RELAY

#9 JANUARY / FEBRUARY 2006

A SOCIALIST PROJECT REVIEW

BLOOD FOR OIL? • IMPERIALISM & THE MIDDLE EAST
TORONTO'S WATERFRONT • THE END OF SUBURBIA
KASHECHEWAN • OFL CONVENTION

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Relay, A Socialist Project Review, intends to act as a forum for conveying and debating current issues of importance to the Left in Ontario, Canada and from around the world. Contributions to the re-laying of the foundations for a viable socialist politics are welcomed by the editorial committee.

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PO Box 85
Station E
Toronto, Ontario
M6H 4E1

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From left: Ottawa demonstration Nov. 12, at Prime Minister's Office; Winnipeg "Die-In" at RCMP HQ, Nov. 18; Jean Saint-Vil winds up march at U.S. Embassy in Ottawa, Nov. 12.

Read about Haiti solidarity demonstrations on page 47.

This Election Will Not End the Impasse of Canadian Democracy

Bryan Evans and Greg Albo

By a margin of 171 to 133, the united parliamentary forces of the Conservatives, Bloc Québécois and New Democratic Party felled the federal Liberal Government of Paul Martin at 7:09 pm of November 28 on a motion which simply read "This House has lost confidence in the government." Thus the 38th Parliament of Canada ended. On January 23, 2006 the peoples of Canada will vote for a new government. Watching MPs stand and vote 'yea' or 'nay' was somehow moving. Witnessing a government going down to defeat puts one, however ideologically distanced, in touch with history. But it is too often the history of those who have power and wield it toward their own ends. The latest national opinion polls point to the likelihood of another Liberal minority government. It seems we will be watching the final voting returns in January to see what happens in British Columbia for the precise constitution of party representation. Much else in Canadian politics will remain, we all recognize sadly in advance, all too much the same.

The moving and inspiring lines which conclude Woody Guthrie's "The Ballad of Tom Joad" speak to what is strikingly absent from Canadian political debate and action today. Guthrie wrote:

> Ever'body might be just one big soul
> Well it looks that a way to me.
> Everywhere that you look in the day or night
> That's where I'm gonna be, Ma,
> That's where I'm gonna be.
>
> Wherever little children are hungry and cry
> Wherever people ain't free.
> Wherever men are fightin' for their rights
> That's where I'm gonna be, Ma.
> That's where I'm a gonna be.

It's a song of courage and resistance at an ever so human a scale. And here again, seventy years removed from that great economic horror of the Depression, working people, their families, their communities still are, and will be, bruised, battered and beaten unless there is a concerted resistance. When Guthrie penned these lines workers were mobilizing and pushing back, and their political allies, both social democrats and socialists, were reliable stalwarts in the class battles. As we move into another election it is again painfully clear how much must be rebuilt on the Left – politically, organizationally, and culturally.

The defeat of the Martin Liberal government has again revealed all the old dilemmas and the stark setting that is neoliberal times. The balance of electoral forces is the same stalemate that it has been for more than a decade (and much longer if one looks at the longer term impasse on the national questions and elected governments adventuring outside the boundaries of neoliberal policies). The Liberals will be difficult to dislodge, not because they are popular, but because they are the party of the 'lesser evil' in the minds of a large plurality and command a national electoral presence practically on that basis alone. This 'national' presence for the Liberals is further distorted by the single-member plurality-system which systematically allows the Liberals to claim proportionately more seats than their popular vote. The BQ and Conservatives, under the well-tread leaderships of Gilles Duceppe and Stephen Harper, possess regional strengths at opposite ends of the country; while the NDP, under the (post-) modernizing leadership of Jack Layton, has pockets of support scattered here and there. British Columbia may be the exception at this point, with three of the parties contesting the province. In the cases of all the parties, their current programes make for a distinctive embrace – or compromise with – neoliberalism. This is what, it needs to be said, national electoral calculation in Canada has come to: the Liberals as the natural governing party by fear, by accident, by lack of an alternative, but not by positive mandate.

The initiating reason why the Martin Liberal government should not have continued on (or still should have for some) is not – and has not been – the substantive issue of this election. The Gomery Inquiry findings on fraudulent expenses in Québec to support 'national unity' certainly indicated the basic bankruptcy of federalist forces in dealing with the 'national question.' The government deserved to fall on this basis alone for the rot at the centre of the Canadian state was again revealed for all to see. The 'adscam' was certainly an offence to working people inside and outside Québec who earn their dollars the old fashioned way – through labour. The circus that has been Ottawa over the last numbers of months as the scandal daily ebbed and flowed added to the sense of parliamentary alienation from what is happening in the daily lives of Canadian workers. This is the stark reality that in the months and years to come the attack on living standards of workers by the rulers of Canada, those on the governing benches in Parliament as well as those in the corporate offices across the country, will no doubt continue. The billions being promised over the last few weeks for aboriginal poverty reduction programs, tax cuts, an aerospace strategy, labour market training and adjustment, health care and so on is such a mixed bag that one is left wondering if there is anyone in Ottawa who engages in any kind of medium to long-term thinking, planning and prioritizing any more. Like most Liberal election promises over the last years, except for the tax cuts most of these will come to nought.

There are indeed more than a few issues to be dealt with. For one, pensions need to be assured, as 25 years of restructuring, layoffs and the poor quality of new jobs has put at risk the retirement incomes of many workers. The same period of public sector shrinkage has severely damaged public infrastructure, access to

public goods and services, redistributional programes, the quality of work in the public sector, and the capacity of the state to transcend, or at least contain, some of the worst contradictions produced by capitalist markets. The abuse of the EI fund by turning in into a slush fund for a whole manner of things including national debt reduction, while taking income away from unemployed workers, needs attention. The growing poverty among children, in the suburban high-rises holding recent migrants and the marginalized, and in the Northern reserves across the country, is shocking. And there is, of course, the entire disaster that is Canada's international trade policy from NAFTA to the WTO and the lead role that Canada is playing in further attempting to constitutionalize corporate property rights and neoliberal principles in trade agreements (notably in the WTO Doha round ministerial meetings in Hong Kong in December).

The Canadian state has been re-made precisely to limit democratic access, control and capacity-building, and to expand its role in strengthening private property rights, expanding the market and shrinking the state, and fostering the internationalization of both Canadian and foreign capital. Over the past quarter century governments of every hue, national, provincial and local, have participated, in varying degrees, in reinventing Canada as a good place to do business. By necessity, this has also meant workers accepting lower standards of living and expecting less in the way of public services. We keep getting neoliberalism even when we think we are throwing the last bunch of neoliberals and their policies out. Hence the democratic impasse that exists in Canada: falling voter participation rates, especially among working class people, and deepening alienation from the political process.

Whatever happens on election night will have little consequence for the many issues that are of real and concrete importance to Canadian workers. None of the political parties, including the NDP, have been addressing these issues (although the discourse around health care may be in part an exception). New Democrats, in their efforts to recreate themselves as the 'authentic' liberal party beyond the old political antagonisms that are in the way of new social partnerships, are leaving workers and unions to the side, and been re-tacking party positions throughout the election, notably on 'law and order' and Canada's military stance. As a small symbolic example, not so long ago, New Democrat politicians walked on picket lines and mobilized their memberships in anti-war rallies and against Canadian imperialist interventions, such as in Haiti. They don't like doing that anymore. The silence around these issues during the election has been deafening. It is not what a modernizing party, creating a new market-friendly civic politics and appealing to the corporate mass media, is about.

What does all this imply for the left in the coming election? In a wider political sense, it points to the need to rebuild the resources of hope and struggle necessary to defend the popular classes and marginalized and to advance an alternative to capitalism. In more immediate electoral terms, it is to try to ensure another minority Parliament with more progressive voices than the last and fewer arch neoliberal ones. This is to vote for the NDP in English Canada and the BQ in Québec. In some ridings, however, where the NDP is a negligible presence, some sections of the left will also be making a tactical case for a vote for the Liberals to keep out a reactionary conservative. But one should not mistake such a tactical vote that some may make with Buzz Hargrove's embrace of Paul Martin and his call for strategic voting. This is an argument for the most illusional type of politics – that such an alliance would be an anti-neoliberal alliance; Hargrove's position is more than anything else a shifting to the political right and one more underscore of the elite-accommodation politics that the CAW's top elected leadership has come to embrace. This generalized call for voting for a business party contributes nothing but confusion and undermines attempts to build an alternative working class politics of social and economic transformation.

The electoral choices for the left all around are baleful. There needs to be some clear principles, something rare in Canadian politics these days, and a number of concrete issues that the left needs to work on raising during the election to the extent we are able to balance off the problematic choices for exercising the franchise.

On constitutional issues, the rights to self-determination for Québec and, at last, settlement of issues of national determination, land claims, constitutional status for First Nations are principles to be clear about. Another is that the coming Parliament address the long-standing demand for reform of the electoral system, and development of a system of proportional representation, something that the existing parties are more frequently making noises about, but letting slide depending upon their individual electoral calculations. On international affairs, it needs to be insisted that Canada withdraw troops immediately from the Middle East, allow refuge for war resistors from the USA, and butt-out of the affairs of Haiti. These interventionist adventures have been imperialist disasters that the Canadian state needs to be held accountable for.

That the madness of privatization of pensions, the health care system, water supplies and energy sources, schools and universities be stopped is something that a wide set of social forces should be gathered around in the election campaign. And it should be insisted that Canada implement and advance the Kyoto principles rather than beat a retreat from its international treaty obligations – the Liberal Party's operating principle par excellence – at every opportune moment. In other words, the election should become a moment of political resistance and capacity building of the left, not one more instance of accommodation, and wishing the NDP into being something they are not and no longer even want to become.

We need a million Joads on the streets and 308 in Parliament. Failing that, let's continue to build political alternatives as best as we can. And not forget to enjoy the holidays. By the way, those stakes to hold up your lawn sign, they're great for growing tomatoes, so take one from every party that offers (just don't put the sign up) and get your local Conservative campaign to drive you to the poll on election day…even if it's only a block away. **R**

Bryan Evans teaches public administration at Ryerson University.
Greg Albo teaches political economy at York University.

Kashechewan
and the
Legacy of Colonialism

James Lawson

Other nations' heartlands are thick with cornfields and the fire of steel plants: at the heart of this country is a cold, shallow sea. Where the Albany River meets the floodplains of James Bay, the Cree of Kashechewan have been living out this truth both as bare fact and as brute metaphor.

Kashechewan's water-quality crisis of this October exposes Canada's self-regard as a caring society. It is one climax in a longer, stupid story. Tugged for centuries by the ebb and flow of the fur trade, the Cree people in this region have spent much of the twentieth century moving in and out of the gaze – and the grasp – of a remote settler state. Decades of real or de facto wardship – the Cree's loss of productive and self-sustaining work, of full citizenship, and of autonomy in handling their own affairs – have generated administrative and social dysfunction as a matter of structural necessity.

Kashechewan owes its current location to inter-denominational divisions in the 1950s. Its first permanent housing was constructed in 1957, across the river from Fort Albany. But like Davis Inlet (Utshimassits, or The Place of the Boss) in Labrador, the low-lying waterside site of Kashechewan was chosen primarily for the convenience of supply ships. From any other perspective, the choice was baffling. And as repeatedly rebuffed requests for relocation suggest, the decision was pointedly not the Cree's to make.

In the subsequent decades, key infrastructure was constructed, often at considerable expense, but all too often with perverse outcomes. By 2000, the community's sewage lagoon was feeding the water-supply intake, just metres downstream. Daily tidal flows brought a polluted mixture of sea and river waters back past the intake. Training for the local maintenance staff has also been described as inadequate. The plant's scaled-back plans left the community ill-prepared for the rapid housing expansion of the past decade. All this contributed to the fact that since 2003, after many years of faulty water provision, Kashechewan has consistently been on a boil-water advisory.

