

Editorial

The Democrats Are Not an Alternative to the Bush Regime

In the November 7 U.S. mid-term elections the Democrats took enough seats from the Republicans to gain majority control of both the House of Representatives and the Senate. These results are widely viewed as a rejection of the Bush regime's policies, particularly the continuing war in Iraq. However, it is highly unlikely that this latest setback for the Bush Republicans will result in a significant withdrawal of American forces from Iraq.

During the election campaign various prominent Democrats, including Hilary Clinton, made it clear that the Democratic Party is not opposed to the war in Iraq but to how it is being conducted and the fact that the U.S. is losing. While some Democratic candidates called for an immediate withdrawal of troops, the party establishment pledged to increase the effectiveness of the U.S. occupation, including

increasing the number of troops, if necessary. Statements made by a number of leading Democrats since the election indicate that the main strategy of the Democrats with regard to Iraq will be to uncover and publicize acts of incompetence and misconduct by the Bush regime. This will then be used to ensure a Democratic victory in the 2008 presidential elections.

The fact of the matter is that even though the Democrats and Republicans may have differences over tactics they are united around a strategy of establishing a uni-polar world order under the dictate of U.S. imperialism. While the Democrats may rely more than the Bush Republicans on diplomacy rather than blatant bullying to achieve these results, their goals are the same. It would be naïve to think otherwise.

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The Alberta Economic Boom

Part One

Alberta is experiencing an unprecedented boom. A September 2006 article in the *Canadian Economic Observer* states: "Alberta is in the midst of the strongest period of economic growth ever recorded by any province in Canada's history. Its total income (GDP) rose 43 percent between 2002 and 2005, and shows no signs of slowing down in 2006. Alberta's 12.7 percent average annual increase since 2002 compares favourably with China's 14.8 percent, the fastest growing among the world's large economies."

The parallels between this oil boom in Alberta and others in the province, particularly in the 1970's and 1980s, as well as with the mining booms in other

regions of Canada over the decades, are so striking that even the Canadian bourgeoisie is holding its breath waiting for the bust. The very nature of the growth in Alberta is cause for uncertainty. In comparing economic growth between China and Alberta, the *Canadian Economic Observer* points out: "China's was mostly volume, while Alberta's was three-quarters driven by higher export prices." In other words, as the price of oil goes, so goes the economy of Alberta.

The attitude of the Canadian bourgeoisie to this boom is the same as it has been to all others, that is to "make hay while the sun shines", to take advantage of

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the opportunity, while it is still there, to make maximum profits. Corporate profits in Alberta more than doubled from \$23.5 billion in 2002 to \$53.1 billion last year, directly accounting for over half of all income growth in the province. Most of this increase reflects the soaring price of oil and gas exports. Alberta accounted for 27 percent of all corporate profits in Canada last year, nearly double its share of the national Gross Domestic Product (GDP) in 2002.

Federal and provincial tax breaks as well as low provincial royalty fees are contributing to the high level of profits. It is estimated that the federal government gives \$1.4 billion annually in tax breaks to the booming oil industry. Canada's Finance Minister Jim Flaherty defends special tax treatment for the resource sector because of its importance as a source of investment and jobs.

While profits have skyrocketed, income has also risen steadily over the last three years. Since 2002, incomes have increased 27 percent (or nearly 10 percent a year), by far the biggest increase in Canada. However, this is not a measure of wage gains by the working class. Canada's system of national accounts defines income as the wages, salaries and supplementary labour income of all individuals. This means the salaries and benefits of corporate executives are lumped together with the wages of workers to determine "labour income". Nevertheless, the growth in income did not come close to matching the growth in corporate profits.

Side by side with every boom goes a labour shortage and intense exploitation of the working class. The current situation in Alberta is no different. According to the *Canadian Economic Observer* Alberta's current labour market is "the tightest in North America". The bourgeoisie is addressing the labour shortages by extending the length of the work day and work week, by getting more residents of Alberta to participate in the workforce, by luring workers from high unemployment provinces like Newfoundland and Labrador and by importing temporary foreign workers from low wage countries like Mexico.

