

Editorial

Alberta and the Issue of Oil

The windfall profits being made by the oil monopolies and the swelling of the Alberta provincial treasury resulting from increased oil royalties has led to renewed calls for more provincial-federal revenue sharing and/or some sort of national energy policy. In response, Alberta Premier Ralph Klein has vowed that the rest of Canada will not see a dime of Alberta's oil revenues and Alberta separatist groups have renewed calls for Alberta to leave Canada if Ottawa dares to re-impose a two-tier price schedule for oil as the Trudeau government did in the 1970s. Both sides of the debate are using populist rhetoric to divide the Canadian people on this issue.

Modern Communism is of the opinion that this debate is an attempt to put the people of Alberta and the rest of Canada at each others' throats in order to

advance the narrow political agendas of the Liberals and Conservatives. It only serves to mystify the real issues and block a serious discussion by Canadians about how the economy can be made to serve their interests rather than the interests of the monopoly capitalists.

By whipping up the rhetoric about "poor" Alberta being picked on by the eastern establishment, Klein is attempting to divert attention from the fact that the Alberta oilfields are, for all intents and purposes, owned, not by the people of Alberta, but by a small handful of foreign oil monopolies. Furthermore, the bulk of the wealth generated by Alberta oil is not flowing to the people of Alberta, but into the coffers of those same oil monopolies. In other words, the oil

See page 4: Alberta and Oil

Commentary

Ukraine's "Orange Revolution" Gets the Blues

On September 8, Ukraine's President Viktor Yushchenko dismissed Prime Minister Yuliya Tymoshenko and her entire cabinet after less than a year in office. He also dismissed Petro Poroshenko, the head of the National Defence and Security Council. Both Tymoshenko and Poroshenko were key supporters of Yushchenko during last year's "Orange Revolution" which forced President-elect Viktor Yanukovich to accept new elections which were ultimately won by Yushchenko. A week prior to Yushchenko's dismissal of his government his chief of staff, Oleksandr Zinchenko, resigned, accusing Yushchenko's administration of being even more corrupt than the previous administration of Leonid Kuchma and Viktor Yanukovich.

During the social and political chaos that characterized the collapse of the former Soviet Union, various high-ranking state officials, in collaboration with American and European finance capital, transferred massive amounts of public property into their own pockets. Virtually overnight they became multi-billionaires and used their newly acquired wealth to take control of the entire political apparatus in the former Soviet republics. In Ukraine, Viktor Yushchenko and a number of his colleagues in the management of the Ukrainian division of the Soviet state bank expropriated the entire capital of the Ukrainian bank. Similarly, Yuliya Tymoshenko took over the Ukrainian state-owned gas company and

See page 2: Ukraine

Ukraine...from page 1

Poroshenko took control of the chocolate industry. Kuchma and Yanukovich and many other current political leaders also became financial oligarchs on the basis of using their former state positions to rob the state sector.

Since the collapse of the former Soviet Union every government in Ukraine has come to power on the promise of stamping out the corruption of the previous regime, and every government has then raised the level of corruption to new and unprecedented levels. One of the first acts of the new Yushchenko-Tymoshenko government, installed in early 2005, was to establish an anti-corruption commission headed by Prime Minister Tymoshenko. One of her tasks was to draw up a list of former Soviet officials who had profitted from the embezzlement of state property. Tymoshenko went so far as to promise that all such property would be seized and returned to the state. However, almost immediately a struggle broke out within the administration over whose names would be included on the list and whose names would be excluded.

Since both Yushchenko and Tymoshenko, as well as virtually every other member of both the government and the opposition could claim pride of place on the corruption list, from the beginning it was clear that the list had nothing to do with stamping out corruption and everything to do with stamping out political opponents and financial competitors. In other words, the entire campaign against "corruption" is a reflection of the intense rivalry between various members of the Ukrainian oligarchy over who will emerge with the lions share of the spoils. The factions represented by Yushchenko, Tymoshenko and Poroshenko were united in their opposition to the faction represented by Kuchma and Yanukovich, but as soon as they achieved victory over those rivals they turned their guns on each other.

In a sense the current infighting within the Ukrainian oligarchy is the logical outcome of the process of capitalist restoration implemented by Nikita Khrushchev and his supporters in the 1950s. Through a series of measures, both overt and covert, Khrushchev, Brezhnev and successive Soviet leaders slowly converted the socialist property of the people into the private, collective property of the new Soviet

bourgeoisie – the top strata of the party, state, army and corporate managers. Many of these individuals used their official positions to amass enormous personal wealth, as well. For many years the intensifying inter-capitalist rivalries were successfully regulated and arbitrated within the confines of the existing Soviet state, with the Red Army and KGB playing a key role in sorting these contradictions.

However, by the time Mikhail Gorbachev emerged at the head of the Soviet party and state these contradictions were at a breaking point. Almost immediately, an intense struggle broke out between the "conservatives" who wanted to maintain a façade of socialism and the "reformers", headed by Gorbachev, who wanted to destroy the last vestiges of pseudo-socialism and openly implement American style neo-liberalism. Using massive amounts of money provided by the U.S. and European finance capitalists, Gorbachev financed the creation of "nationalist" movements in various Soviet republics, including Ukraine. That is, he allied himself with the regional capitalist groupings that resented sharing wealth and power with the capitalists who controlled the central apparatus of the Soviet state. Ultimately, Gorbachev's alliance succeeded in dismantling the Soviet Union and, under the tutelage of a group of neo-liberal economists from the United States, the various regional capitalist groupings proceeded to "privatize" the former Soviet collective capitalist property.

