

Editorial

The Significance of the WTO Impasse

The impasse that continues to grip the World Trade Organization (WTO) is an indication that the relative strength of the big powers and regional powers within the world of international capital is undergoing profound changes. The economic power of the United States has been steadily declining over the past two decades while that of the emerging capitalist economies, especially those of China, India and, to some extent, Brazil has been rising. Since the collapse of the Soviet Union and the end of the bipolar division of the world the policy of U.S. imperialism has been to use its military power to establish a unipolar capitalist world under its dictate. Today, that policy is clearly in difficulty and a multipolar world is emerging despite all of the efforts of the Americans to prevent it.

Further complicating matters is the fact that international capitalism is currently experiencing the greatest crisis of overproduction in history. This

Commentary

Big Powers Fail to Resolve Differences at WTO

Despite coming to a last-minute deal that was reported to have dealt with disputes over agricultural subsidies, the world's big powers were unable to resolve their differences at the WTO talks held in Hong Kong from December 13-18. The deal on agricultural subsidies, reached in the final hours of the meeting, is so vaguely worded that it is difficult to determine who has actually promised to give up what. Furthermore, it falls far short of the kind of commitments that negotiators said they were looking for heading into the talks.

The current round of WTO negotiations was launched in Doha, Qatar in 2001 and is scheduled to conclude in 2006 with a treaty that all 150 member-nations must sign. When the Doha round of

crisis is a direct result of the anarchy and uneven development of capitalism and is being exacerbated to the extreme by the rapid industrialization of China and India. History shows that this crisis can only be resolved through the massive destruction of the surplus productive capacity or through the revolutionary overthrow of the capitalist system.

Destruction of surplus productive capacity can take place in various ways. One way is for the most powerful monopoly blocs to simply shut down rival factories, as was done to south Korea, Russia and other countries following the stock market collapse in 2000. Other ways include global depression and war. During the current round of WTO talks the United States and European Union (EU) have been pursuing a policy of shifting the main burden of the economic crisis onto their rivals and especially onto the peoples of Asia, Africa and Latin America. However, the

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negotiations began, the Americans and Europeans hailed the process as an important step towards ensuring full global trade liberalization. However, while both the U.S. and the EU have said repeatedly that they would reduce their agricultural export subsidies in exchange for greater market access to other member countries, both have consistently refused to do so, creating an impasse that so far has been insurmountable.

Seizing on this impasse, the Group of 20, led by China, India and Brazil, has consistently refused to sign any deal that does not include substantial agricultural subsidy reductions. Indeed, the G20 scuttled the deal that the Americans and Europeans

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Condemn the Perpetrators of the Terrorist Bomb Strikes in Delhi!

Statement of the Communist Ghadar Party of India, Nov. 1, 2005

With deep anger, the Communist Ghadar Party of India condemns the organizers of the bomb blasts in Delhi on 29th October. It extends heartfelt condolences and sympathies to the families of those killed, maimed or injured in these terrorist acts. The CGPI calls on the working class and people to maintain calm in the face of this terrible provocation and not to allow our class enemies to succeed in their evil game.

Who stands to gain from this criminal and cowardly act? Past experience in our country and internationally has shown that indiscriminate acts of terrorism are used by imperialism and the reactionary bourgeoisie to push through their anti-popular agenda of enriching themselves at the expense of the toiling majority, in the name of economic reforms. Terrorism is a tool used by unpopular ruling classes to turn the attention and anger of the people away from themselves, to create tension and divisions among the ranks of those fighting against imperialism, capitalism and the anti-social offensive. It is a justification for taking fascist measures against basic rights and civil liberties. This is what the experience in India as well as in the US, Britain and other countries clearly reveals.

The Delhi terrorist strike must be seen in the background of the growing and ever more united struggles of the workers, peasants and broad masses of Indian people in recent times. The past few months alone have witnessed a countrywide general strike of the working class and powerful actions of peasants in Mumbai and elsewhere - against the drive of the big bourgeoisie towards globalisation through liberalisation and privatisation. The struggle to repeal fascist laws, such as the Armed Forces (Special Powers) Act in force in the Northeast, has reached a point where the government is under pressure to concede something at least formally. There is a growing countrywide movement to punish the perpetrators behind the genocide of 1984, 1993 and 2002. There is increasing pressure on the Indian state

to resolve the longstanding problems of the national identity and rights of the peoples of Kashmir, Manipur, Assam, Nagaland and others through a democratic process. The terrible tragedy caused by the earthquake in Kashmir and various parts of Pakistan has heightened the demand that the governments of India and Pakistan must stop being roadblocks and become facilitators for the reunification of Kashmir. There is growing opposition to the Indo-US strategic alliance and joint military exercises.

