depended upon to carry out government policy. In 1973, the federal government reaffirmed the objectives of the White Paper in its *Comprehensive Land Claims Settlement Policy* and, along with its captive Native leadership, proceeded to effect the objectives of the White Paper, bilaterally.

To date, Natives on 40 percent of Canada's land area (all of the North including northern Quebec) have signed treaties, and many tribes and bands in the South have entered the treaty process or have signed treaties.

Some Indian people accept the First Nations designation in that it appears to be a recognition of nationhood. It is true that the early treaties signed between the Indian tribes and Great Britain were made on a bona fide nation-to-nation basis. However, when the remaining British colonies in North America became the independent Dominion of Canada (1867), an imperialist settler-state came into being and within it was established an internal colony of Canadian Indians. The term "Canadian Indians" refers to the national entity created by internal colonialism, composed of the formerly independent tribal peoples, and, subjected to direct rule by Canada.

Furthermore, national entities exist in the contemporary world not only because of their moral entitlement but also because of their individual and allied power. Tribes were defeated at contact precisely because they were national entities on the level of tribes pitted, separately, against developing world empires. In the twentieth century, nations have demonstrated that, militarily, they can defeat imperialism in the Global South.

The situation and condition of the internal colonies ally them to the two great social movements of modern history – the national liberation movements in the Global South and the socialist movements in the imperialist countries. The national liberation movements are the principal and determining conflicts of our time. The victorious growth of these movements can only strengthen and help to define the internal colonies.

In the early twentieth century, the revolutionary movements in the imperialist countries were subverted by reforms conceded to the domestic working classes based on imperialist superprofits derived from the colonies.

The national liberation movements, inevitably, will weaken imperialism and preclude reformism in the imperialist countries. This will reawaken class struggles in the imperialist countries. The members of the internal colonies can be a part of these struggles, can demand support therein for the right of all oppressed nations to genuine self-determination, and can negotiate therein the terms of native self-determination.

The type of self-determination achieved by the internal colonies will be a product of national liberation in the majority world, choice in the internal colonies, and negotiation with worker's power in the imperialist settler-states. It may be that the settler-states and the internal colonies

are so closely interrelated that complete separation is not possible. Sovereignty for the internal colonies may require economies that are integrated with those of the former settler-states and rights of dual citizenship for those resident on the land of the other. While sovereignty cannot be the answer to all the world's problems, unity and peace are unlikely to be achieved without the prior liberation of the oppressed nations.

Ray Bobb is a member of the Seabird Island Indian Band, located along the lower Fraser River in British Columbia.

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Federal Government in Denial as Economic Crisis Slams Canada

By Roger Annis

As the grim news of growing job losses mounts in Canada, the federal Conservative government is continuing the politics of denial that marked last autumn's election campaign. Especially troubling for the working class is that opposition political parties, including the trade union-based New Democratic Party, are offering no substantial alternative.

Economic collapse by the numbers

The first two months of 2009 were a disaster for working people; 240,000 workers lost their jobs. The job losses in January were the largest monthly loss ever in Canada. November to February losses are the steepest since the crushing recession of 1981/82.

Since June of 2008, Canadian households have lost 8% of their net worth. Household credit debt grew by 2% in the fourth quarter of 2008.

Two of the big three U.S. automakers in Canada, General Motors and Chrysler, say they will pack up operations in Canada if they don't receive nearly \$10 billion of taxpayer bailout money. Together they employ some 20,000 workers in vehicle assembly and tens of thousands more in parts manufacture, sales, and service. Chrysler wants its workforce to concede even deeper cuts in wages and benefits than those voted by GM Canada workers in mid-March.

Cuts to social services will soon be the order of the day as governments cry poverty and deficits mount. Bank analysts say the federal government will have a budget deficit of \$40 billion in fiscal 2009. The government of Ontario, the province with the largest manufacturing employment, has announced the largest budget deficit in the province's history for 2009, \$14.2 billion.

If deep cuts to social services have not already begun, it's because the federal government and some provincial governments, notably in British Columbia, are positioning themselves for re-election before swinging their axes.

The social wage threatened

Among the first victims of the economic downturn have been laid-off workers trying to collect unemployment insurance, and workers who are retired or soon to be.