Water has not been Kashechewan's only infrastructural problem. In 1994, a faulty fuel pipeline, installed under private contract to Indian Affairs, spilled large quantities of fuel oil on Cree land. After an Environment Canada investigation and lengthy court cases, Indian Affairs joined the contractors responsible in paying a total of some $255,000 to a pollution abatement fund. Despite significant expansion in the 1990s, housing at Kashechewan is also in short supply; amidst a population boom, three or four residents commonly share a single room.

CONTAMINATED WATER & KASHECHEWAN'S EVACUATION

In April of this year, spring flooding filled some 40 basements with raw sewage, contaminated the water treatment plant, and forced 200 people to evacuate. Bottled water was shipped in, and the treatment plant was flushed out. Flown into the community in August 2005, Indian and Northern Affairs minister Andy Scott was presented with an engineering report on the problem, completed for the community leadership in 2001.

The controversial evacuations this October must be understood against that wider backdrop. On October 14, the band leadership received the test results showing their water supply was contaminated. Northern Waterworks arranged for repairs the following day, and apparently re-stabilized accepted levels of both bacterial contaminants and chlorine. By November 4, this mechanical repair had become ammunition in a new *Globe and Mail* editorial analysis that the national media had been had by "interest group pressure tactics," and that the subsequent evacuation of the community had been unnecessary.

In fact, alongside the leadership of Kashechewan and the umbrella Mushkegowuk Tribal Council, local teachers and physicians became prominent advocates for government action. Kashechewan Chief Leo Friday credited Lloyd Macdonald, principal of the local elementary school, with first closing the school and then initiating strategy meetings to publicize the water quality problem. In an intensive communications effort, Ontario's

Emergency Management Commission was contacted, and press conferences were held in Ottawa and Toronto. On October 23, Dr. Murray Trussler of Moose Factory's Weeneebayko General Hospital called for complete relocation of the community after a medical visit there. He cited the poor condition of housing, medical and schooling facilities, and the water treatment plant. In publicizing public health conditions associated with the water problem, pictures of residents' severe skin conditions were displayed. These included cases of scabies and impetigo, which Trussler said had been worsened by a deliberate spike in chlorine rates that had been designed to overcome the E. coli outbreak.

On October 25, Ontario Aboriginal Affairs Minister David Ramsay declared a state of emergency in the community, after a cabinet-level meeting with first-nations leadership and medical officials. The provincial evacuation of the ill and medically vulnerable began, and new bottled water supplies were flown in for those left behind.

Over 1100 Kashechewan residents were eventually evacuated to seven larger Ontario centres. To assess wider public health patterns, other residents were also flown out for one-day medical examinations. The Emergency Medical Assessment Team (EMAT) of the Ontario Air Ambulance Service eventually examined about 800 of the evacuees. The team identified cases of acute and chronic diarrhea that were directly consistent with E. coli. They also identified skin irritations that could be associated with high chlorine exposure. Many other stomach complaints were noted, but their origins could not be clearly identified.

One town after another reached the limits of their capacity to accommodate the evacuees. Jurisdictional conflicts between provincial and federal officials also appear to have temporarily slowed evacuation. Ultimately, however, mutual recrimination and public embarrassment appear to have stoked pressures to act both within and between provincial and federal levels of government. Premier Dalton McGuinty publicly alleged the federal government had been "missing in action" on the case. In turn, provincial opposition critics questioned a 10-day time lag between the initial request for evacuation and the Premier's response.

On October 27, the federal minister of Indian Affairs met with the Kashechewan and tribal council leadership, and agreed to relocate the community and its facilities to higher ground. Two days later, a Canadian armed forces water purification team was deployed from CFB Trenton in two Hercules transport jets.

In early November, the need for the evacuation and for the water purification team became a matter of debate. The scabies and impetigo problems featured in early reports had been confirmed by the EMAT medical exams. But these conditions result in the first place from parasites and bacterial infection, not E. coli contamination. By early November, a *Globe and Mail* report presented the disturbing visual images they produced as problems of crowded living conditions and of "hygiene, not water."

While this analysis is narrowly accurate, it leaves the deeper reasons for "hygiene" problems unexplored. These are not unrelated to the water quality problem. Seasonal flooding had eroded the housing stock. It appears that high chlorine can exacerbate existing skin conditions. And Dr. Chris Mazza of the Air Ambulance Service, has also been quoted as saying a "hygiene" problem might be expected when "people can't use the water." But beyond the water problem, considering the wider context of crowded housing, 80% unemployment, endemic alcoholism, and other social problems, penny-wise moralizing about the costs of evacuation is entirely pound-foolish. A good plumber and a few bars of soap would emphatically not make things *right* or *acceptable* in Kashechewan. They would, at most, return matters to *normal*.

The people of Kashechewan are slowly returning to their townsite, and like the Innu of Davis Inlet, will soon have a new townsite. Since their case was publicized, a Canada-wide conference on aboriginal affairs has been held in Kelowna, BC.

INFRASTRUCTURE INVESTMENT WITHOUT ACCOUNTABILITY

Significant long-term infrastructural investments had been made at Kashechewan in the years immediately preceding the most recent water crisis. For example, the community has recently been linked to the provincial electrical grid. Its first electrical power had come from diesel generators, beginning in the 1960s. Those generators continued to operate for three decades, with fuel brought in overland at considerable expense. In 2000, Five Nations Energy, Inc. took over regional electrical services. Five Nations and its private and public partners then undertook a $58.2-million project linking the 4,500 residents of Kashechewan, Fort Albany, and Attawapiskat to the provincial grid.

This illustrates the general point that the Canadian state has proven willing to deploy millions for aboriginal communities. Indeed, one could argue that spending occurs under all the different budgetary headings – housing, sewage, schools, and medicines – that also go to larger settler-dominated communities. This is quite a different thing from saying that the per capita funding was equal to that provided to non-aboriginal communities, fully accounted for the high local costs of transporting supplies, or provided anything like average Canadian service levels.

In general, if the state's own legitimacy – the "honour of the Crown" – comes into question *in the court of opinion of the dominant society*, the state tends to find monies to deploy, even if transportation and other costs prove prodigiously expensive. But with respect to the very same concrete problems, the test of the state's legitimacy amongst its *dominant constituencies* has proven singularly incapable of ensuring *routine, effective* services to indigenous people. Technical know-how from outside these communities rarely hears the voice of local experience, for what is wanting is the clarifying bullhorn of meaningful accountability to first-nations decision-making authority.

Speaking more broadly, democratic control of this kind is both a political and an economic matter. Much like the case with non-indigenous peoples' relationship with the state, effective decision-making control over areas affecting First-Nations people is linked in complex ways to their ability to produce the means of their own subsistence. First, meaningful work directly generates practical resources and capacities as a by-product that are not only economically useful but also politically effective. Production and control of a surplus *beyond* the level of subsistence also →

provides additional structural leverage by which to carve out more effective representation in a capitalist state. In the absence of such control and its by-products, the basis of First Nations' dispossession and disempowerment, outside monies will often be ill-spent, or they will fall far short of the community's real needs.

PUBLIC PERFORMANCE OF STATE ACTION OVER LONG-TERM ROUTINE INVESTMENTS

More generally, the Kashechewan story exposes a dysfunctional interaction that currently exists amongst federal and provincial emergency services, media coverage, partisan and federal competition, and nearly thirty years of fiscal austerity. Central decision-makers have begun to practice a kind of "government-by-exposé" with perverse effect. They face a range of government activity too extensive to be truly monitored or (apart from quantitative cutbacks) comprehensively altered. The country's political executives increasingly direct their primary attention instead to the shifting priorities set by question period and by national media coverage. Sensational coverage of an embarrassing individual incident leads to the swift and intensive application of policy band-aids.

In such emergency responses, the state deploys high levels of political decision-making, and branches of state normally reserved for emergency action. Other government agencies are either incapacitated by cutbacks, or they are fully committed in providing ordinary levels of service and unable to stretch their activities further. Thus, the armed forces and provincial emergency infrastructure may literally be deployed to "fix the plumbing." Expenses are not spared during such a public performance of state action. If necessary, a town will be moved. But the telling point is that that town's social relations, and the conditions in other towns like it, will remain largely intact.

As the Kashechewan case shows, a second wave of media coverage and opposition criticism may subsequently draw attention to the enormous inefficiencies inherent to any emergency response. Coverage of these inefficiencies reinforces popular discourses of more general government wastefulness, particularly if the target population has been framed as unworthy of additional expense. All too often, a strong new impression is given that there was actually no problem.

It should be noted that First Nations generally find themselves in a distinct position amidst such emergencies. While constitutional responsibilities generally allow the federal government to override provincial responsibilities during an emergency of Canada-wide scope, it is provincial emergency services – typically better equipped for medical, educational, and natural-resource emergencies – that typically override federal ones during an emergency in "Indian country."

The repeated resort to emergency services, rather than to long-term routine investments in such problems, risks becoming a self-reinforcing tendency within the state. After their repeated successful deployment in battling forest fires, floods, water contamination, and so on, emergency branches of the state also gradually enhance their long-term claims on government budgets. Often this occurs over against branches of the state charged with routine investments that prevent emergencies from emerging.

PAYING COLONIALISM'S UGLY BILL

A final lesson of the Kashechewan emergency concerns tactics of reformist resistance in this context. The leadership and allies of marginalized and oppressed people often identify the need for policy changes that, if actually implemented, would often be at levels and in directions profoundly at odds with powerful interests. But such groups commonly face an additional, often conflicting task: getting their needs placed on the policy agenda in the first place. The wider pattern of media-driven "mixed scanning" just described interacts with this dual reform agenda in perverse ways. Those energetic reformers who successfully dramatize long-term issues through iconic incidents such as the Kashechewan water contamination will often be "held to account" later for provoking the inefficient short-term government responses. The oppressed will be upbraided for the expense of their "upkeep," their supposed ignorance, or their self-interested behaviour. Alternatively, they will be upheld in their supposedly stoic silence, over against those who suggest that their condition should be addressed. Vocal allies of the oppressed will be upbraided for being "special interests," or alternatively, not actually being the oppressed themselves. Overall, the impression is given that the alternative to overpriced "duct tape" is new savings in duct tape, rather than the cost of a new furnace.

The positive democratic promises of modern state forms are two-fold: they allow one to begin to imagine a political leadership dedicated to coordinating the popular resolution of systemic social problems; and second, they suggest the possibility of dedicated state expertise and resources under such a leadership, empowered by their superiors to collaborate with the wider public's own capacities in completing these endeavours. In the case of indigenous peoples, of course, it hardly bears mentioning that this is a quintessential path-not-taken. Passing on the "duct tape" in a place like Kashechewan is critical, but it really means facing up to the full costs of undoing historical and contemporary imperialism. Measured against that bill, even moving the whole community comes cheap. **R**

James Lawson writes extensively on Ontario's political economy and is currently teaching at the University of Victoria.

Toronto's Recent Waterfront Struggles: *Much Ado About Nothing?*

Gene Desfor and Jennefer Laidley

Toronto's newspapers were full of the story. At a public meeting on October 27, 2005, two local agencies were set to duke it out over plans to develop the East Bayfront in downtown Toronto. The Board of Directors of the Toronto Waterfront Revitalization Corporation (TWRC) was going to decide whether its own plan for 90 acres of waterfront land just east of Yonge Street would be recommended to City Council, or whether a competing plan would get the nod. Mayor Miller attended the sparring match in his capacity as a new TWRC Board Member – and as the *agent provocateur* behind the media-hyped battle. As the meeting began, Robert Fung, Chair of the TWRC's Board, ordered all egos checked at the door, but then proclaimed that if the Board rejected its own plan, the very existence of this three-level government funded quasi-public sector urban development corporation would be in jeopardy. These usually public prudent and temperate elite businessmen, bureaucrats and politicians were preparing for an open brawl.