The Indian big bourgeoisie is hell bent on pursuing an imperialist course, to sit at the high table of the big powers of the world. It looks upon any and every popular movement as an obstacle and a threat to its ambitions. It is therefore using all kinds of diabolical tactics to divert and divide the fighting forces and drown the peoples' struggles in blood, and to whip up national chauvinism in favour of its imperialist ambitions.

No section of our people stands to gain from such terrorists acts as the bomb blasts in Delhi. It is only the reactionary bourgeoisie and other imperialist powers that stand to gain. It is important that the working class and people understand this and do not get taken in by the bourgeois propaganda in the media, which is aimed at spreading suspicion among the people on the basis of religious and cultural differences.

Immediately following the bomb blasts, the bourgeoisie is trying to whip up anti-Pakistan and anti-Muslim prejudices and suspicion by making allegations against various groups without providing convincing proof. Red alert has been sounded all over the country and the persecution of 'outsiders', migrants from neighbouring countries, Muslims and other minorities has been stepped up. Immense pressure is being mounted on the people not to come on the streets and participate in mass protests.

The working class, peasantry and other oppressed people can and must thwart the nefarious

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December 31, 2005

The Elections in Egypt and the U.S. “Democracy Initiative”

The month-long election to Egypt’s legislature has concluded with the ruling National Democratic Party (NDP), led by President Hosni Mubarak, retaining its firm control of the People’s Assembly. The NDP and allied independents secured 324 seats in the 454-member parliament, thereby giving Mubarak and the NDP the two-thirds majority required to amend the constitution and to pass emergency laws. The Muslim Brotherhood, which is not a legal political party and has been banned in Egypt by law since 1954, ran 150 candidates as independents and gained 88 seats, thus reaffirming its role as the *de facto* largest opposition group in the country.

Although the election results will not directly weaken the power of Mubarak or the NDP, the composition of the People’s Assembly is changed considerably from the 2000 election. In the outgoing People’s Assembly the NDP held 404 seats while the Muslim Brotherhood had only 15. If it had not been for government and police interference at the polling stations that resulted in 11 deaths, as well as mass arrests of their supporters, the Muslim Brotherhood might have elected even more candidates. In fact, 12 seats are to be decided later because the courts cancelled election results due to violence or controversy. Furthermore, the Muslim Brotherhood, either by prior agreement with the government or to avoid a direct challenge to the government’s control of parliament, only fielded 150 candidates, just under one-third of the total seats in the parliament. The 15 legal opposition parties only gained 14 seats between them while another six seats went to other independents.

The overall participation rate in the election was 25 percent of the registered voters, but many eligible voters were not registered. However, the election attracted attention from around the world. This is partly due to the fact that Egypt is by far the most populous of all Arab countries with 77 million people and the second most populous country on the African continent. Any major political change in Egypt will reverberate throughout the Middle East and North Africa and beyond the region. Therefore, the United States, the dominant foreign power in this region, as

well as the peoples and governments in Israel and in the surrounding Arab countries, have an interest at all times in what happens in Egypt.

But the election had a significance beyond a general interest in Egyptian political affairs. It was the first general election since the U.S.-British invasions of Afghanistan and Iraq as well as the U.S.-led “war against terror” and since the United States launched its programme to promote Middle East democracy. Also, the election was held within the framework of some limited reforms to the electoral process by the Egyptian government. Therefore, the election was a measure of the credibility of the Mubarak regime and its reforms, of the U.S. role in the region and the pro-U.S. opposition parties, and of the Muslim Brotherhood. In a broader sense the election was looked upon as a measure of the desire of the working class and people of Egypt to bring about fundamental changes in favour of democratic rights, for economic well-being, and for an end to foreign imperialist interference.

