

## Editorial

### Is a Bailout of the Auto Industry the Answer?

The “Big Three” American auto manufacturers – GM, Ford and Chrysler – have been demanding massive government handouts to remain in business. GM and Chrysler have threatened to declare bankruptcy within weeks if they do not receive billions of dollars from the U.S. and Canadian governments, while Ford is hinting it could do the same some time in the future if it does not receive a handout. Both the United Auto Workers union in the U.S. and the Canadian Auto Workers union have been lobbying their respective governments to hand over the money.

The Ontario and federal governments have now announced they will be giving the auto companies approximately \$4 billion. The U.S. Senate voted down a bailout of approximately \$15 billion, largely as a result of Republican senators demanding massive wage concessions from autoworkers in

return for the bailout of their employers. However, it has been announced that the Bush administration will go through with the bailouts regardless in the form of \$17 billion in “loans”, transferring funds from the \$700 billion bailout of the banks and other financial institutions. However, Bush has made it clear that the auto monopolies will have to repay the money if their workers’ wages are not reduced to non-union levels by March.

Both the auto companies and the auto unions have been justifying the government bailouts on the basis of the central role played by auto manufacturing in the North American economy. Both emphasize the hundreds of thousands of jobs that will be lost if the auto giants are allowed to fall. The \$3.4 billion handout in Canada was accompanied by tough talk about job guarantees. However, the money has not

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### Israeli Aggression Against the Palestinian People Intensifies

Israeli Defence Minister Ehud Barak, in a feat of Orwellian doublespeak, declared December 29 that Palestinians civilians are not the target of the Israeli military aggression unleashed against Gaza since December 26.

In the first 12 hours of the latest Israeli assault on the Gaza strip, at least 200 Palestinians have been killed, with thousands more wounded or displaced. The vast majority of dead are civilians, which leaves one to wonder what level of destruction Israel could inflict if it openly admitted it was targeting civilians. This represents the single largest massacre since Israel occupied the Gaza Strip, in violation of international law, in 1967.

According to the commentators, Israel’s goal in its latest campaign of collective punishment is to restore fear of the Israeli military as a deterrent to the national liberation struggle of the Palestinian people. The commentators note that after the Israeli military’s humiliating defeat to Hezbollah forces in southern Lebanon in 2006, Israel needed to do something to re-establish the supremacy of its military.

Such commentators choose to ignore that the Israeli military has waged a continuous campaign of violence against all Palestinians living in Gaza since it “ended” the formal occupation of Gaza in 2005. Having starved and isolated Gazans, creating what

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even changed hands and the auto companies are talking about eliminating another 15,000 to 20,000 jobs in Canada. Both GM and Chrysler have announced that all of their North American plants will be shut down for at least a month this winter.

While it is true that something should be done to stop the massive loss of manufacturing jobs, especially in southern Ontario, handing out money to the auto capitalists is not going to solve the problem. The massive handouts to the banks in the U.S., Europe and Canada were supposed to solve the credit crisis. However, to date most of that money has gone to shareholders in the form of dividends or has been used to buy up other banks and the credit crisis continues. There is no reason to believe that the auto monopolies will behave any differently; capitalists are in business to maximize profits, not to provide jobs to workers.

The problems posed by the economic crisis cannot be approached on a company-by-company or industry-by-industry basis. Every sector and every job is important and it is unacceptable for corporations and trade unions to pit one section of the people against another by demanding that the government provide bailouts for some capitalists and not for others. Furthermore, at best these bailouts may provide some short-term benefits (in the form of delayed layoffs) to the workers in the companies receiving the bailouts, but it is important to look at the effect bailouts have on the entire economy.

The current economic crisis is the result of a massive overproduction crisis. The overproduction crisis, in turn, has two causes. The first cause is the huge expansion of productive capacity which has taken over the past several decades as a result of improvements in technology and the industrialization of the developing countries. The second cause is the reduction in markets resulting from the unprecedented transfer of wealth from the poor to the rich since the adoption of neo-liberalism in the mid-1980s. Of the two, the second is the most important factor at this time.

