

*Editorial*

## Who Should Pay for the Economic Crisis?

The Harper government is preparing to reconvene parliament and present a new budget. Harper has reportedly consulted with the leaders of the opposition parties and has promised a new package of economic stimuli in accordance with their wishes. He has also met with the provincial premiers and has promised to help finance a number of capital works projects, particularly ones involving renewal of highways and bridges. He has also stressed repeatedly in recent days that there are going to be very large federal deficits over the next few years.

Some will greet Harper's new budget as a "victory" for the "coalition" parties. Others will no doubt criticize it for not going far enough, either in terms of the amount of federal spending or how the funds are allocated. Left in the shade, however, will be the crucial issue of who is going to pay for these

expenditures. This is not an accidental omission. All of the parliamentary political parties are in agreement on this issue. They all begin from the basic premise that the working people will have to pay for the crisis. To the extent that there is any disagreement between them it is, first, over which sections of monopoly capital will receive the lion's share of the loot and, second, how best to convince workers to accept the burden of the crisis with the least amount of resistance.

On the first issue, in general terms, the Harper Conservatives would like to see most of the money spent in the western provinces, primarily to subsidize the oil extraction industry, while the opposition parties want to see more handouts to the manufacturing, mining and forestry industries in Ontario and Quebec.

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## Activist Against Israeli Apartheid to Speak in Winnipeg

Jeff Halper, co-founder of the Israeli Committee Against House Demolitions (ICAHD), will be in Winnipeg from January 24-26. His visit is part of an eight-city cross-Canada tour to discuss the current crisis in Gaza as well as the Israeli government's apartheid policies. Halper has been unequivocal in denouncing Israeli state terrorism and calling for a just and political solution to the crisis in Israel and Palestine.

On January 9 ICAHD released a statement strongly condemning the current atrocities being committed in Gaza and exposing many of the myths perpetrated by pro-Zionist organizations.

"As Israelis committed to human rights, international law and a just peace as the only way out of our interminable and bloody conflict with the Palestinians, we contend that security cannot be achieved unilaterally, especially as Israel shows no signs of fully relinquishing its 41 year Occupation so that a truly sovereign and viable Palestinian state may emerge. In that context, Israel's attack on Gaza can be considered merely another attempt to render its Occupation permanent by destroying any source of effective resistance. The immediate pretext of Israel's attack, rocket fire from Gaza into Israel, does not

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On the second issue, the Conservatives made it clear in their November economic statement that they intend to use the crisis to crush the trade unions - as illustrated by their attempt to remove the right to strike of federal employees - hoping to thereby leave workers defenceless in the face of the inevitable attacks on their wages and working conditions. In their coalition agreement the Liberals, NDP and Bloc Quebecois demanded increases in Employment Insurance and welfare benefits. Whether that demand was serious or merely politicking remains to be seen, but it does indicate that those parties are hopeful that the trade unions can still serve a useful function in limiting the resistance of the working class.

In all previous economic crises in Canada the capitalist class has used its monopoly over the means of production and its state machine to force the working class to pay, through reduced wages and deteriorated working conditions, reductions in social expenditures on health, education and welfare and through a constant shifting of the burden of taxation away from corporations and the rich and onto working people. The working class has suffered in other ways, as well, such as the weakening of the trade unions and their increasing incorporation into the state apparatus. The three decades following the Second World War saw a partial reversal of this trend, partially as a result of the super-profits being reaped by the capitalists due to the massive destruction of capital in Europe during the war and partially as a result of the emergence of a socialist camp in the immediate post-war period. However, even during that period the relative gap between rich and poor continued to grow.

The issue of who should pay for the current crisis is not an incidental issue, nor is it a moral issue either. Rather, it is a practical matter which will profoundly affect the length and severity of the crisis, as well as whether it will be followed by further such crises in the future. History shows that working people are willing to make enormous sacrifices and shoulder enormous burdens if there is a prospect that their sacrifices will lead to a better future for themselves and their children. However, both theory and experience demonstrate that this will not be the case with this crisis.

In purely economic terms, making the working class and people pay for the crisis will significantly delay any recovery which may or may not take place. The capitalist business cycle is based on the periodic production of greater quantities of commodities than the market can absorb. Unsold inventory accumulates, profits plummet and factories are shut down until the surplus inventory is sold off. Eventually demand begins to recover and factories begin to reopen, albeit usually with fewer workers than before due to technological advances.

However, such recoveries merely set the stage for another, and often more severe, crisis because increasing mechanization leads to both a relative decline in the rate of profits and a relative decline in the purchasing power of the working class. In other words, the domestic market shrinks at the same time that the productive capacity increases. This process led to a generalized stagnation of the entire capitalist world in the last two decades of the nineteenth century, a generalized economic crisis that was only reversed through the imperialist rape and plunder of the entire world and the systematic destruction of both capital and people through two world wars and a century of almost continuous regional and/or local warfare.

The world has now arrived at a stage where virtually the entire global economy is industrialized. For at least the past two decades there has been a massive international overproduction crisis. The economic crisis which has swept the globe during the past year was kept at bay for a period of time first through the plunder of the property and savings of the people of Eastern Europe (where life expectancy plunged overnight by over 20 years) and then through the enormous investments of capital in China and India. However, both of those factors have served to exacerbate the underlying overproduction crisis by reducing effective demand, while massively increasing global productive capacities.