Hosni Mubarak has ruled Egypt without interruption since the assassination of his predecessor, Anwar Sadat, in 1981. The assassination was attributed to Islamic fundamentalists who were opposed to the peace agreement engineered by the United States between Egypt and Israel and signed by Sadat. The Egyptian government responded with a state of emergency and for the past 24 years Mubarak has ruled the country through emergency laws. Thus, even though Egypt has a constitution and a parliament, they are mostly for window-dressing. The constitution gives the president control over the parliament, political parties and electoral process, and it gives the ruling party control over who can run as candidates for president and for parliament. It has been a completely closed system that has guaranteed that the president and ruling party would be re-elected in perpetuity and could enact changes to the constitution and promulgate emergency laws. In addition, the government has continuously strengthened the Islamic religious establishment as an instrument for

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social and cultural control and to counteract its religious opponents who have a political agenda against the regime and its policies. The United States has fully supported the Mubarak regime for all of these years. In fact, the United States considers Egypt a very important military and strategic partner in the region. U.S. military aid to Egypt totals over US\$1.3 billion annually, and is only surpassed by U.S. military aid to Israel.

The U.S.-British aggression against Iraq in 2003 and the events leading up to that aggression, combined with Mubarak's pronouncements blaming the Iraqi government for bringing this aggression upon itself, provoked the largest public demonstrations in Egypt since the 1970s. The Egyptian government responded by violently suppressing the demonstrations which had the effect of deepening the resentment of the Egyptian people towards the repressive regime and the United States. This led to a resurgence of demands by the Egyptian people for political reform and the end to U.S. interference in their internal affairs. Similar events unfolded in other Arab countries. This struggle of the people for democratic rights, for economic well-being, and for the end of foreign imperialist interference in their countries has created a crisis for the reactionary rulers and the United States. This political crisis in Egypt has also been exacerbated by an economic crisis.

While there is no immediate danger that the Egyptian government will be overthrown by the organized opposition forces, the regime has a narrow base of support among the population. The Egyptian government recognizes that there is a long term danger that Egypt, as well as other Arab countries, will become so polarized that people will organize themselves for the revolutionary overthrow of the reactionary rulers and their U.S. backers as occurred in Iran under the fascist regime of Shah Pahlavi. Thus, Mubarak is under pressure to expand the base of support of his regime by enacting some economic and political reforms.

In this context, since 2003 the Egyptian government has taken several initiatives to diffuse and split the opposition. One of these is the establishment of a National Council on Human Rights (NCHR). The NCHR is the brainchild of the NDP's "Policies Secretariat" headed by the president's son Gamal. It is state-funded and its 27 members are appointed by

parliament. It has no power to draw up any legislation and no legal redress to back up requests for co-operation from government agencies or for the prosecution of cases of human rights violations. The members of the council are a "who's who" of Egyptian politics. The chairman of the council is former UN Secretary-General Boutros Boutros-Ghali. In response to criticism that the council is a method for the government to co-opt the opposition, Boutros-Ghali responded that "There is not a single representative of the government on the council." Yet, in its first 15 months, even as the authorities conducted indiscriminate roundups of Islamists in the northern Sinai and even as press reports fingered Egypt as a prisoner depository for the CIA's policy of "rendition", the NCHR remained silent.

In terms of economic and political reforms, at the national conference of the NDP held in September 2004, the Mubarak government revived its "economics first" mantra of the 1990s and announced that it would proceed with a privatization program, slash tariffs and taxes, and reform the banking system. This neo-liberal agenda of expanding the private sector, shrinking the role of the state, and attracting foreign investment is aimed at winning over a section of the economic elite in Egypt. The conference also announced that the government would enact amendments to the political party law, the election law and the professional syndicates law in order to broaden political participation and civic freedoms, and to strengthen political parties and non-government organizations in a process that is "evolutionary, not revolutionary".

In February 2005, Mubarak amended the constitution to allow, for the first time in Egypt's history, competitive, multi-candidate presidential elections. The amendment was drafted by parliament and approved by public referendum in late May 2005. The results were predictable. The political parties that were allowed to field presidential candidates were carefully selected by Mubarak and the NDP while organizations with mass support, like the Muslim Brotherhood, were denied the right to field candidates. (The Egyptian constitution formally prohibits political parties based on religious identity.) As a result, in September 2005, Mubarak was re-elected with 88 percent of the vote, according to the official results.