It has been acknowledged by politicians, business leaders and the news media that the current Alberta boom is not all rosy for the working class. However,

what is not conceded is that the capitalist system is the source of the problem, that economic growth is possible without capitalist exploitation and that there is an alternative.

The news media have carried many stories exposing the terrible working and living conditions of temporary foreign workers, as well as the plight of the workers from Newfoundland and Labrador and of long-time residents of Alberta. The *Canadian Press* recently carried a story entitled "Calgary a Boom Town for Homelessness", which reported on a survey done by the city in May 2006. It found 3,436 homeless people, that is a 32 percent increase since 2004. One of the executive directors of a shelter interviewed for the story said, "It's not primarily the addict or the person who doesn't want to work. It's children. It's moms and dads and 25-year-olds."

The vast majority of her clients are the working poor, people unable to find affordable housing in a city where builders cannot keep up with the demand for luxury homes. She predicts that the problem is likely to get worse. "We're getting calls from people who are going to be homeless by the end of the month because their leases have come up for renewal and they can't afford the [rent] increases." About half of the homeless families that she sees in her shelter are from outside the province, lured by the hope of prosperity promised by the so-called "Alberta advantage".

A Calgary city councillor noted that thousands of low-income Calgary families are teetering on the edge now and admits that a social disaster is not far off. "Some 60,000 Calgary households struggle to make the rent," he said. "As prices and rents go up, there are more and more people vulnerable to losing their shelter." Tenants in some parts of the city have received notice that their rent will triple in the coming months. Home prices in Calgary have jumped more than 50 percent in the last year as people pour into the city hoping to take advantage of the red-hot economy. In turn, this has pushed up the cost of rental properties. The price of an average two-storey house in the city jumped by almost 55 percent, compared to a year earlier, to \$397,867, according to a report on house prices from Royal LePage Real Estate Services. The average detached bungalow in the city rose 50.4 percent to \$371,200.

Panama Elected to Non-Permanent UN Security Council Seat

On November 7, the UN General Assembly elected Panama to a two-year term as a non-permanent member of the Security Council. Panama was chosen by Latin American and Caribbean nations as a compromise candidate to end the stalemated contest for the seat between Guatemala and Venezuela. In the 48th round of balloting, Panama received 164 votes in the 192-member General Assembly, more than the 120 needed to win the seat. Panama begins its term on January 1, 2007, replacing Argentina. Venezuela received 11 votes, Guatemala four votes, and Barbados one vote. There were nine abstentions.

The election comes after the foreign ministers of both Guatemala and Venezuela decided to withdraw their candidatures at a meeting in New York and proposed Panama as an alternative to the Group of Latin American and Caribbean States. Throughout the earlier voting Guatemala maintained its lead over Venezuela, except in one tie vote, but was never able to reach the necessary two-thirds majority to serve as the region's member for the two-year term. In the 47th round of voting on October 30, when 122 votes would have been enough to secure victory, Guatemala received 101 votes, Venezuela 78, and Barbados, Ecuador and Uruguay received one vote each. There were seven abstentions.

The American ambassador to the United Nations, John Bolton, said that it is the traditional position of the United States not to interfere in the internal discussions of the regional groups within the United Nations. However, he admitted to U.S. interference in the election between Guatemala and Venezuela, calling it "extraordinary" and necessary "because of the risk of disruption to the Council that we saw Venezuela bringing." Venezuela's U.N. ambassador, Francisco Arias Cardenas, said that he did not consider the outcome a defeat. He said that there was a lesson to be learned in the 46 rounds of balloting between Venezuela and Guatemala - that the General Assembly will not accept the imposition of the big

countries. The U.S., with all the power and authority at its disposal, was unable to get a sufficient number of countries to support its designated and preferred candidate.