The meeting had ostensibly been called to allow the TWRC's Board to consider the merits of the Toronto Economic Development Corporation's (TEDCO) alternative plan for the East Bayfront. The TWRC's plan, which had withstood the test of countless ritualized public consultation meetings, consisted of residential and retail development interspersed with cultural institutions, office space, and sites for tourist-oriented activities. As area landowners, however, TEDCO had commissioned its own plan. Although conceived without the benefit of public discussions, it differed only in that it featured significantly less retail activity and a narrower boardwalk, and placed a greater emphasis on creating private spaces within residential developments. While much of the meeting saw TEDCO's hired-hands outperform the TWRC's, the decision taken by the TWRC's Board to recommend its own plan to City Council had little to do with the merits of the plans. Rather, the decision had more to do with ongoing jealousies and institutional rivalries wrapped up in a jurisdictional wrangle between two public agencies.

So, will the outcome of these ongoing contests for legitimacy make any material difference to the people of Toronto? To answer this question, it is necessary to look at recent history, going back to initiatives that link waterfront development to mega-sporting events, and particularly to the roots of Toronto's recent "world city" dream to host the Olympic Games. By doing so, we hope to show that the current vision for the waterfront, the much-hyped formula by which the city is to be reconnected with its lake, was conceived by and reflects the interests of an elite group of Torontonians, and has little to do with fulfilling the dreams, needs and desires of many others in the city.

In the late 1990s, former mayor David Crombie was spearheading an attempt to win the 2008 Olympic Games for Toronto. After a three-year stint as head of the Royal Commission on the Future of the Toronto Waterfront, Crombie had become head of its successor agency, the Waterfront Regeneration Trust. Despite their apparent environmental focus, both of these bodies proposed that the answer to the waterfront's environmental, social, and economic problems was intensified development. As such, the Trust had taken on the business of coordinating a variety of development projects around the north shore of Lake Ontario from Hamilton to Port Credit along its flagship project, the Waterfront Trail. The environmental focus of the Trail and its associated notions of sustainability made waterfront development both desirable and palatable; after all, what local politician, community group, or corporate benefactor could resist the lure of beautifying the water's edge with a new park or a wetland for educating kids, or cutting the ribbon on a beautiful new shoreline shopping centre? But as the political climate changed in the late 1990s with the Harris Tories' privatization agenda looming large, Crombie and the staff of the publicly-funded Waterfront Trust thought that the time was right for an Olympic bid, which would be aimed at consolidating the impetus necessary to propel the development of Toronto's Central Waterfront forward.

Toronto's Three Amigos – Prime Minister Jean Chrétien, Premier Mike Harris, and Mayor Mel Lastman – were rapidly brought on board in October 2000. With great fanfare, they jointly endorsed the campaign for the 2008 Games with a public promise to rebuild the waterfront regardless of the success or failure of the bid. This was music to the ears of a variety of private interests behind the Olympic bid, whose ability to realise the development possibilities of the nearly 2000 acres of waterfront land had long been frustrated. A number of factors forestalled large-scale development: public outcry over Harbourfront and the concrete curtain of Harbour Square, liability concerns over polluted soil and the threat of flooding, cross-jurisdictional wrangling among governments and governmental agencies which made investor certainty quite uncertain, and longstanding political and public support for waterfront industry and blue-collar jobs. These various impediments to large-scale development were washed away with the bid's mantra of a "Green Olympics" and its promise to provide a clean, green, and economically viable Toronto waterfront for the 21st century.

Plans for the Games, however, had to deal with the unfortunate reality that sewers, roads, water lines, electricity, sidewalks, and public amenities – all required to support the construction of sites for the Olympic Games – were either inadequate or completely absent from much of the →

waterfront. A massive financial infusion and big investment was needed in order for the Games to proceed.

But the IOC did not allow such massive infrastructure expenditures to be included as part of the Game's budget. So, a strategy to deal with these two problems was conceived following considerable behind-the-scenes discussion. Elected leaders pledged that the public would underwrite much of the waterfront infrastructure necessary for the Olympic Games. They were also determined to create a vehicle to funnel vast sums of public money to these efforts without the expenditures appearing on the bid's financial ledger. This vehicle – its corporate structure determined by representatives of the development, banking, and investment industries – turned out to be a publicly-funded but privately controlled development corporation with its own provincial enabling legislation: the TWRC. As Fung revealingly wrote, "At its core, the revitalization of Toronto's waterfront is an infrastructure project driving an economic model that will help redefine Canada in the global economy."

The Toronto Waterfront Revitalization Corp's vision of "East Bayfront Promenade"

Toronto's Olympic dreams were sadly dashed when, in July 2001, Beijing won the bid. Nonetheless, the Olympic Bid has had a long-lasting impact on the future of Toronto's waterfront. Crombie's political skills largely diffused the concerns raised by community and environmental groups, social activists and labour unions about past bids – and the wide public support garnered for the Olympics and its promise of ensuring waterfront revitalization has largely carried over into current development plans. The bid's supporters successfully coupled the possibility of hosting a colossal, globally-recognized mega-event with the promises of cutting through jurisdictional grid-lock, attracting huge amounts of government and private sector investment, and 'cleaning up' the waterfront through development. This strategy has successfully de-politicized waterfront development to the point that contrary claims have been all but silenced, leaving the waterfront's power players – like the TWRC and TEDCO – to squabble over who steers the ship.

The TWRC's plan for the East Bayfront – indeed, its plans for the entire 2000 acre waterfront – have largely been shaped by the drive among Toronto's elites to position both Toronto and Canada as a whole to operate more competitively in the global economy. Developers continue their quest to realize significant profit through longer-term "mixed use" development – the current cash cow blend of residential, commercial, retail, and cultural space. The TWRC's presence has facilitated this quest, with its stated goal "to put Toronto at the forefront of global cities in the 21st century by transforming the waterfront into beautiful, accessible new communities, parks and public spaces, fostering economic growth in knowledge-based, creative industries and ultimately, re-defining how the city, province and country are perceived by the world."

In other words, Toronto's waterfront revitalization mirrors a neoliberal development policy that is being implemented in cities around the world. The purpose of this policy is to construct particular kinds of spaces and places that will attract and retain the capital flows of a new and global bourgeoisie. TWRC plans speak of "rebranding Canada" through creating the kind of spaces and places that will capitalize on the "enormous competitive advantage" embodied in Toronto's "economic clusters" in such sectors as the media, information and communications technology, pharmaceuticals, and biotechnology. These are the "creative, knowledge-based industries" that are supposed to be the backbone of a post-Fordist and environmentally-friendly global economy. And the enormous innovative powers of the so-called "creative class" that works in these creative industries will supposedly inject new life into our economy, and thus the desire for a safe and sanitized urban life requires us to reshape our waterfront accordingly.

Whoever wins the current power struggle – whether the TWRC or TEDCO is at the helm of the waterfront development ship – the material circumstances of the people of Toronto will not be significantly altered. TEDCO has largely accepted the globally-inspired waterfront development principles embodied in the TWRC's scheme. The plans TEDCO presented at the TWRC Board meeting described above differ slightly in form, but do not deny the essential logic that currently dominates. Both corporations accept the current economic development model that privileges the wealthy, assuming the wealthy will provide Toronto with a competitive edge in a global economy. Neither of the plans makes provision for stable and well-paid working-class jobs. Neither provides affordable housing. Neither adequately considers the changes to lake levels that will surely arise due to global warming. Neither incorporates the culturally and economically diverse interests of a culturally and economically diverse Toronto. And, perhaps most importantly, neither celebrates the history, culture and struggles of the working people that built and continue to maintain Toronto's waterfront.

The future identity of the East Bayfront has been almost entirely dedicated to international corporate interests and the creative cultural elite who enjoy its privileges. The recent dust-up between the TWRC and TEDCO and their continuing battles for control, while important to the fortunes of the small minority of economic owners and financers involved, is much ado about nothing for the majority of Toronto's diverse working class. **R**

Gene Desfor and Jennefer Laidley are at the Faculty of Environmental Studies, York University.

A Vacuum on the Left: The NDP and Canadian Labour

Tim Fowler

The teachers' strike in British Columbia has ended and trade unionists, socialists, students of labour, and other left-leaning individuals cannot help but hide the grins on their faces. There is much about this strike for these groups to celebrate. The BC Teachers' Federation stood in the face of extremely coercive tactics used by the Liberal government. The BCTF defied both legislation and court orders to go back to work, and they continued their strike despite a court decision, which effectively placed the BCTF in a blind trust, ending their ability to distribute strike pay. However, there is one group that should feel a great deal of shame over their reaction to this strike: both supporters and members of the New Democratic Party. While public sector unions have stood behind the BCTF in solidarity, the NDP effectively turned its back on the teachers. Although it may come as a shock to some that the NDP would abandon its traditional support (trade unions), to others it is just more of the same.

Gordon Campbell's Liberal government could be described as an organized teacher-bashing club, or just plain anti-labour. Campbell has introduced legislation to curtail the bargaining rights of teachers, imposed a collective agreement on the BCTF without negotiation, and labeled teachers an essential service, which prevents these workers from striking. While these tactics are clearly draconian and undemocratic, they come nothing close to the strategies Campbell took to attempt to break the strike and smash the union: ordering the teachers back to work, cutting off their strike pay, threatening criminal proceedings (which, thankfully, did not occur as the appointed special prosecutor decided not to lay charges). Not to be out done, near the end of the dispute, the government attempted to cut off communication between the union executive and its members through a court imposed injunction.

Through the thick of this, the other public sector unions of British Columbia have stood behind the teachers in solidarity. Starting from public statements of support, solidarity peaked on October 17th when public sector workers participated in a day of action in Victoria, effectively shutting down the city for an afternoon. Yet, while other unions have supported the actions of the teachers, support from the NDP has been conspicuously absent. Simply put, Carole James (the leader of the BC NDP) took an anti-labour stand when dealing with the teachers' strike. James does not want to be seen supporting a union which is ostensibly breaking the law. James calculated that supporting such a union would paint her as a radical in the minds of most of the electorate. Further, she would be seen as supporting an action that is keeping 560,000 students out of school, and putting the parents of these children through a major amount of stress and hardship. In the face of this, James decided not to support the BCTF. The support the public showed for the teachers suggest that James calculations may have been wrong.

"I think people should follow the law," James says, on the topic of the strike. However, laws which strip unions of their right to bargain, or their right to strike, are inherently bad laws, especially when these laws are enacted for the sole purpose to break a union. In this case, the NDP and James should have chosen to say "while people should follow the law, this law is unjust and a direct assault on teachers' rights." But, instead, she defended the status quo. More pointedly, it was the BC government that broke with the fundamental principles of the legal system – violating contract law, and violating the 'spirit' of industrial relations legislation.

"It's not my job to tell individual teachers what they should do," said James. It is, however, her job to oppose the government, as she is the leader of the official opposition. And, as long as we are to believe that the NDP represents working men and women, it is her job to present their views in the legislature of BC. While James did maintain that the strike would not have happened had Campbell have chosen to negotiate, she should have taken a more active role in supporting the teachers on the line, if she actually represented the working men and women of BC. Nobody is asking James to tell individual teachers what to do. However, one would have expected her to speak out against the heavy-handed tactics of Campbell and his Liberals, if she actually supported the BCTF, or workers.