The political reforms enacted by the Egyptian

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government fall far short of the demands of the opposition. One of the two main opposition coalitions is the Alliance of National Forces for Reform, comprised of the four main legal opposition parties - the Wafd Party, the National Progressive Unionist Party, the Arab Nasserist Party, and the Islamist Labour Party. It is calling for an end to the emergency law, a constitutional amendment to allow direct election of the president from among competing candidates, a limit of two five-year presidential terms, the guarantee of free elections under judicial supervision, greater freedom to establish political parties, loosening of government controls over unions, professional syndicates and civil society groups, and an end to the ruling party's dominance of state media. A second opposition coalition calling itself the March 20th Movement for Change (in reference to the date of large protests held in Cairo against the 2003 U.S.-led invasion of Iraq) is made up of civil society groups such as the Hisham Mubarak Law Center, banned organizations like the Muslim Brotherhood and the Communist Party, and independent intellectuals.

The Muslim Brotherhood launched its own reform initiative in March 2004. It is calling for freedom of individuals to engage in political affairs, free and fair elections, freedom of religion, freedom to form political parties, convene mass meetings, and assemble in peaceful demonstrations, an independent judiciary with the right to modify laws in order to conform to Islamic jurisprudence, an end to army intervention in political life, limits on the scope of the president's authority by prohibiting the president from heading any political party or assuming any executive responsibility, an end to the so-called "ill-reputed laws" which include emergency laws, press laws and other regulations that restrict freedom, the revisiting of previous verdicts issued by military and judicial courts, and modification of all existing laws and regulations in a manner that conforms to Islamic Sharia Law.

The pressure for reform is also coming from outside of Egypt, led by the United States. The only way for the U.S. to maintain its economic, political and military domination of the Middle East is by having pro-U.S. regimes in power. Therefore, the United States is taking measures to cover all eventualities. It is pressuring these regimes to enact reforms that broaden their base of support, and it is

grooming its own pro-U.S. opposition forces in these countries, through the organization and funding of "non-government organizations" (NGOs) and "civil society organizations" (CSOs). These act both as a pressure on these regimes to enact reforms and as a potential replacement for these regimes. At all costs the United States does not want any genuinely democratic and anti-imperialist forces to take power in these countries.

The promotion of so-called democracy and reform by the United States is a tool for furthering U.S. interests in this region, as it is everywhere else. The United States Institute of Peace, established by the U.S. Congress in 1984 with a board of directors appointed by the President of the United States, published a special report in May 2005 entitled "Promoting Middle East Democracy". It stated: "The 9/11 attacks and subsequent terrorist operations...shattered the conventional wisdom that the region's stability — anchored by its authoritarian governments — could endure indefinitely and would come at little cost to U.S. interests. Precisely the opposite conclusion has become apparent: Middle East reform is critical for long-term stability and regional security. Absent change, the status quo will only breed greater popular disaffection and provide fertile ground for the continued growth of extremism." U.S. Secretary of State Condoleezza Rice expressed the same view in a speech at the American University in Cairo on June 20, 2005. She stated: "For 60 years, my country, the United States, pursued stability at the expense of democracy in this region here in the Middle East - and we achieved neither. Now, we are taking a different course. We are supporting the democratic aspirations of all people."

Two of the main initiatives taken by the United States along these lines are its "Middle East Partnership Initiative" unveiled in December 2002, and the U.S. inspired G-8 plan "Broader Middle East and North Africa Initiative" unveiled in June 2004. These initiatives have an economic, political, educational, and social component that specifically targets the business community, professionals, youth and students, women and human rights activists. In addition, the U.S. House of Representatives has recently passed a bill called "The Advance of Democracy Act of 2005" which is pending approval in the U.S. Senate. The bill will result in some structural and programmatic changes within the State Department to facilitate "democracy promotion" in

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the Middle East and other countries.

These U.S. “democracy initiatives” have been met with skepticism in Egypt and elsewhere. The United States has no credibility as a defender of democracy in the Arab world. Besides supporting the reactionary regimes in the region, it continues to support Israeli genocidal policies towards the Palestinian people. Since 2001 it has invaded and occupied Afghanistan and Iraq. It continues to threaten countries like Iran and Syria that refuse to go along with U.S. policies in the Middle East. Moreover, it violates the most elementary human rights as seen by its treatment of prisoners at Abu Ghraib, Guantanamo and elsewhere. Even though the current U.S. administration has declared a change of heart, it continues to support the Egyptian government’s ban on the Muslim Brotherhood and has exerted little public pressure on Cairo over the arrest of Islamists during the recent elections.