More than a few political commentators have speculated that many more countries would have supported Venezuela's candidacy for the Security Council if Venezuelan President Hugo Chávez had not characterized U.S. President George Bush as the devil in his speech to the opening session of the UN General Assembly. Whether this is true or not, it is likely that most member states voted according to their national and international interests, and consistent with their overall relationships with Venezuela, Guatemala and the U.S.. Chile and Ecuador, for example, publicly abstained from voting because they considered the election divisive for the region. It is almost certain that they would have abstained no matter how Chávez phrased his opposition to U.S. imperialism at the United Nations.

On the other hand, the countries of the Caribbean Community (Caricom) voted for Venezuela. This is likely because of the positions Guatemala has taken against the interests of Caricom members, as well as its well-known violations of human rights.. Venezuela, on the other hand, has been a long and committed partner to the Caricom region and its economic support to these countries has been strengthened in recent years by the initiatives of President Chávez.

On October 16, the General Assembly, following an agreed geographic allocation, elected Belgium, Indonesia, Italy and South Africa to serve as the other new non-permanent members of the Security Council, replacing Denmark, Greece, Japan and Tanzania when their terms end on December 31. The Council's five other non-permanent members, whose terms end on 31 December 2007, are Congo, Ghana, Peru, Qatar and Slovakia. The five permanent members, the only ones with veto power, are China, France, Russia, the United Kingdom and the United States.

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With the collapse of the bi-polar division of the world in the period from 1989 to 1991, the U.S. lost one of its main levers of control over its imperialist rivals. At the same time, during the 1990s the U.S. economy was steadily declining relative to the European Union (EU) and Japan. The emergence of China and India as major and rapidly growing capitalist economies during the late 1990s gave further impetus to the development of a multi-polar world and the exacerbation of inter-imperialist rivalries. During the 1990s the Clinton Democrats tried to reassert U.S. imperialist hegemony through a combination of diplomacy, economic bullying and military aggression. However, their attempts proved ineffective in reversing the steady decline of U.S. power and influence. As a result the Bush Republicans were forced to largely dispense with diplomacy and adopt a foreign policy of naked imperialist aggression and war beginning with the invasion of Afghanistan in 2001 and of Iraq in 2003. They even adopted a policy of pre-emptive nuclear war against any country which tries to challenge U.S. military supremacy.

This policy has now run into difficulties, not, as alleged by the Democrats, because of the incompetence of the Bush regime but because of resistance by the Afghan and Iraqi people. As a result, what were supposed to be rapid American military victories followed by the establishment of puppet governments and the withdrawal of most U.S. troops have developed instead into the current quagmire in which the U.S. finds itself. Tied down in Iraq and Afghanistan, the U.S. has been unable to respond militarily to what it considers to be other threats. Its imperialist rivals have been quick to take advantage of this situation to expand their own influence and control at the expense of the Americans. Various popular movements in Latin America have also made headway in asserting their national sovereignty and opposing the neo-liberal policies imposed on their countries by the U.S. and its international agencies such as the International Monetary Fund (IMF) and the World Bank.

The U.S. faces a difficult dilemma. If it stays in Iraq and Afghanistan it risks losing even more of its empire either to its rivals or through popular uprisings. However, if it “cuts and runs” the myth of U.S. invincibility will be smashed, which will further encourage its imperialist rivals and various popular movements. In addition, it will be forced to withdraw its military forces from much of the Middle East and that region will quickly become an area of fierce contention between various powers for control of its energy riches. China and Russia, in particular, would be immediate beneficiaries and the American strategy of encircling those countries with military bases would be seriously compromised.

The Americans, therefore, have only one option regardless of which party is in control – to stay the course. It is absolutely essential to the strategic interests of U.S. imperialism to defeat the Iraqi and Afghan resistance as well as to bring Iran back under American control. In other words, regardless of whether or not these goals can be realized, whether Republicans or Democrats are at the helm, the Americans will be forced to pursue them. They simply have no alternative.

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