In her one attempt to act as a member of the opposition to Campbell, James publicly said that "It's time for the Premier to change his attitude." While taken at face value, this is a shift in her stance from complete abandonment of the teachers – it shows a small ray of hope that James may support the BCTF. But, alas, →

this is the extent of her opposition to Campbell. During the length of this strike, further comments from James and the NDP have been absent.

THE ONTARIO EXAMPLE

The teachers' strike in BC is certainly not the first time a cleavage has appeared between organized labour and the NDP. Perhaps the most striking example of the break between labour and the NDP is the horrendous mess that was the Social Contract. On July 7th 1993, the NDP in Ontario, under the leadership of Bob Rae, passed the Social Contract into law. The Social Contract contained some of the most coercive provisions of labour legislation in recent labour history in Ontario (to be fair, the ultra conservative practices of Mike Harris and Ernie Eves have gone much further than the Social Contract). The Social Contract opened up previously negotiated collective agreements and changed their contents. Public servants were forced to take wage roll-backs and wage freezes. Indeed, these" policies are quite similar to the policies instituted by the Campbell government in BC.

The Ontario NDP never really recovered from the Social Contract. Quite rightfully, public sector unions were outraged at the NDP. Private sector unions, while not directly affected by the Social Contract, were equally upset that the NDP would undertake such neoliberal policies and would choose to attack the traditional support found in unions. Union members across Ontario literally ripped up their NDP membership cards, and many of them have never re-joined the NDP. The Ontario NDP has never risen to levels of public support that it 'enjoyed' before the election of the Rae government. The loss of votes is not restricted to just the Ontario branch of the party, either. The Federal wing of the NDP has felt the effects of the Social Contract in Ontario as well. Some trade unionists, angered at the actions of the Rae government, have sworn to never vote NDP again, at either the federal or provincial level. They have upheld this promise. While the leadership of many unions support the NDP in Ontario, some of their members have never forgiven the NDP.

THE NDP IN THE PRAIRIE PROVINCES

The NDP has gradually left the labour movement behind in both Manitoba and Saskatchewan as well. In Saskatchewan, the NDP initiated a number of labour reforms in 1992, which included a wage freeze on government employees. Later, the government itself was found to have bargained in bad faith with the union representing government workers. Roy Romanow, the former NDP premier of Saskatchewan, governed with a heavy neoliberal mind set. Indeed, in embracing the pledge of neoliberal governments everywhere, the Saskatchewan NDP promised a program of strict deficit reduction, and Romanow made a number of speeches aimed to calm the business community in the province by promising that there would be no new public spending in the province. In 1994, the Romanow government passed the Trade Union Amendment Act. While this act eased restrictions on bargaining and dispute resolution, it did not include any pay equity or anti-scab legislation – two things the Saskatchewan labour movement has continually lobbied for.

In Manitoba, the NDP was elected in 1999. While this government moved quickly to repeal labour laws implemented by the previous Conservative government, some important laws were not changed. The NDP did not repeal many of the restrictive sections of the Conservative's Bill 26 – which dealt with union certification. And, despite having a large majority after both the 1999 and 2003 elections, the NDP in Manitoba has still not passed anti-scab legislation, which would be the bare minimum benchmark for a labour friendly government to show its support for the provincial labour movement.

THE VACUUM ON THE LEFT

Clearly, the NDP's time in government in Ontario, Manitoba, Saskatchewan and in BC show that the party, at least at the provincial level, has shifted to the right and openly embraced neoliberalism. It is no longer close to the socialist party that was the CCF, and is gradually drifting away from the social-democratic party of Ed Broadbent. Currently, the federal NDP occupies a center-left position. During the BCTF dispute, the federal party did not make any comments at all: not in the house of commons, not through press releases, nor on the party's website. Indeed, during the recent CBC lockout, the NDP did not actively show any support for locked out workers (though the party did call for a quick end to the dispute in the house of commons).

There seems to be no room in the party for true socialists or left-wingers.

At best, the provincial wings of the party (at least in opposition) sit center-left as well, to various degrees. There seems to be no room in the party for true socialists or left-wingers. Socialists are branded as mavericks, or are ignored by the main leadership of the party. After the Social Contract fiasco, Peter Kormos ran for the leadership of the Ontario NDP. Kormos was one of four NDP MPPs to vote against the Social Contract (the other three were Mark Morrow, Dennis Drainvile and Karen Haslam, who resigned from her cabinet post over the Social Contract). His leadership bid was endorsed by the International Socialists, Socialist Action and Militant-Labour. However, the party chose to elect the much more toothless Howard Hampton (a member of Rae's cabinet who voted for the Social Contract).

The NDP, both provincially and federally, has chosen to bill itself as a party for 'the average Canadian,' not for 'the working Canadian.' The party has elected moderates to leadership positions, and labour policies are appearing less and less in the party's platform. Even at a local level, this shift in NDP policy can be felt. Riding associations are increasingly selecting candidates from the center-right or soft left, rather than the true left wing candidates. Small business owners are being favoured over workers. In a candidacy meeting in British Columbia, Judy D'Arcy (former national president of CUPE) was defeated by a small business owner. The Welland federal riding, the national counterpart to Mr. Kormos' Niagara Center provincial riding, recently went through the candidate selection process. The membership overwhelmingly supported Jody DiBartolomeo, a candidate who did not mention labour reforms once in his candidacy speech. His opponent was a life-long member of the union movement in Welland, who promised to campaign on labour reforms and protecting the social security net.

Labour in British Columbia and throughout Canada is at a crossroads. The Liberal party in BC is a hard line neoliberal party, and could easily be compared to the Conservative governments of Mike Harris and Ralph Klein. The BC NDP has become a breeding ground for the Liberal Party of Canada. Clearly, the NDP has worked to distance itself from its traditional labour base and no longer represents British Columbian, or Canadian workers. Labour must make a stand. It is time for the workers of British Columbia to unite for political gains. A vacuum exists on the left in BC. Workers and trade unions must join together in solidarity and resist the shift to the right that is happening in the province. However, there does not appear to be the political will amongst the unions in BC to fight for this change. There is a distinct lack of vision among the unions in BC to come up with a better plan. This plan may include a massive take over of the NDP (through a membership drive, or electing trade unionists to riding association positions). The labour movement could always begin talks on forming a new party for labour in BC – one with the only electoral goal of supporting workers in the province. To be sure, both paths are risky and would take significant political leadership by the BC Federation of Labour. The point, however, is that trade unions can no longer rely on a political movement independent of labour. The labour movement itself must become political.

What is more likely is that come the next election, the trade unions will 'forget' the position the NDP took during the teachers' strike. They will say that Campbell and his Liberals must be stopped (which they must), as they will undermine trade union rights (which they will). These unions will throw their support behind the NDP, overlooking the fact that the party completely abandoned teachers, and is not a party that supports trade unions. Surely the province that sent Tommy Douglas to Ottawa can do better than this. **R**

Tim Fowler is a student of Political Science and Labour Studies at Brock University.

OFL Convention, 2005: Consensus On The Floor

Freda Coodin

November 21st to the 25th marked the eighth biannual OFL convention which was held at the Sheraton in Toronto. The tone was clear, a smooth convention filled with numerous 'pats on the back,' and the agenda was set, yet another two years of 'lobbying.' The set up was incredibly dull; round tables throughout the convention hall (union labeled), video screens on all four corners of the hall so that it was possible to catch the 'action' from any angle. There was no music between convention breaks, and to be frank music might have facilitated a more energetic feeling from the crowd, instead of a display of complete and utter monotony.

"ACTION & SOLIDARITY"

Upon opening, the president (Samuelson) consistently used the words "action and solidarity," which begs the question of what action is he talking about? Having attended a few conventions in the past, I have to say that the tone of the convention was truly bizarre. The "pro" microphones were often full, and there was no one to be seen at a con microphone throughout the entire convention. For the majority of the time, it was well known union leaders who got up to speak in support of the various policy documents (Public-Private action plan, Equality: workplace rights and building the labour movement, Rebuilding Health Care, Keeping the Pension Promise, Supporting Apprenticeships). There was occasionally a rank and file member that spoke on an issue, which was quite refreshing. Essentially the convention consisted of five days worth of long winded speeches. Except for a heart felt speech made by Sid Ryan that called on the OFL and its affiliates to stand in solidarity with the GM workers who were about to be laid off in Oshawa, and the call was met with a loud applause from the floor. Often, people could be heard talking about when the CAW was involved and how the CAW offered a particular flavor to the OFL conventions. It is safe to say that the spirited and powerful speakers from the CAW were very much missed.

However, there were a few events that brought a spark of interest to the convention which included: elections, demonstration, equity forums, esteemed guest speakers, and a concert.

On the Tuesday of the convention Wayne Samuelson (out of the United Steelworkers) was acclaimed as President of the OFL for his second term. Irene Harris from CUPE was acclaimed as the Secretary-Treasurer of the OFL moving "up" from her former spot of Vice President. Terry Downey from OPSEU was acclaimed as the new Vice President, and she brings a strong social justice background with her to the OFL. Elections also took place in the equity caucuses (disability, visible minority, gay, lesbian, bisexual and transgender, aboriginal and youth caucus). These elections were not openly spoken about nor were these elections celebrated by the affiliates, the results were rather quiet. This raises issues of tokenism, the OFL has created Vice President positions in recognition that these voices must be included, however, the OFL has not demonstrated that they view these positions as significant, instead the OFL can feel warm and fuzzy by simply having the positions.

Although the convention on the whole was quite uninteresting, the variety of speakers did add some life to the convention; John Cartwright (President of the Toronto and York Region Labour Council), David Miller (Mayor of Toronto), Jose LaLuz (American Federation of State, County and Municiple Employees), Ken Georgetti (President of the CLC), Howard Hampton (Leader of the Ontario NDP), Jack Layton (Leader of NDP Canada) and Kikelola Roach (Barrister, Solicitor and Notary). Jack Layton and Howard Hampton both gave the best speeches I have ever heard from them, which I suspect was due to the bland nature of the convention.

On Wednesday November 23rd delegates to the convention marched up to Queen's Park toting their union flags braving the cold temperature. Upon reaching Queen's Park speeches were made by Wayne Samuelson, Sid Ryan and Leah Castleman, which were met with loud cheers from the crowd. To be honest, most of the delegates could not hear what the speeches were about, but they felt strongly that we must work together to fight privatization. Once the speeches were done, the crowd slowly began to disperse in hopes of finding a quick lunch before convention started again, we could all feel as though we had committed a form of action. Sadly, convention demonstrations do not "cut" it, everyday we are fighting to preserve our public institutions, for fair working conditions and for fair labour legislation. Hopefully delegates did not feel as though they had completed their "quota" of demonstrations for the year, it is critical that we continue to question our government, to hold our government accountable and fight for fair working conditions, fair wages and fair labour legislation.

WHERE ARE THE DELEGATES?

Approximately 900 delegate spots were used out of 3200. This is a terrible amount of delegates. The three largest affiliates are the Steelworkers, OPSEU, and CUPE, and none of these unions used their full capacity of delegate spots. What does this low participation mean? Having listened to labour critiques, and workers on the floor, the feeling is that unions in general are losing faith in the effectiveness of the OFL. Some of the core arguments are: that the OFL does not offer any service that unions provide to their members, the OFL has not done anything in a long time, and general discontent over the lack of activism. There are 11 other federations, and the most notable are: Saskatchewan, BC and Québec, whose energy and activism is inspiring, so the question

becomes why is the OFL ineffective?