In order to solve the crisis it is necessary to address these two causes. The first is an inevitable consequence of the anarchy of production under capitalism. Every corporation produces blindly for

the market, not knowing what levels of production their competitors are planning. The solution to this problem is neither allowing companies to be destroyed and/or taken over by their competitors, nor throwing money at those in danger of collapsing. Rather, the solution is to organize production on a conscious basis, taking into account both the rising needs of the domestic population and the trade needs of other countries. The second cause can only be solved by transferring wealth from the rich to the poor, that is by increasing the buying power of the vast majority of the people, not only in the advanced countries but in every country.

Neither problem is addressed by simply handing over money to the capitalists. In fact, doing so actually exacerbates the problem. If the capitalists receiving the money are able to remain in production as a result of the handout this means that the overproduction of commodities will continue and the recovery phase of the crisis will be further delayed. Eventually either those capitalists or their competitors will go bankrupt anyway because there will still be too many commodities for the existing market. (Given their track records, the most likely candidates for bankruptcy are the North American auto monopolies.) The second problem will also be exacerbated because every dollar handed over to the capitalists is one less dollar available for consumers to buy commodities and thereby reduce the excess commodities on the market. Therefore, bailouts of capitalists will do nothing but compound the problem and prolong the crisis.

How then should the problem be addressed? The depth and duration of the economic crisis could be reduced to some extent if the money being handed over to the capitalists were to be distributed to working people and the poor in the form of increased wages and social expenditures. That would speed up the depletion of surplus commodities and therefore would hasten the recovery phase of the business cycle. Many governments may eventually be forced to adopt such measures, depending on the severity of the crisis and the degree of social unrest that it creates. However, that will still leave the underlying problem of the anarchy of capitalist production which will lead to yet another overproduction crisis of equal

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# Unite to Fight for Peace in South Asia! Defeat US Plots for War in our Region!

Statement of the Central Committee of Communist Ghadar Party of India, 12th Dec 2008

Following the Mumbai terror attacks of 26-28 November, the degree of US penetration and interference in South Asia is on the rise. Hordes of US intelligence forces have entrenched themselves in India, in the name of helping to investigate terrorism. American troops have already crossed the western border of Pakistan and launched armed attacks on the Baluchis and Pathans. There is growing threat of deeper penetration of US armed forces into Pakistan and stepped up violence against freedom fighters in Afghanistan. Obama has unveiled his plan to increase the presence of US troops in Afghanistan, from 34,000 to about 58,000, even as he promises to reduce the level of troops in Iraq.

The Mumbai terror attacks are being used to build up an “international coalition” in support of armed aggression on Pakistan, in addition to continued US occupation and war in Afghanistan. These are dangerous developments for peace and security of peoples in South Asia.

The Manmohan Singh government has invited American intelligence agencies to collaborate with Indian intelligence agencies in investigating the Mumbai attacks. It has opened India’s door to the most dangerous power in the world. It is joining hands with the US to exert maximum pressure on Pakistan, including appealing to the UN Security Council. It is playing an active role in preparing public opinion, both within India and on the world scale, for war against Pakistan in the name of fighting terrorism.

We, the peoples of India, Pakistan, Afghanistan, Bangladesh and other countries of South Asia, do not stand to gain from increasing US penetration of this region. We do not gain from war spreading in South Asia. We cannot and must not believe that US intelligence will help us to find out the truth about the Mumbai terror attacks.

US and its intelligence agencies are well known for manufacturing the most monstrous lies to suit their narrow interests. They lied to the world that Saddam Hussein possessed weapons of mass destruction,

only to justify US aggression, destruction and armed occupation of Iraq.