If the working class pays for the current economic crisis through lower wages, higher taxes and reduced social expenditures, that will mean that the market for the mountains of surplus commodities will be reduced which, in turn, will prolong and exacerbate the crisis. Furthermore, the huge amounts

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## Manitobans Rally Against Israeli Crimes in Gaza



On January 17 over 250 people rallied in Winnipeg to condemn Israel's brutal aggression against the people of Gaza. Above is a scene from the rally.

## Manitoba Politicians Defend Israeli Atrocities

A “Stand with Israel” rally organized by the Winnipeg Jewish Federation on January 8 was attended by half a dozen provincial and federal politicians from all three major parties, all of whom were eager to express their support for Israel’s actions.

Government MPs who attended included Treasury Board president Vic Toews and Kildonan St.-Paul MP Joy Smith. Toews received a standing ovation from the crowd for his remarks, in which he declared “Defence of Israel is not a political choice for our government, it is a moral imperative.”

“We [the Conservative government] have also been clear that we believe Israel has a clear right to defend itself against the continued rocket attacks by Palestinian militant groups which have deliberately targeted civilians,” Toews said. “Israel has the clear legal and moral right to defend its people. Our government has stood with Israel even when it has not been popular to do so, and we will continue to stand with Israel.”

“Israeli and Palestinian leaders must remain committed to finding a comprehensive peace settlement. We remain supportive of the Middle East peace process-having endorsed the process launched at Annapolis last year. We offer our complete support to the parties in reaching their goal of a comprehensive two-state solution,” Toews said.

He also noted that Canada has “called for the international community to come together to address

the deteriorating humanitarian situation.”

Toews also said the Canadian government would contribute to the humanitarian crisis by donating \$4 million in emergency aid, with \$3 million going to meeting urgent needs such as food, shelter and medical materials and another \$1 million going to the International Committee of the Red Cross.

MP Joy Smith told the crowd that “under the Criminal Code of Canada, Hamas is listed as a terror organization,” and said that “Canada maintains that Hamas rocket attacks are the cause of the crisis.”

Winnipeg South Centre Liberal MP Anita Neville also attended. Referencing Israel’s withdrawal of illegal settlements from the Gaza Strip in 2005, she concluded that “the current situation is therefore not about occupation. It is about Hamas’ pursuit of their declared aim to destroy Israel.”

“Despite the graphic images in the media, we know that Israel’s intent is to target terrorists and spare civilians,” she said.

The NDP was represented by two members of the Manitoba cabinet – Justice Minister Dave Chomiak and Water Stewardship minister Christine Melnick. “The people of Israel have been forced to defend themselves on a daily basis,” since the creation of the state, Chomiak said. “The enemy and the fear are terrorists who know no limits.”

Conservative MLA Heather Stefanson also attended.

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of cash being doled out to the monopoly capitalists will be used (assuming they manage to survive) to buy out competitors and modernize equipment. The result will be a further contraction in the market and expansion in productive capacity. Ultimately, the main surviving groups of international capital will go to war with one another to settle their trade disputes and to destroy enough of the world's productive capacity to keep capitalism going for another few decades. The working class gets nothing for its sacrifice except increasing misery, insecurity and death.

On the other hand, if the working class and people refuse to pay for the crisis and make the rich pay instead, the benefits will be tangible. Many corporations would go bankrupt, but that is going to happen in many cases regardless. However, the factories, mines and other centres of production would remain, as would the workers. Measures could be taken to ensure that the centres of

production remained in operation and the workers remained employed. Of course, to accomplish that, the working class and people will also have to take control of the political institutions and establish their own state, because it is inconceivable that the rich can be made to pay for the crisis so long as they control state power.

Taking over ownership and management of the main means of production would also ensure that the working class and people could reorganize production on the rational basis of providing for the material and cultural needs of the people, rather than on the basis of maximizing capitalist profits. Therefore, the underlying basis of the vicious cycle of capitalist crises would be eliminated and long-term economic security would become a possibility. If the working class and people are going to be forced to make sacrifices, then at least those sacrifices should result in a future worth making sacrifices to achieve.

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explain the disproportionality of its attack, especially given the unrelenting sanctions, attacks and assassinations carried out by Israel throughout the cease-fire... Israel is not a victim; it is the active perpetrator of a permanent apartheid regime over all of Israel/Palestine. It is toward that goal that Gaza is being violently pacified today. Israel's killing with impunity scores of Palestinian civilians constitutes nothing less than State Terrorism."

Halper, who was the only Israeli aboard the Free Gaza flotilla which broke the siege of Gaza last August, will speak at two public meetings as well as to university classes (see details below). His national tour is sponsored by Independent Jewish Voices (Canada), a network of 18 organizations, as well as individuals from across Canada who are opposed to the Israeli occupation of Palestine. Halper's visit to Winnipeg is being organized by several local groups.

The tour has already been the subject of attacks from pro-Zionist organizations. For example, Halper's talk planned for a Jewish community centre in Montreal was cancelled at the last minute by the local Jewish federation, citing "security concerns".

**Saturday, January 24, 7:30 p.m.**

"Israel/Palestine: Towards Peace or Apartheid?" –  
Rudolf Rucker Cultural Centre, 2nd floor,  
91 Albert Street

**Sunday, January 25, 4:00 pm**

Public speech followed by question and answer  
session, Canadian Mennonite University Auditorium,  
50 Shaftesbury Boulevard

**Monday, January 26, 12:30 pm**

University of Winnipeg, Room 1L12

**Monday, January 26, 3:00 pm**

University of Manitoba, Room 137 Isbister Building

## **Modern Communism**

**Bulletin of the Manitoba Regional Committee  
of the Communist Party of Canada**

**(Marxist-Leninist)**

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