LEVEL OF INVOLVEMENT

It is easy to sit back and critique the OFL for its faults, but I think that we must remind ourselves, why federations were created in the first place – a provincial forum for trade unionists to come together and work for improving the lives of working people. The low level of participation in trade unions affiliated and non-affiliated is another important issue. Unions are not necessarily communicating an effective strategic message to their members. There are a few negative outcomes that will come out of the lack of particpation of trade unions in the OFL.

First, for those who do not support labour, are likely "tickled" by the lack of involvement by trade unions in the OFL. This communicates to non labour supporters that the movement is weak. A message that we must certainly not allow to go forward. Second, intuitively Ontario unions are trying to articulate the message that they are unsatisfied with the leadership and activities of the OFL, which I suspect only stings the egos of the present leadership, instead I would argue that the staff are bearing the brunt of the lack of participation. The OFL staff are on the front line, and intuitively I would expect that the lack of affiliation and participation has made their jobs incredibly difficult, and stressful. Finally, if trade unions do not turn their quiet voices of descent into action and participation, the OFL may ultimately wither and die one day.

In conclusion, we know that union density is in grave danger of declining (even further) in Canada. We know that mass organizing, mobilizing and outreach is critical to the survival of the labour movement. Looking specifically at Ontario, we have this central house of labour with a vast amount of resources, skilled staff people, why not work with the OFL to show Ontario that the labour movement is strong and united. The OFL has great potential to lead the movement, and that potential can only be reached by unions increasing their participation in the organization. We need the CAW and the labour critics in order to capture all aspects of the movement that can be improved in order to achieve our goal of improving the working lives of working people. As a movement we pride ourselves on democratic principles, and we are fighting against apathy, yet we are participating in our own apathy towards the OFL. Through increased affiliation and participation, only then can we hear those voices of dissent, and work to achieve a Federation that is progressive and militant, without those voices I am fearful that the OFL will simply fade away. **R**

Freda Coodin has been a long-time activist in the Canadian labour movement, and regular contributor to a range of progressive publications.

Drawing Lessons from the TWU-Telus Dispute

Sid Shniad

For much of the post-war era, workers in the telecommunications sector enjoyed a relatively privileged existence. Working for highly regulated private and public monopolies, they enjoyed wages that were superior to those of many other organized workers, as well as job security that allowed them to retire with a decent pension after a lifetime on the job. This relationship began to unravel with the 1984 break-up of AT&T, however. This event proved to be the opening salvo in a series of massive changes that have rocked the sector ever since. In a forerunner of the process that has since come to be known as globalization, the corporate sector forced governments to abandon social oversight of the telecommunications industry and to allow competition in the highly profitable long distance part of the business so that companies could reduce their communications costs and the industry could be reshaped to address their organizational needs.

The cost to telephone workers has been enormous. In the past twenty years, hundreds of thousands of union jobs have been lost from phone company bargaining units. In the same period, telecom corporations have established and purchased major non-union subsidiaries. This upheaval has been re-enforced by the advent of unprecedented technological change characterized by the digitalization of the telephone network, the advent of e-mail and the internet, and the birth of the cell phone, which has accelerated the transformation of the industry away from the wireline services →

that traditionally dominated. To make matters worse for unions in the sector, communications companies have gone all-out to prevent cellular service, which is the fastest and most profitable part of the communications industry, from being unionized.

All of these factors have combined to vastly increase the power of telecom companies relative to that of their unionized employees. Not surprisingly, these companies have used their increased power to take back many of the gains that unionized telephone workers won earlier in the post-war era. The confrontation between the Telus Corporation and the Telecommunications Workers Union (TWU) can only be adequately understood in the context of this attack.

The four-month battle between Telus and the TWU was the culmination of a five year struggle to determine the nature of the relationship between the company and the union. Prior to that time, TWU had struggled successfully to gain unparalleled input into and control over job content, job descriptions, the jurisdiction of its bargaining unit and the administration of technological change. This gave the union a unique ability to play a pro-active role with respect to the management of the British Columbia Telephone Company and control over its members' working lives.

When BC Tel merged with the provincial phone company in Alberta in 1999, the TWU was determined to ensure that these historical gains would be maintained in any collective agreement it signed with Telus, the new company. To that end, TWU insisted that bargaining would be based on modifications to the existing TWU-BC Tel contract. Darren Entwistle, the new CEO hired by the Telus Board of Directors to tame the TWU, was equally adamant in insisting upon a total re-write of the collective agreement that contained none of the language restricting management's rights that existed in the TWU-BC Tel contract. It was a case of an irresistible force meeting an immovable object. In the context of the changes that have rocked the industry, Telus proved to be the more powerful of parties.

For nearly five years, little or nothing was achieved at the bargaining table. Throughout this period, most of the interaction between the union and the company took place in a series of court interventions and labour board proceedings, where the parties jockeyed for position. While these proceedings were in progress, however, Telus pursued a number of aggressive, unilateral actions in the workplace, attempting to directly implement its version of management's rights. This behaviour generated tension, anger and frustration in the ranks of the company's unionized employees as well as a series of labour board findings that the company was engaging in unfair labour practices and interfering in the administration of the union. Despite the serious nature of these charges, however, the board refused to invoke punitive sanctions against the company. At the same time, the TWU was keenly aware of unions' experience in confrontations with telecom companies capable of maintaining their operations through the combined use of scabs, automation and the electronic transfer of work. So it strove to keep its members on the job in the face of these provocations. Unfortunately, with the labour board refusing to sanction the company for its violations, Telus was free to escalate its aggression.

Finally, however, in an exceptional ruling brought down in early 2004, the labour board ruled that Telus had engaged in a series of outrageous violations of the labour code and ordered the company to offer TWU binding arbitration so that the bitter and protracted conflict could be brought to an end. Initially the union and the company both accepted the idea of binding arbitration. But within a month, Telus changed its mind and appealed the board decision. In a subsequent ruling, which took more than a year to bring down, the board overturned its original binding arbitration ruling. For the next 18 months, the union lobbied Members of Parliament to pressure the Minister of Labour to intervene in the vain hope that it could get binding arbitration reinstated.

Meanwhile, Telus escalated its offensive, mounting a "soft lockout" which suspended the remission of union dues, ignored the grievance and arbitration process, and initiated a series of petty harassments. The union responded by banning overtime, mounting a Super Service campaign, moving to a work-to-rule regime, and ending the dispatch of installation and repair workers from their homes. (Home dispatch saves the company the expense of maintaining parking compounds as well as an enormous amount of paid travel time.) Finally, the union initiated a series of study sessions and mini-occupations of company facilities.

All-out conflict began when Telus announced that it intended to unilaterally impose the full version of its contract, effective July 22. To pre-empt the company's move, the TWU pulled its members off the job on July 21.

The mood of TWU members was initially euphoric. It was as if they had been liberated from prison. Picketing enabled them to strike back at a management who had been putting them through years of stress. The rest of the labour movement came forth with tremendous support. Members from other unions participated in rallies supporting the TWU across Alberta and BC. Unions in both provinces, the rest of Canada and abroad offered financial help and use of their resources. The two provincial federations

of labour provided generous financial support. TWU's issues were communicated to other unions' members, and they provided strong picket line support.

In the course of the dispute, TWU tried to turn the existence of competition to its advantage. It ran a series of radio and newspaper ads asking members, supporters and customers to cancel optional features like call-waiting and call-forwarding. It planned to escalate this request, asking people to cancel with Telus altogether and to switch their services to competitors.

But the union's confidence faded as Telus deployed an unprecedented array of union-busting tools. The company imported thousands of scabs from central and eastern Canada and the States, using them together with a huge number of managers to do TWU members' work. In addition, Telus made unprecedented use of "security" companies specializing in picket line harassment and intimidation to make picketers' lives miserable. As the dispute continued, the company used a powerful combination of bribes and threats to induce union members to cross picket lines in Alberta. Ultimately, more than half the unionized workforce there crossed the picket line, allowing Telus to resume normal operations.

In the course of the dispute, Telus acknowledged what the union had maintained all along – that the company was shipping TWU work to overseas call centres in the Philippines and India. Meanwhile, in BC the courts granted Telus's request for an unusually restrictive picketing injunction, while AFI security guards were allowed to engage in aggressive, intimidating, in-your-face behaviour against picketers, their families and their communities.

Despite the valiant action of those who held out on the picket line, the union's efforts were not having the desired effect. By September, Telus had resumed normal operations. At the same time, TWU's attempt to hit the company in the pocketbook was having no impact. During the third quarter, which included a major portion of the dispute, Telus's net income grew 21% and the company increased its dividend by 37.5%. Despite the strike, the company enjoyed the best third quarter financial results of any incumbent phone company in Canada. Meanwhile, the union's finances were being drained by the outlay of millions of dollars per week in strike pay. Facing deteriorating finances and little prospect of success over time, the leadership of the TWU confronted the possibility that the union would be broken. It was essential to return to the bargaining table to stem the hemorrhaging.

At this stage, the federal Minister of Labour finally got involved. Entwistle, the Telus CEO, had insisted from early on that he did not want any government interference in the dispute. But it appears that the Minister convinced Entwistle he had to return to the bargaining table if he wanted to avoid the appointment of a special mediator.

During two weeks of brutal bargaining, the bargaining committee succeeded in modifying some of the worst aspects of the original Telus deal. It secured improved benefits, protected the pension plan, and ensured that union members would do the work on Telus's planned internet-based TV. But the reality cannot be sugar-coated: the union suffered a major setback, losing the powerful contract language that it had secured in decades of struggle against BC Tel.

Angry and frustrated because the tentative deal failed to preserve this language, 50.3% of the TWU membership voted to reject the tentative agreement. This forced the union leadership to return to the table, where they were able to make a few more positive changes to the initial deal. When this version was put to the members for a second vote, 67.3% said yes.

No one is enthusiastic about the new contract. A great deal of emotional energy is focused on the things that have been lost. This defeat has generated understandable anger and frustration among TWU members. Such feelings are to be expected. Unfortunately, there is often a tendency in such circumstances to engage in personal recriminations in an attempt to lay blame for a bitterly disappointing outcome.

But a realistic assessment of the forces arrayed against the union makes it obvious that under the circumstances a more positive outcome was highly unlikely. In large part this is due to the fact that, despite all of the attention that has been paid to the issue, organized labour in general and telecom unions in particular have done little to mount a serious response to globalization and everything it implies for workers and their organizations. So, instead of pointing fingers of blame, I would argue that our energies would be better utilized tackling the following questions:

1. What actions should telecom unions be taking in the regulatory arena and elsewhere to re-establish social oversight and control over the industry?
2. What are some of the steps that must be taken to begin the process of successfully organizing the wireless sector?
3. Where are today's communications companies vulnerable financially? What are the weaknesses in their operations?
4. What can be done to reduce the effectiveness of corporations' anti-union strategies? In particular, how can we impede the electronic transfer of work? How can we reduce companies' ability to move work away from their unionized employees?
5. What kind of concrete solidarity can be extended beyond the offer of financial aid, to unions that are under the gun to strengthen them in their confrontations with aggressive corporate employers?

As of now, there are few answers to these and a host of other pertinent questions. But it is time for unions generally – and those in the telecommunications sector in particular – to begin tackling the overdue task of analyzing the forces arrayed against them and the steps that must be taken if there is to be a different outcome in such confrontations. Frustrated victims of corporate assault may be inclined to blame fellow unionists and to describe the resulting settlements as "sell-outs." But blaming particular individuals for our plight will merely postpone the collective effort we all so desperately need. **R**

Sid Shniad is the research director at the Telecommunications Workers Union. The views expressed in this article are his alone.

GM and the Delphi Concessions: Devastation or Rebellion?