The situation for the United States in the Arab world is very different than it was for the United States in the Soviet Union and Eastern Europe in the 1980s. In the Arab world there is popular support for changing the government, but there is no support for replacing one pro-U.S. regime with another one. Thus, any opposition groups that openly embrace the United States run the risk of losing credibility in the eyes of the working class and enlightened people in Egypt and other Arab countries. Moreover, the United States does not trust the “Islamic” opposition forces. It has been trying to foster “secular” opposition forces to contain the “Islamic” opposition. But this policy suffered a setback in the Egyptian election. Ayman Nour, the leader of the “Tomorrow Party”, who was President Mubark’s main opponent in the presidential election and was most favoured among the opposition leaders by the Bush administration, lost his parliamentary seat in this election. This may force the U.S. to revisit its attitude towards the Islamic opposition forces and seek some kind of accommodation with them.

In addition, it is not smooth sailing for the U.S. with respect to the reactionary rulers in the Arab countries, who are also suspicious of U.S. intentions. They are justifiably concerned that the “pro-democracy” groups created and funded by the United States will be used to overthrow their regimes, as they have been used by the Americans to organize the “colour revolutions” in Georgia, Ukraine and

elsewhere. On this score, the Arab governments and the opposition parties share the same concern about foreign funding and support for NGOs and CSOs.

Aside from the poor showing of the “secular” opposition parties in the Egyptian elections, the U.S. “democracy initiative” in the Middle East also suffered a setback when the Egyptian government rebuffed U.S. plans at the “Forum for the Future” meeting held in Manama, Bahrain on November 11-12, 2005. The forum was attended by 22 states of the Broader Middle East and North Africa (BMENA) region, the Group of Eight (G-8) countries, and other “partners” like the Asian Development Bank, International Finance Corporation, International Monetary Fund, and World Bank. The declared objective of the forum was to “promote and develop political, economic, and social reform in the region” and to “serve as a venue for regional businesses and civil society groups to express their goals and ideas for reforms to their governments”. Parallel “civil society” and “business dialogue” groups were also invited to make presentations.

At the forum, U.S. Secretary of State Condoleezza Rice announced the establishment of the “Foundation for the Future” and the “Fund for the Future”. The declared purpose of the “foundation” is to “allow indigenous reformers to draw upon their ideas and their ideals to nurture grass roots organizations that support the development of democracy through grants to help build civil society, strengthen the rule of law and ensure greater opportunity for health and education.” The foundation has commitments of over US\$50 million of which the United States has pledged US\$35 million. The declared purpose of the “fund”, a joint venture between governments and the private sector, is to help businesses in the region, especially small and medium-sized enterprises, to gain access to the capital they need. This fund has commitments of over US\$100 million of which the United States has pledged US\$50 million.

The conference’s final declaration would have bound countries in the Middle East and North Africa to “expand democratic practices, to enlarge participation in political and public life, to foster the roles of civil society, including NGOs, and to widen women’s participation in the political, economic, social, cultural and education fields and to reinforce their rights and status in society while understanding

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growing economic power of China, India and Brazil, as well as the growing resistance of the people in various countries, has blocked those efforts. At the same time, neither the emerging capitalist countries nor the resistance of the peoples are yet powerful enough to force significant concessions out of the Americans and Europeans.

If the WTO had failed to reach any agreement in Hong Kong the entire structure could have collapsed, ushering in a period of unbridled trade wars. Such an occurrence would exacerbate the crisis of overproduction and could quite possibly precipitate a global economic depression. Clearly, neither the old capitalist powers nor the emerging powers are willing to risk such a collapse at this time. Therefore, they have settled for a sham agreement within which they can jockey for position.

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that each country is unique". Egyptian officials wanted to add language stipulating that only NGOs legally registered with their governments were covered by the declaration. Although Saudi Arabia and Oman initially supported Egypt, in the end all governments except Egypt agreed to take out language that would have given them control over foreign resources going to groups in their countries. The United States told the Egyptian delegation that the addition was inappropriate and would circumscribe NGO activity. But the U.S. was unable to get Egypt to budge from its position, and Egypt's Foreign Minister left before the conference broke up, forcing the forum to conclude without a final declaration.

The Egyptian election and the U.S. "democracy initiative" once again highlight the struggle that is taking place all over the world on the question of democracy. On the one hand, the democratization that the Bush administration and Mubarak want for the countries of the Middle East and North Africa is the same arrangement that exists today but with some cosmetic changes. It is a false democracy that will perpetuate the situation where the vast majority of the people are marginalized, disenfranchised, and powerless to change their conditions. On the other hand, the working class and people need real democracy in their countries in which they have the political power in their hands to tackle the problems of the economy, democratic rights, the environment, peace and security, and national sovereignty.