The Central Intelligence Agency (CIA) of the United States is the creator and sponsor of most of the terrorist groups in Pakistan and across its border with Afghanistan. The CIA, along with the MI6 of Britain, created such groups to infiltrate the Afghan resistance to Soviet armed occupation in the eighties. Since the collapse of the Soviet Union, the Anglo-American imperialists have been playing the ‘terrorism card’ whenever it suits their interests. Since 2001, they have used their hidden connection with numerous armed groups to split the Afghan resistance to US occupation, and to manipulate the situation in Pakistan in their own favour.

American control in Afghanistan is growing weaker at this time. US occupation troops have suffered higher casualties at the hands of the Afghan liberation fighters in 2008, than in any previous year. According to the International Council on Security and Development, only 28% of Afghanistan is under the control of the US led occupation troops and the puppet Karzai government. The remaining 72% is in the hands of the Afghan resistance.

The Afghan resistance to external occupation enjoys sympathy and support of peoples in Baluchistan and the North-West Frontier Province. US military incursions into Pakistan to destroy this support have faced massive popular opposition. In this context, the Mumbai terror attacks have provided the pretext for US imperialism to enhance its troop deployment, and step up pressure on the Government of Pakistan to crack down on any force that resists US imperialism and its puppets.

Recent developments must be seen in the context of the weakening of the position of US imperialism on the world scale. The United States economy is in deep crisis. The US wants war to spread in Asia, in order to assert its military superiority and global ‘leadership’. It sees control over Asia as an essential condition for dominating the world. It sees control of

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or greater severity a few years down the road. Alternately, another inter-imperialist world war which destroys a significant portion of the world's productive capacity could temporarily alleviate the overproduction crisis, but at an enormous cost in terms of human lives and suffering.

Clearly, an economic system which periodically destroys capital and livelihoods and which cannot survive without massive government handouts and wars of mass destruction is an economic system which does not work and must be replaced. Only a system based on the scientific organization of production can solve the problems of the anarchy of production and only a system based on satisfying the ever expanding material and cultural needs of the people can solve the problems of under-consumption caused by the tendency for the rich to get richer and the poor to get poorer. Socialism is such a system and it is the most urgent necessity of the day.

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Afghanistan and the western provinces of Pakistan as being necessary for encircling Iran, further penetrating the Central Asian states that are rich in oil and gas reserves, as well as to contain and restrict the influence of Russia in this region.

Following the deepening and widening of mass opposition among Asian peoples, to the unjust aggression and occupation of Afghanistan and Iraq, US imperialism is adapting its tactics. Obama, who is being groomed to take over from Bush, is charged with the task of manufacturing an "international coalition" before launching the next US led military adventure. The Mumbai terror serves this objective very well, because of the interests of capitalists all over the world to have India as a secure place to make super-profits. The US imperialists are counting on the collaboration of the Indian bourgeoisie in its game plan.

Communist Ghadar Party of India calls on all peace loving people in India to raise their voices against the US plots to embroil this region in war. Let us demand that the Government of India immediately stops its collaboration with US intelligence agencies, and its warmongering against Pakistan!

### ***Israeli Aggression..from page 1***

international officials have described as one of the worst humanitarian disasters of the past century, the Israeli army now seems intent on re-occupying the Gaza strip.

Israel claims its latest campaign of violence is in retaliation for rocket attacks launched by Hamas from the Gaza Strip following the expiration of an official ceasefire agreement. Few commentators have mentioned that during the "ceasefire" period, the Israeli military enforced a siege against Gaza, restricting food, medical supplies, fuel (including last winter, when Gaza experienced its first snowfall in three generations) and humanitarian aid.

A demonstration against the latest Israeli aggression will be held at the Manitoba legislature at 2:00 p.m. on January 3.

Let us stand shoulder to shoulder with our brothers and sisters in Pakistan and Afghanistan, who are under serious threat today. Let us stand together with all peoples of South Asia against all forms of imperialist penetration and occupation of any part of our land. Let us work together to uproot US imperialism from South Asia, including its armed troops and covert agents.

## **Modern Communism**

**Bulletin of the Manitoba Regional Committee  
of the Communist Party of Canada  
(Marxist-Leninist)  
Editor: Ken Kaltornyk**

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