Sam Gindin

Whenever it seems things can't get worse, it seems these days under neoliberalism they do. That capitalism's drive for profits is no longer compatible with popular concerns with security, equality and improving the quality of life has been obvious for some time. But the fatalism about alternatives and the desire to hang on to past achievements has kept working classes relatively quiet as a political force. Occasional outbreaks of frustration and resistance have occurred, but they have been sporadic, localized and have not added up to a significant counter-force. A new attack on living standards may now be emerging. If the trade union response in North America does not go beyond posturing and business as usual, a new level of concessions bargaining may be in store.

It is important to recall that until the 1970s, collective bargaining in the United States and Canada was largely about workers demanding improvements from their employers. But a new era in collective bargaining, dubbed 'concessionary bargaining,' erupted at the end of the 1970s. Corporations were now the ones making the demands. Tensions had been building through the decade, with corporations increasingly asserting that they could no longer both maintain profit rates and meet workers' demands and expectations. Governments also intervened to shift and enforce the balance of power in society via 'neoliberalism' through the 1980s, transforming the policy 'rules of the game.'

We are about to see the second wave of this attack on the North American working class. The first wave did not, of course, ever subside: the story of the past quarter century is a litany of increased pressure on the job, insecurity over keeping decent jobs, longer hours and increased debt to hang on to consumption standards, concern over social services, growing inequality, and the weakening of trade unions. This is all about to get dramatically worse.

The events signalling this second wave are unfolding in the American auto industry. The United Auto Workers (UAW), under threat from General Motors (GM), opened its collective agreement to save GM over $1 billion in health care costs. And the UAW is currently in negotiations at Delphi (a components division spun off from GM in 1999) where the corporation is threatening to go bankrupt if workers don't cut their wages to $10/hr from the current $26/hour as well as surrender health benefits and more or less reduce the union to a dues collection agency that overseas a non-union workplace.

None of this is entirely new: American (and to a lesser extent Canadian) workers in the airline and steel sectors are all too familiar with concessions linked to corporate restructurings from bankruptcy. But given the pattern-setting role that the auto sector has always played, the impact of these latest developments should not be underestimated. And given that the U.S.-Canadian auto industry is the most integrated cross-border industry anywhere in the world, workers on the Canadian side of the border will not be immune from the concessions pressures.

Several key questions emerge. Will this be just an isolated bad-news story, a tsunami-warning that we can only hope misses us or at least doesn't do any damage? Or will it be a wake-up call warning us that if you're not fighting back, you're only waiting for things to get worse? Is what's coming inevitable or can it be resisted? The first concession wave led the Canadian Auto Workers (CAW) in a direction that challenged neoliberalism, free trade and ultimately their UAW parent union. What will the CAW response be this time?

Any effective counter-response will demand some creativity on the part of workers and their unions, and a crucial beginning is that workers in the U.S. and Canada start talking about why this is happening and what might be done. The following points, we hope, might contribute to the discussion of what an anti-concessions campaign might take up.

1. YOU CAN'T PRIVATIZE THE WELFARE STATE

The first generation of postwar autoworkers used the good times to achieve a host of social benefits, health care and pensions being the most important. But in bad times, and especially when the competition didn't carry the same costs, those benefits came under attack. Defending them in bargaining had its limits both because the companies were in trouble and because winning benefits which other workers did not have left autoworkers relatively isolated.

The response to the recent GM attack on the health care benefits of auto workers should have been – as some American rank-and-file workers insisted – to call for a national health care program that extended this crucial benefit to everyone, not taking it away from those who happened to have some protection. The UAW did eventually make this point, but only after they had made the concessions on cutting health care costs for the company. Had they challenged GM and put the larger issue on the national agenda, the union might have been a catalyst for a larger struggle (and for taking a step toward reviving the potential social leadership role of unions more generally). But declaring this only after the precedent that UAW workers would bear the costs of cutbacks was set reduced the UAW statement to empty rhetoric.

For Canadian workers, this may seem beside the point, as Canada already has a national health care plan. But isn't that health care system now under attack? And if this leads to negotiate an increasing share of health care privately with companies, what would happen to CAW ability to negotiate wages and other benefits? More important, however, is a larger lesson from the UAW

concessions: workers and unions that get too far ahead of other workers when the situation is favourable will inevitably get in trouble when the winds change. If progress for workers isn't generalized, workers in leading sectors will increasingly face pressures to lower their own standards.

2. THE PROBLEM ISN'T 'OUT THERE' FROM GLOBALIZATION, IT IS IN NORTH AMERICA

The problem that the GM and Delphi workers face isn't competition from China or Mexico or even Japan but issues which can be directly addressed at home. As Steve Miller, the head of Delphi said in a recent speech: "…in the auto industry, Toyota, Nissan, and Honda are competing from assembly plants in our back yard...the old oligopoly has crumbled, not so much from globalization, but from upstart domestic competition" (October 28, 2005). In the parts sector, 80% of the U.S. industry is non-union and many of these plants pay less than half the wages at Delphi (non-union parts also increase the incentive to outsource even more from the assembly plants).

The issue is not so different in Canada where the parts industry is in fact doing well, but non-union auto majors are winning a larger share of the market. Here too Toyota and Honda won't be organized through business as usual and in the parts industry, where the level of unionization was once close to 80% and is now approaching 40%. Unless the CAW shows the same verve which unions showed in the 1930s when they were able to organize workers in spite of times much tougher than today (in spite of dramatically fewer resources than today's unions), breakthroughs in unionization simply won't happen. In the 1930s, for example, mine workers sent 100 organizers to organize steel workers so miners would not be isolated.

Although the auto companies are global, production is overwhelmingly regional: cars sold in North America are largely assembled here and made of parts produced here. This makes organizing all the more possible, especially if it is seen in cross-border terms. Why couldn't the CAW and UAW, for example, jointly declare: that the 10 major parts plants will be organized; that the longer it takes, the more disruption the entire industry will face; and that there is no point moving from the USA to Canada or vice-versa because we will be there to organize (and into Mexico as well)? And why would the UAW not put US$ 200 million of its ever-increasing and unused $900 million strike fund to such use, if only to defend its own members?

3. OPPOSITION TO FREE TRADE IS NEVERTHELESS NECESSARY

Blaming globalization and free trade for everything can be a diversion from more basic issues. Yet corporate mobility does remain a threat and this will increase as we escalate our fights. If we see the issue not as other workers taking our jobs, but as the freedom of corporations to do what they want with production versus the ability of workers to influence their lives and communities, then fighting free trade is a matter of democracy (workers' freedom versus corporate freedoms), of joining with other in the community to fight the unilateral power of corporations, and of international solidarity to avoid the ratcheting down all global working standards.

To limit corporate threats to close plants, it makes sense to revive a variant of the former Canada-U.S. auto pact and use the leverage of the market to assert that investing in North America is a condition for making profits here. Such a pact to constrain corporations and gain some controls over investment flows would necessarily be extended to include Mexico and Mexican workers. This couldn't be done alone: it would mean a commitment on the part of unions far beyond anything to date to join the global justice movement. In turn, such a campaign might offer the wider movement the kind of concrete example it needs of alternatives to free or simply fairer trade in favour of planned trade.

The CAW argument that 'Japan must open its markets' is, in this context, all the more unfortunate. First, arguing for an expansion of open markets – as opposed to using the leverage of our own market to regulate corporations – legitimates the principle of free trade and undermines opposition to it. Second, it is absurd as a solution to job threats; even if the Japanese market were completely open, the Big Three wouldn't meet it from production here but from China, South Korea, and Thailand or by directly investing in Japan.

4. QUESTIONING WHAT WE PRODUCE

The big 'no-no' within auto unions in North America is questioning what kind of products workers are making. This was not always the case. In the early 1950s, the UAW was a national leader in calling for small but safe, fuel-efficient vehicles. Leaving this decision to the companies has neither helped auto workers nor consumers. Time and again, the companies gave up on this less-profitable part of the market to concentrate on higher-profit big vehicles only to see its competitors use this as a base for taking market share. Now, an important part of the problems at the →

Big Three of GM, Ford and Chrysler are not only cost but the product. Where are auto workers on this issue today?

The issue has been avoided in part because of the belief that the companies know best and in part because any criticism might hurt sales and therefore the jobs people depend on. The problem is that whether or not the companies know what they are doing in terms of their own interest, there is no reason to think it coincides with the collective interest of auto workers or workers more generally. And had they been pushing for vehicles (and an entire transport policy) more sensitive to environmental concerns – as they were warned to do by environmentalists pointing to the trajectory of global warming and the inevitability of rising gas prices – auto and transport sector jobs might actually be more secure today.

Consider one example. The Ford engine plant in Windsor makes large engines. It has been clear for some time that this could not last. Why is the union not out front mobilizing publicly for Ford to move to develop new kinds of engines, to convert the Windsor facility to produce them, and to make any monies given to Ford by the Canadian and provincial government conditional on such changes? This may not offer immediate answers to those laid-off, but it would position the union, both in the community and nationally, as leading on a social issue and this would be part of developing the capacity to perhaps influence the direction of Ford and positively affect jobs down the road.

5. THERE IS SPACE TO NEGOTIATE DECENT CONTRACTS

It needs to be pointed out that the auto industry is not leaving North America but competing to come in. Overcapacity is more of an issue than plants leaving.

In Canada, because of the $0.85 dollar (in terms of the US$) and health care costs, workers in the Big Three continue to have space to negotiate decent contracts. The CAW pointed out in a recent presentation, Canadian Big Three workers are $10 per hour cheaper (or $20,000 per worker yearly) than in the USA. It is true that Canadian parts workers must confront the falling level of unionization in both Canada and the United States. But much of the low-wage, low-capital section of the Canadian industry departed in the 1980s, leaving an industry that is mid to high tech in value-added and quality-based. This sector has the advantage that it is not as easily moved, and that it must be located close to just-in-time assembly plants. Of all the vehicles assembled in North America, 1 in 6 is assembled in southern Ontario, with a huge parts industry therefore arrayed around Ontario as well.

A crucial question, however, is what to focus on in bargaining. Working time stands out for three powerful reasons. First, it is quite amazing that while productivity has been growing (output per hour has doubled since the first wave of concessions in the 1980s), workers are left with less and less of their own time. Second, while higher wages in the Big Three increase the gap with other workers, more time off is solidaristic in terms of sharing existing jobs. Third, and this is especially important in the USA, the attempt to limit the impact of job loss through income security and higher pensions has increased costs for the Big Three in a way that disadvantages them relative to non-union assembly plants. But paid time off is something the non-union plants tend to follow to avoid unionization (or at least it can become a major issue in organizing). So negotiating paid time off is actually a better response even from the narrow perspective of 'competitiveness.'

The time to negotiate paid time off may not be only when things are going well. It may be that this is more likely to be achieved when there are layoffs and the issue is solidarity to limit the layoffs (the original UAW Ford contract in the 1940s provided for going to 32 hour weeks before layoffs took place, a reflection of the solidaristic culture then). Solidarity may also be invoked to limit overtime when some are called back and many remain off work. In most cases, the company will plan to reduce the workforce even when the upturn comes and so limiting overtime might become a permanent union policy.

6. LEARNING LESSONS: CORPORATE SUBSIDIES AREN'T THE ANSWER

Coming out of the last round of bargaining, the CAW declared that it had limited job losses at GM to 'only' 1700 jobs. Preceding the negotiations, the CAW had led in getting a $450 million subsidy to GM in exchange for job creation. But embarrassingly soon after the agreement was ratified, GM announced an *additional* 3000 layoffs and a coming decrease in over 35% of its Canadian assembly capacity even though its Canadian assembly plants were the acknowledged jewels of its North American operations.