However, this will not be the case forever. The monopoly capitalists in every country realize that a global depression is not only inevitable, but absolutely necessary for the survival of the capitalist system. The only issue is which groups of monopoly capital will perish and which will survive and emerge on top. When one or another monopoly capitalist bloc feels that it is sufficiently powerful to emerge victorious, it will not hesitate to precipitate a global crisis, hoping to trade short-term profits for long-term hegemony. The continuing impasse at the WTO thus signals that the inter-imperialist and inter-monopoly contradictions are becoming sharper. Within such a situation the working people of all countries must step up their resistance and take measures to defend their own interests in the face of the disasters being organized for them by the monopoly capitalists, both domestic and foreign.

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plans of the ruling class and its imperialist allies. We must persist with our united struggle against the anti-social offensive of the bourgeoisie. We must persist with the struggle in defence of livelihood and rights, against the globalization and privatization program of the rulers; and with the struggle against state terrorism including communal massacres, for the repeal of all fascist laws, for the punishment of those guilty of perpetrating crimes against the people. We must continue to develop the struggle for lasting peace between India and Pakistan on the basis of resolving the Kashmir problem in favour of the people of Kashmir, and in opposition to US imperialism's interference in the region. We must continue to oppose the attempt of the Indian ruling class to build a strategic alliance with the United States.

With respect to the bomb blasts in particular, we must demand that those in power and positions of authority must carry out their responsibilities. It is their duty to halt rumours, ensure prompt detection of the perpetrators by bringing all facts into public view, ensure adequately severe punishment for the guilty and ensure that citizens are not victimized and terrorized under the garb of "catching terrorists". When they fail to convincingly establish guilt and punish the guilty, the working class and people have no alternative except to conclude that it is the rulers who have a hand in organizing such crimes.

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cobbled together during the previous round of WTO negotiations two years ago in Cancun, pointing out that the subsidy reductions being promised in the deal were microscopic while the concessions being demanded from other countries were steep.

In previous WTO negotiations or those of its precursor, the General Agreement on Tariffs and Trade (GATT), the Americans would simply have forced other countries to accept their deal by threatening economic sanctions, withholding aid or even military intervention. The Americans, however, have been unable to bring this kind of pressure to bear while they are embroiled in Iraq and the Europeans are content with the status quo because European agri-business stands to lose even more than American agri-business without generous production and export subsidies in place.

While both claim their subsidy programs are designed to protect the livelihood of European and American farmers, in fact over the past 60 years the number of farms has steadily decreased, while the level of agricultural production has increased. The average farm size has risen dramatically, with subsidies paid out going directly from farmers to chemical and equipment companies. At the same time, smaller family farms, unable to afford the millions required to operate large-scale farm operations, have folded and have been bought out by increasingly large agri-businesses.

Agricultural production has become so efficient, with such high yields (in Europe through massive investment in development of different varieties of crops and in the U.S. through the use of genetic modification technology) that North American and European production of corn, soybeans, wheat, cotton, lentils, pork, beef and poultry could satisfy global demand in any average crop year. Thus the focus of both the Americans and Europeans has been the destruction of competing agricultural production in other regions of the world, particularly Asia, Africa and Latin America. Export subsidies, paid to the larger European and American conglomerates such as Cargill, ADM, Louis Dreyfus and Bunge, are used to enable these companies to sell their agricultural products in other countries below the price of

indigenous production. Removing this ability would mean either the Americans or the Europeans would need to accept drastic reduction of their agribusiness industry, which neither seem prepared to do at present.

This subsidy policy also supports other capitalist interests in Europe and the U.S. While 60 years ago the big imperialist powers exploited Asia, Africa and Latin America for their agricultural products and raw materials while exporting manufactured goods, today these regions are rapidly becoming major manufacturing centres. Destroying the peasantry guarantees a pool of cheap labour for the global capitalists to exploit.

Unless the Americans and Europeans can reach some agreement on how to move forward on the question of agricultural subsidies, a WTO agreement is impossible, and without such an agreement, the existence of the WTO is in jeopardy. Given this, it is interesting to note that the deal reached on December 18 has been characterized less as a meaningful deal and more as an attempt to “lay the groundwork” for future negotiations. It seems that neither the Americans nor the Europeans are willing to accept the collapse of the WTO and the deal reached on subsidies buys them some time without requiring them to implement any substantial changes. Their differences, however, remain unresolved.

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