Laid-off workers receive fewer benefits for shorter periods of time as a result of drastic cuts to the federal unemployment insurance program over the past years. According to Winnie Ng of the Good Jobs For All Coalition in Toronto, only 31% of unemployed workers receive benefits. Under pressure, the federal government recently extended by five weeks the length of time that recipients can collect. It did nothing to improve access.

Workers with retirement savings connected to the stock market have suffered double digit losses in the past six months. Meanwhile, company pension plans at many of Canada's largest employers no longer have enough funds to pay established benefits, in part because companies have unilaterally cut their contributions in recent years. The highly profitable Canadian Pacific Rail, for example, allowed its pension deficit to triple in 2008, to \$1.6 billion. Air Canada's deficit rose 172% that same year. GM Canada's shortfall is somewhere around \$6 billion. Only 50% of GM's unionized workers' present and future benefits are covered.

The federal government is considering legislation that would extend to ten years, from the current five, the time allowed companies to make up pension plan shortfalls.

The public pension picture, once thought impervious to the vagaries of the stock market, is starting to look grim. The manager of public pension plans in the province of Quebec announced in February an astounding loss of nearly \$40 billion in 2008, one-quarter of the value of its holdings, due to substantial investment in the stock market, including the riskiest of assets.

Losses in Canada's public plan, which covers residents of all provinces and territories except Quebec, were \$18 billion, or 14% of value. A big part of the losses can be traced back to a decision by the federal government in 1999 to allow the plan to invest 25% of its assets in the stock market. One can only guess what the size of the 2008 loss would have been without that 25% cap.

What economic collapse?

In the face of the grim economic news, the message from the federal government is, "Don't worry, be happy." Prime Minister Stephen Harper told a business audience in Brampton, Ontario on March 10: "Canada was the last advanced country to fall into this recession. We will make sure its effects here are the least severe, and we will come out of this faster than anyone and stronger than ever."

The latest message from Harper repeats the denials he issued when the world financial collapse escalated in September 2008, coinciding with the beginning of the last federal election. As the financial decline broke over Canada that month, Harper famously declared that it would be a good time to invest in the stock market. By November, Canada's largest stock index had declined 44%. In March 2009, it still stands 39% lower.

The government's claims are so outlandish that even big mouthpieces of capitalism have taken their distance. No less than the International Monetary Fund, itself an agency promoting rosy prospects for a quick international economic recovery, said on March 17 that Canada's economy would shrink by 2% in 2009, double an earlier "estimate" of 1%.

Former Bank of Canada governor David Dodge says that Harper's claim that Canada will experience a quick recovery and lead the rest of the world out of its decline is "totally unrealistic."

Canada's media has been focused on the disastrous decline of the U.S. economy. But Canada's January/February 2009 job losses are higher by 50% on a per capita basis than the U.S., wrote *Vancouver Sun* columnist Barbara Yaffe on March 20.

She also pointed to another ominous comparison between the two economies. Canada's is far more dependent on exports than its U.S. counterpart. They account for 35% to 40% of Canada's gross domestic product, compared to 12% to 15% in the U.S. More than three-quarters of Canadian exports go to the ailing U.S.

Harper's Pollyanna-like message is echoed by the opposition parties in Parliament, all of whom followed the government's lead in downplaying the gravity of the economic collapse. Only now are they hinting at taking their distance.

Deputy NDP Leader Thomas Mulcair expressed unease with the government's projections during a CBC Radio on March 24, "I'd like to have a clear-eyed view of what's really happening in the economy," he complained.

When asked what should be done for the country's unemployment insurance program, Mulcair said that the two-week waiting period should be eliminated. He decried the reduction in accessibility to the program but offered no measure to redress this.

The NDP announced on March 22 that it is launching a nine-week public consultation process to, "investigate the effects of the recession on ordinary Canadians, and bring new ideas to Ottawa."

Sub-prime mortgage elephant in the room

The March 14 *Globe and Mail* reported on a subject that no political party has dared to talk about, namely the troubling state of housing mortgages in Canada. Headlined "Canada's dirty subprime secret," the article began: "A *Globe and Mail* investigation into more than 10,000 foreclosure proceedings has uncovered a burgeoning subprime mortgage problem that many, including Prime Minister Stephen Harper, have insisted does not exist in Canada."