Stunningly, all this led to no challenge of GM's commitments in bargaining or vis-à-vis the subsidies. In fact, the union was not only silent on this, but argued that even *more* subsidies may be needed. The later CAW endorsement of the Liberals must be understood in this context; at issue was not a debate about strategic voting as a way forward for a Canadian working class under attack, but rather narrow concerns with a badly misguided auto policy. It will be interesting to see whether this leads to any questioning and re-evaluation of the union's policy dependence on corporate subsidies. Can the CAW win by catering to the corporations or must we challenge them? What is the impact on working class consciousness and workplace struggles of the message that the union has no alternative but to bribe corporations with the public's and other workers' monies? What is the impact on union credibility amongst the allies it needs in other unions and in the progressive community?

7. MILITANCY IS NOT ENOUGH

Worker militancy is fundamental to anything else. If there is no struggle over everyday issues and wages and benefits, there is unlikely to be struggles over anything else. Parts workers do have power – in some ways even more power than workers in assembly – because they can shut down a significant range of assembly plants.

But militancy itself comes up against barriers that are real and not just propaganda: non-union plants, products that are not selling, corporations threatening to move abroad. Sometimes this

demands new strategies. For example, if one plant is constantly disrupting overall production, the companies may move it. But if disruptions are strategically spread across various plants at different times, no one plant can be targeted by the companies.

This strategy, too, will come up against limits. The key is that when workers come up against a wall in fighting back, the issue is not the inevitability of retreat but how to knock down that wall or how to scale it. That is when we have to go beyond the everyday role of the union and raise larger issues, deepen the involvement of the members, and build broader class and social alliances.

8. RETHINKING UNIONS

A common thread running through all of this statement is that: (a) in fighting concessions and building the unions, the need is to act now, and not wait for further initiatives from the corporations; and (b) the constant importance of building the capacity of workers to respond so we can, in fact, have more meaningful options in the future. Over the past almost thirty years of neoliberalism, corporations and the economy have gone through remarkable transformations. Unions too have changed, but not always in positive ways and not in ways adequate to taking on the new economic and political challenges. It is therefore central to any successful working class response that workers think about their unions and ask how they too might be transformed. This is the difficult but increasingly unavoidable question that workers and unionists, and socialists and the left more generally, cannot avoid. **R**

Sam Gindin is the Packer Chair in Social Justice at York University.

Other Resources on Delphi and the 'New Concessions':

(1) The Delphi concessions can be found at: www.detnews.com/2005/autosinsider/0511/02/A01-369555.htm.

(2) An important statement on the fightback to the Delphi concessions can be found at the UAW New Directions Movement web-site: www.uawndm.org/uawndm/retire.htm.

(3) A 'Hold Delphi Accountable' petition on the Delphi bankruptcy proceedings can be signed at: www.thepetitionsite.com/takeaction/570770279?ltl=1131905012 or off the Monthly Review website at: mrzine.monthlyreview.org.

(4) For a discussion of an alternate North American auto industry, addressed to American, Canadian, and Mexican auto workers, see the Socialist Project pamphlet *The Auto Industry – Concretizing Working Class Solidarity: Internationalism Beyond Slogans* at: www.socialistproject.ca.

(5) For a list of resources and labour reform groups in the U.S. go to: www.uniondemocracy.com/AUDLinks/RNFLinks.htm.

(6) References to the top rankings of Oshawa plants can be found at: www.gm.com/company/gmability/workplace/100_news/120_news/oshawa_051905.html.

Imperial Communication and Culture Wars

Tanner Mirrlees

There are many reasons for today's globe-spanning anti-imperialist and anti-American backlash. The world's collective disgust with the American empire's many propagandistic justifications for its occupation of Iraq, and the knowledge that aspects of America's pre-war propaganda campaign have become an awful truth, are but a few.

The connection between Al-Qaeda and Saddam Hussein wasn't real. But since the invasion of Iraq, the propagandistic pre-war argument that Iraq harboured Al-Qaeda agents – with thousands of *jihadists* flocking into Iraq to fight America – has turned into a bloody event.

There never was a real 'threat' of Iraq deploying chemical 'weapons of mass destruction' against America. Nor was there evidence of Iraq having WMDs. But with the recent revelation that the American military burned the flesh off of its targets with white phosphorous, WMDs have at last been discovered, but bearing a 'Made In America' label.

By asserting the necessity of 'defensive pre-emption' against the tortuous 'Butcher of Baghdad' and other potential threats to America's national security (ie. 'rogue states' and 'terrorist sympathizers'), the Bush Administration cynically capitalized on America's post-9/11 hysteria to execute a neo-con invasion plan that had been in the works for at least five years. Through this process, threats to American national security have increased in real terms.

As propaganda lies are turned into traumatic truths, the interim dividing the detestable dictatorship of Saddam Hussein from the American empire's illegal war and occupation witnesses the violent contradictions of imperialism exploding forth in devastating quantities.

In an attempt to re-establish the American empire's moral credibility, poisonous human-rights justifications for the American occupation drip from the 'enlightened' tongues of so many intellectual snakes. The defence and extension of universal human rights now provides the liberal imperialists with a moral rationale for unilateral military intervention.

With sadistic images of Abu Ghraib's prisoners being subjected to homo-erotic/homophobic torture, human rights violations against more than 500 right-less foreign nationals at Guantánamo Bay, and a massive international surveillance apparatus, it is surprising that the advocates for imperialism-lite abroad aren't *also* righteously demanding a 'regime change' at home. Their silence is unsurprising though. These intellectuals' well-financed human rights discourse is nothing more than a belated attempt to win consent to an imperial leadership that has already been rightly identified as fraudulent.

And fraud is an appropriate description of the neoliberal political economy – the accumulation by dispossession – concealed by the Bush Administration's televised speeches that profess America's white man's burden to bring American-style civilization to Iraq. Freedom and democracy aren't flowering in or flowing out of Iraq, but big American capital and even bigger profits certainly are. Halliburton was recently awarded a $4.972 billion dollar contract from the Department of Defense. Now it pays migrant labourers from the Philippines, India, and Pakistan three dollars an hour to build, in extremely dangerous conditions, new American military bases such as 'Camp Anaconda.' Iraqis demand sovereignty over their territory's vast oil supply, but this demand is thwarted by 'oil production sharing' policies designed by the imperial state on behalf of many multinational oil corporations. 64% of Iraq's oil reserves will be privately owned and exploited by 2007.

With more than 100,000 Iraqis dead, the industrialization of kidnapping, and the growth of privatized mercenary forces, the world is certainly less peaceful than it was prior to the occupation. In Iraq, America's puppet regime deploys bedraggled militias to fight al-Zarqawi's al-Qaeda organisation. Al-Qaeda wars against the American invaders and some recalcitrant Sunni contingents. Some Sunnis despise Muqtada al-Sadr, who stokes anti-imperialist, anti-secular and anti-Sunni sentiments to win the Shi'ite community's faith in his proposed Sharia leadership. Kurds, meanwhile, demand sovereignty from American designs, the Shi'ites' Islamic doctrine, and the Ba'athist party's remainders.

The American empire's neoliberal occupation of Iraq never had the ideological consent of Iraqis, nor much of the world. Indeed, America's hubristic self-imaging as a non-imperialist power, benevolent global cop, and beacon of freedom, democracy, and justice, has been quickly turned inside out. Anger at the American empire grows in tandem with the transparent contradictions unleashed by every new propaganda campaign it spins.

Now, as imperialism in Iraq and the Middle East become clearer to the world, the American empire suffers – and is attempting to culturally counter – an anti-American backlash, which some neoconservatives recognize. Robert Kagan concedes that America, for the first time since World War II, is suffering a crisis of legitimacy. Joshua Muravchik feels that anti-Americanism is on the rise because the American state, throughout the Clinton years, disarmed the ideological weapons it used to fight the Cold War: "USIA [United States Information Agency] funding was slashed repeatedly as conservative isolationists and budget hawks teamed up with liberal relativists averse to American propaganda." For Muravchik, the struggle to repair the American empire's ugly image, the battle to re-organize international consent to the American empire's goals in the Middle East and around the world, neces-

sitates a new propaganda effort: "We must carry out a campaign of explanation aimed at Europe and the rest of the world about our view of the uses of American power."

The neo-con's propaganda wish was fulfilled at least two years before they publicly made it. The threat that a militant political Islam and an Arab anti-Americanism posed for American foreign policy and global capitalism in the Middle East was already being responded to by the public diplomats of the State Department two years prior to the invasion of Iraq. Over the past four years, the imperial state, military, and the capitalist media have been synergistically engaged a cultural struggle to counter anti-American sentiment, repair America's damaged image, and mobilize Arab consent to the 'American Way of Life.'

Following the attacks of 9/11, the Bush Administration recruited Charlotte Beers, one of Madison Avenue's top brand marketers, as Under Secretary of State for Public Diplomacy and Public Affairs. Beers, a former executive at both J. Walter Thompson and Ogilvy & Mather advertising agencies, had the mission of re-branding and selling the 'American Way of Life' to the world. Especially targeted were countries with large Muslim populations.

Beers and the Office of Public Diplomacy attempted to re-brand America for Arab consumption with an advertising campaign entitled 'Shared Values.' Highlights included virtual 'America' rooms, television clips with Muslim-Americans praising America's religious tolerance, cultural pluralism, and lack of racial prejudice, and a booklet entitled *Muslim Life in America*. A website featuring information about Muslims in America was also available. A cultural magazine called *Hi,* designed to appeal to Muslim youth, was also produced and put on sale for as much as $2. Appropriately, only the ruling groups could afford *Hi* (in regions where per capita incomes is as low as $930 a year).

The Broadcasting Board of Governors (BBG) established a few ideological state television and radio apparatuses in hopes of winning Muslim hearts and minds to the American dream. In 2001, the BBG imagined "Initiative 9/11," a $750 million dollar state-sponsored Arabic language television network to rival the influence of Al-Jazeera with broadcasts in 26 languages to 40 Muslim-populated countries. By 2004, a Middle Eastern Television Network called Al-Hurra, or 'The Free One,' was fully operational. Al-Hurra is U.S.-government run commercial-free Arabic-language satellite television channel; it broadcasts a mix of international American news, discussion programs, and current affairs.

Secretary of State Colin Powell, lecturing on global MTV about America's terror-war goals.

In 2002, the BBG used 150 million congressionally appropriated dollars to launch Radio Sawa, an Arabic-language network broadcast 24-hours a day, seven-days-a-week. With broadcast studios in Washington, D.C., and Dubai, UAE, and using a combination of medium and short-wave AM and FM transmitters, digital audio satellite, and the internet, Radio Sawa sends a mix of American and Arabic pop music to targeted Muslim youth. Radio Farda, another BBG venture, broadcasts similar programming to Iran. Inspired by these initiatives, Secretary of Defense Colin Powell appeared on MTV – the global capitalist music video giant – to tell more than 375 million young global viewers about the virtues of America's war on terrorism, and respond to their critical questions.

The American empire's ideological state cultural and communication apparatuses, though reloaded, haven't succeeded. After 17-months of failing to convince America's Muslim target market to buy the American brand, Beers resigned. She may have finally realized that America's glitzy packaging belied the inequities and contradictions embedded in its commodities. Al-Hurra, Radio Sawa, and Radio Farda have certainly appealed to many younger Arabs, yet they, like other global audiences that contradictorily enjoy American culture and hate American foreign policy, may selectively tune in or tune out.