Those intense inter-capitalist rivalries that tore apart the former Soviet Union are continuing to tear apart the former Soviet republics as each capitalist or group of capitalists strives for monopoly control of the economic and political life of the nation, and Ukraine is no exception. There is no doubt that the Ukrainian people are sincere in their desire to put an end to corruption, political instability and economic insecurity. However, they will not achieve their goal for renewal of Ukrainian society by relying on one set of thieves to save them from another set of thieves. Only if the Ukrainian working class and people say no to all the thieves and establish their own rule can they stop the downward spiral of Ukrainian society.

For Your Information

Venezuela to Nationalize Mining Industry

Venezuelan President Hugo Chavez announced on September 20 that Venezuela would no longer be providing mining concessions to private foreign or Venezuelan companies, instead strengthening the state-owned mining and metal processing company so that it will run all mining operations throughout the country. As well, Chavez announced his government would immediately revoke any inactive concessions.

The company, the Venezuelan Corporation of Guayana (CVG) will now be modeled after Venezuela's state-owned oil company, PDVSA, and will enter into joint ventures with private companies, but with private ownership in any joint venture limited to 49 percent.

Venezuela is rich in deposits of gold, diamonds, iron ore, coal, lime, manganese, nickel, bauxite and kaolin, with most mining activity concentrated in the south east of the country, with the exception of coal, which is mined in the northwest along the Columbian border.

State investment, mainly in the 1970s, resulted in the creation of a massive infrastructure of tunnels and roads, often through dense jungle, which enabled large mining companies to move what they took from the earth to port centres on the Caribbean Sea or Atlantic Ocean. It also resulted in the destruction of thousands of acres of jungle and the devastation of dozens of indigenous communities.

The CVG, which was first created during this period, also entered into various joint ventures, often as the minority shareholder, providing large domestic or foreign companies with access to necessary permits and concessions while turning a blind eye to their excesses. The old CVG was racked with corruption and was blamed for the collapse in the country's mining industry in the 1990s, when world commodity prices dropped. Tens of thousands of workers lost their livelihood during this collapse.

With an infrastructure built with state funds, the need for any public investment in the mining industry became unnecessary, and a number of mining companies called for privatization as a means of reinvigorating the industry. Leading the call were the domestically owned Bolivar Gold and the American company Hecla. In 1997, bowing to the pressure,

Venezuela privatized one of Latin America's largest steel plants, SIDOR, located in the southeastern state of Bolivar. The newly private company received generous tax concessions and grants, slashed its workforce from almost 20,000 to around 4,000, with another 6,000 non-permanent contract workers, and began to turn a profit. Venezuela's neoliberals held this experience up as proof that the solution to the country's economic crisis was privatization.

Dozens of concessions were granted to mining companies in the following months, many of them also on the basis of tax concessions and grants, including subsidized oil. One of the companies established during this period was the Toronto-based Crystallex, established specifically to mine gold in the Las Cristinas region in Bolivar state.

Reforming the country's mining industry by halting the wholesale removal of Venezuela's natural wealth by a handful of companies was one of the promises Chavez made during the last presidential campaign. Already, Chavez can point to one victory – the Alcasa aluminum processing plant in Bolivar State, still publicly owned when he was elected but controlled by a corrupt management team and its corporate union – has been completely transformed through the creation and empowerment of a workers' committee to manage the facility. In the first year of the new structure, production and quality have both increased, while workplace accidents have dropped. Operating costs for the Alcasa plant are also projected to drop, despite wage increases for all employees.

One of the proposals by the workers' committee to save money is to replace the current private health care system with a publicly-owned system. It is proposing that the union hand over land to the state to build public health clinics to serve the health care needs of Alcasa employees and their communities. They would like to see the clinics staffed by Cuban doctors, who see caring for human life as an end in itself and not just as a means to make money, or by like-minded Venezuelan doctors. The workers also plan to build co-operative kitchens in the surrounding villages to provide food for Alcasa workers, instead of buying provisions from private companies.

Winnipeg Rally Against U.S. Occupation of Iraq

On September 24, a rally of about 50 people took place in Winnipeg as part of the international days of action against the U.S. occupation of Iraq. The rally took place near the corner of Portage and Main outside the U.S. consular office. Below are some scenes from the Winnipeg rally.



Alberta and Oil...from page 1

resources of Alberta are not being exploited in such a way as to serve the short-term and long-term interests of the people of Alberta, but rather to fuel the insatiable appetite of the United States for oil.

Those who are suggesting that Alberta should be forced to share its oil revenues with the rest of Canada are, like Klein, also ignoring the fact that it is not Alberta but the oil monopolies that are reaping the lion's share of the wealth from Alberta oil. Furthermore, they are attempting to convince the Canadian people that the federal government actually represents them and their interests and not the interests of another section of monopoly capital.

A recent opinion poll reported that almost half of Canadians support the nationalization of the entire oil industry as a response to the blatant price gouging by the oil monopolies. This suggestion has a lot of merit and it would be a very good thing for the entire Canadian people, including the people of Alberta, to begin a serious discussion of this proposal. Such a

discussion would serve to unite all Canadians in search of a solution to the problems of high oil prices and may even lead to a further discussion of the kind of energy policies that would serve the collective interests of all Canadians.

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