The federal government opened up Canada's mortgage market in early 2006 to reckless and predatory practices similar to those in the U.S. For example, 40-year mortgage amortization terms became legal for the first time, extended from 25 years. Requirements for down payments were also sharply lowered for the first time in history.

The *Globe* article reports that in Canada, statistics on housing loans are veiled in institutional secrecy. The full extent of consumer exposure to predatory lending cannot yet be assessed. The authors write, "The spread of subprime mortgages to Canada is one of the country's most poorly researched and misunderstood economic afflictions."

Where the authors could find statistics — on home foreclosures in the provinces of Alberta and British Columbia — they found fully half of them last year were on sub-prime loans. Foreclosures in both Alberta and B.C. in 2008 were more than double the previous year. What is striking about those figures is that the two provinces experienced a resource-price economic boom until late in the year.

It's not only the ability to pay, or not, that has mortgage holders threatened with losing their homes. Lenders have lost the will, or ability, to lend. As a March 27 *Globe and Mail* report revealed, an estimated \$3 billion to \$5 billion in high-risk mortgages are up for renewal in the next four years and the original lenders do not have the necessary access to capital to renew

them. They want the federal government to step in and provide the financing. As many as 25,000 mortgage holders are involved.

Profitable banks?

From the capitalist standpoint, the one rosy picture in the Canadian economy is the performance of the country's highly monopolized banks. They all reported profits in the last quarter of 2008.

Government propaganda says that the banks in Canada are solid and not suffering from the same mistakes as their U.S. cousins. But that didn't prevent the government from quietly changing a law last November that would now permit it to purchase bank shares. Just in case...

The previous month, the government authorized the purchase of up to \$25 billion in bad loans and securities from the banks. That was boosted to \$125 billion early in 2009.

The banks lost hundreds of millions of dollars from the stock market decline in 2008. Losses will deepen in 2009 as they are hit by the manufacturing downturn, declining profit rates, and the full onslaught of foreclosures and personal bankruptcies.

The financial liberalization of recent years has simply postponed a practice that is endemic to capitalism — producing more goods and services than can be sold for a profit. In countries like the United States and Canada, government borrowing abroad, easy consumer credit and all manner of financial fraud made it possible to postpone the contradiction between growing supply of goods and services, on the one hand, and exploitation-restricted demand, on the other.

They must pay for their folly, not us

Government bailouts of the financial industry are nothing but a massive transfer of wealth from the poor to the rich in order to prop up the very institutions and wealthy families that have brought economic calamity to the world in the first place.

“Stimulus” spending by capitalist governments is proving to be a similar boondoggle. The Canadian government announced a spending package in January to the tune of \$40 billion. Some of it is earmarked for road and bridge repair, in other words to line the pockets of the very transportation designers and companies that have created urban transportation gridlock and brought the world to the precipice of irreversible climate catastrophe

But where much of the spending will be targeted is completely unknown. Passage of enabling legislation is delayed because opposition parties are uneasy with a near-total lack of details of where the money will be spent and how it will be accounted for.

One thing that is known — the government has already said it will ease the process of environmental review of “stimulus” projects.

By far the most effective forms of “stimulus” spending would be to expand social services, including health care, education and child care; raise the salaries or welfare and pension benefits of the lowest paid in society; build public housing on a large scale; and undertake a massive program to redress the social and economic calamity lived by most of Canada's 1.8 million Indigenous peoples.

This kind of spending would deliver immediate aid to hard-pressed individuals and families. It would reverse the damaging cuts to social services by governments in recent decades. It would also inject money directly into local economies.

A serious fight by trade unions and other social organizations for such “social stimulus” would strengthen the entire working class movement and place it in a better position to wage struggles around a particularly vexing challenge — how to confront the jobs crisis in manufacturing industries.

A fight for an “ecological stimulus” is equally pressing. How can environmentally destructive industries such as automobile assembly, energy production, forestry and many others be transformed to produce socially useful products that do not trash the natural environment?

And how can a plan for a new economy take control out of the hands of corporations driven by greed and profit?

A future article in *Socialist Voice* will examine this challenge.

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