The failures of the past four years of American cultural and informational warfare in the Middle East led to the re-staffing of the State Department's Office of Public Diplomacy. On March 15, 2005, Condoleeza Rice announced the appointment of Karen Hughes (one of Bush's old spiritual advisors) as Under Secretary of State for Public Diplomacy and Public Affairs. Rice, introducing Hughes, discusses America's global cultural mission:

> "Our nation must engage in a much stronger dialogue with the world. [. . .] Too few know of the protections that we provide for freedom of conscience and freedom of speech. And too few know of the value we place on international institutions and the rule of law. [. . .] We must do much more to confront hateful propaganda, dispel dangerous myths and get out the truth. [. . .] And to be successful we must listen. An important part of telling America's story is learning the stories of others. Our interaction with the rest of the world must not be a monologue. It must be a conversation."

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Karen Hughes, happily accepting the appointment from Rice, reflected upon her internationalist goal:

> "This is a struggle of ideas. [. . .] Through greater use of today's technologies, the internet and satellite television, through our vital people-to-people exchanges, through more creative public diplomacy programs, we will partner in common cause with other countries to defeat propaganda with truth."

If the American empire actually practiced what it preached, Rice and Hughes' proposed use of communication technologies to foster respect for international juridical institutions, universalize the principles of America's 'free-press,' facilitate a two-way dialogue between Americans and non-Americans, and counter propaganda, wouldn't be so ridiculous.

America's free-market media principles, espoused by Rice and Hughes' public diplomacy speeches, are predictably contradicted by reality. The Department of Defense's information operations in Iraq and the American media's war coverage of the occupation shame Rice and Hughes' global cultural mission and contradict their free-media market principles.

Following 9/11, the Department of Defense (DOD) took part in re-working the American empire's informational apparatuses. By October 2001, a *Report of the Defense Science Task Force on Managed Information Dissemination* recommended a strengthening of the Pentagon's psychological and informational warfare capabilities. The "U.S. Government requires a coordinated means to speak with a coherent voice abroad" as "CNN, AOL-Time Warner, and other global media" alone, cannot "be relied on to act as advocates for national security policies." The DOD established a short-lived Office of Strategic Influence – a black propaganda (official lies) department – that, after suffering widespread public outrage, was dismantled (it was renamed the Office of Strategic Communication and currently coordinates the U.S. military's global psychological operations).

"Operation Iraqi (Un)Freedom" saw the Office of Strategic Communication engaged in psychological and informational warfare. The Commando Solo – a giant psyops aircraft – flooded the email servers, radios, and cell phones of Ba'athist leaders with demands to abandon Hussein. Hundreds of thousands of air-dropped propaganda leaflets advised Iraqi soldiers to surrender or face extermination. Other leaflets told Iraqi civilians to listen to Commando Solo's frequency. There, heard a hybrid combination of traditional Iraqi folk music, 1980s American rock, new wave Europop, and a propaganda message: "this war is not, in any way, against the Iraqi people, but to disarm Mr. Hussein and end his government." What Iraqis didn't hear – but what they likely knew – was that the American military and informational invasion of Iraq was, by international standards, illegal. Rice and Hughes' claim that America respects international juridical institutions is false.

The information warfare campaign in Iraq seems a textbook example of strategies recommended by retired American military propagandist Leigh Armistead in *Information Operations: The Hard Reality of Soft Power* (2004). Here, Armistead argues that the American government must "develop a comprehensive national Information Operations strategy for the global war on terrorism"(p. 161). "The full integration across government agencies with the private industry must occur"(p. 19). This "means horizontal as well as vertical integration and cooperation, and includes not only United States Government Agencies and departments, but also non-government units and private industry as well" (p. 42); information operations "must also be led from the top-down, with full White House and National Security Council leadership to ensure full inter-agency participation"(p. 137).

Theories of American information operations coming from Stalin-esque minds like Armistead were put into practice in Iraq. When the "shock and awe" bombing campaign slowed down, many Iraqis received a complimentary publication from American soldiers called *Iraq: From Fear to Freedom*. During Iraq's movement from fear to fear and (un)freedom, the Department of Defense's Coalition Provisional Authority (CPA) re-built the infrastructure of Hussein's Ministry of Information. Iyad Allawi's American puppet government then set up the Higher Media Council (HMC), which restricts independent media in the country and looks very much like Hussein's old propaganda structure. By law, an Iraqi news media organization must be licensed by the HMC, and that license can be revoked if the news organization publishes or broadcasts material that incites civil disorder, or "advocates alterations to Iraq's borders by violent means."

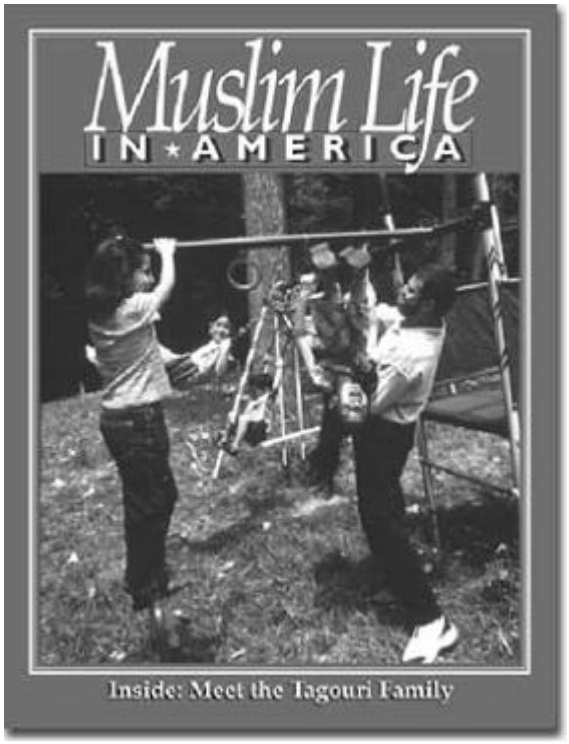
To promote local media development, the CPA granted Iraqis some capacities to produce information. While this resulted in the emergence of between 100 and 200 independent newspapers and magazines, genuine media democracy was not tolerated by the occupying authorities. On March 24, 2004, Paul Bremer ordered the closure of *Al-Awaza*, a popular Baghdad newspaper that was critical of the American occupation. Padlocked chains were strewn across the newspaper's doors after the imperial authorities accused it of lying and inciting violence (this contradicted a report in the *New York Times* that said "the paper did not print any calls for attacks"). On July 21, 2004, Iraqi military police and American troops also broke into *Al-Mustaqila's* newspaper office, confiscated printing equipment, and arrested the paper's editor, Abdul Sattar Shalan, who has been missing since. *Al-Mustaqila* was shut-down for printing an article that protested the imperial state's appointment of the Iraqi Governing Council on the day that it was convened. The article's headline: "Death to All Spies and Those Who Cooperate with the U.S."

Sorry Rice and Hughes, but American foreign policy and exportable domestic American ideals regularly conflict. First Amendment rights only seem to apply to pro-occupation Iraqi journalists, who get indoctrinated with American ideals about the "free press" and then censored for enacting these same ideals to challenge the occupying authorities. Qatar-based Al-Jazeera has also paid the price for attempting to operate a free press in the Middle East, as American fighter planes bombed Al-Jazeera's Afghanistan and Baghdad offices in 2003. One Al-Jazeera journalist was killed. Others have been harassed and jailed (Sami al-Hajj, for example, has been imprisoned at Guantánamo Bay for the past

four years). This coercive disabling of the operations of Al-Jazeera, which is the only news media to critically capture the human casualties of the American occupation, is terrorism. And *The Daily Mirror*'s recent publication of a leaked transcript of a meeting in April 2004 between George Bush and Tony Blair, where Bush talks of bombing Al-Jazeera's headquarters in Doha, affronts every principle the American media system supposedly stands for. If the American empire was genuinely interested in exporting its model of the free press to the Middle East, it wouldn't bomb Al-Jazeera – a broadcaster that not only most resembles America's in the region, but is also hated by the region's conservative religious powers – for covering the consequences of American foreign policy.

As the imperialism of American foreign policy becomes more transparent to those Iraqis that suffer by it, the Department of Defense's psyop warriors design more dubious propaganda campaigns. Indeed, the Department of Defense recently gave $300 million dollars worth of contracts to American capitalist media firms for just such propaganda purposes. Working from Washington, but managed by the Joint Psychological Operations Support Element of the U.S. Special Command, capitalist media firms – the Lincoln Group in particular – produce news stories, television commercials, and internet advertisements that laud the hard work of American and Iraqi troops, demonize insurgents, and overstate Iraq's democratic progress. Lincoln Group officers, disguised as freelance reporters or advertising executives, pay the editors of emerging Iraqi newspapers to run this American-made news. Forget Rice and Hughes' contention that America will "confront hateful propaganda, dispel dangerous myths and get out the truth." Just as the American occupiers promise to establish political transparency and freedom of speech in Iraq, they finance propaganda, circulate myths, and distort the truth of their war.

Rice and Hughes' belief that America is actually interested in a two-way flow of information and equal cultural exchange between Americans and Iraqis is thus entirely unconscionable. If the American empire was committed to a two-way flow of information, the positions of gun-touting "embedded military journalists" would be balanced with grief-stricken statements made by the families of dead Iraqi children; the patriotic ramblings of pro-war journalists on Rupert Murdoch's Fox-TV news would be countered with analysis provided by millions of educated anti-war demonstrators and; all the war-related information currently being filtered to global media correspondents through the Pentagon would be challenged by the Iraqis currently struggling for sovereignty. If the American empire was genuinely interested in an equal cultural exchange, Iraqis might speak by and for themselves about their idea of what a sovereign post-Saddam Iraq could be; the word 'terrorist' wouldn't only apply to Arab-looking suicide bombers and; Rice and Hughes would think twice before parading their nation's God-given "exceptionalism."



Muslim Life in America, part of Beers' branding America campaign.

Like so much in capitalism, noble liberal ideals and principles are contradicted by real material conditions. These conditions have not been addressed yet, as the relation between the imperial state and the ideals of America's "free press" have been understood only in bourgeois terms so far. The well-meaning journalistic frustration of American military "propaganda" corrupting Iraq's burgeoning media system is biased to bourgeois conceptions of the free press. Indeed, behind the discourse of the free press is capitalist monopolization. Behind the appearance of an antagonistic space dividing the American government from the American media, is a much more conflicted and complex class reality. There is a long history of the ruling political classes recruiting to ruling class media owners to do their bidding in times of nationalist warfare and "national security crisis."

An imperialist communication and culture war is being waged in the Middle East, but a fortification of militant Islamic propaganda structures is certainly not the adequate response. Nor are liberal democratic sermons about the moral necessity of giving Iraq a free press. As emerging Iraqi journalists and progressive American ones tired of being used by their country's ruling classes and recognize the contradictions of the American-made global media system, perhaps they will begin to imagine an alternative one that builds on the successes and failures of the old. **R**

The End of Suburbia:

Oil Depletion and the Collapse of The American Dream

Reviewed by Rob Rao

Written and Directed by Gregory Greene,
Produced and Edited by Barry Silverthorn (2004)

The suburbs are a pretty easy target. For anyone who grew up (or still lives) in them, their car-centredness is painfully apparent. Having to drive to the grocery store is the unquestioned norm, a commonplace absurdity. The general aesthetic impoverishment of the cultural and architectural landscape requires the suspension of one's critical judgment. Otherwise, a descent into futile ranting against the endless vista of low-slung strip malls and industrial parks, sickly trees, and concrete fences guarding the backs of drab earth-tone brick houses with a view overlooking eight-lane arterial roads of high-volume traffic is all too likely.

Fear not, suburb-haters; *The End of Suburbia* makes the compelling – and probably not entirely surprising – case that the suburbs will be (and already are) an unsustainable way of life in the coming era of scarce world energy resources, and will either have to be radically altered or abandoned altogether in the next few decades. A few basic points are tirelessly repeated throughout the interviews with four or five experts on the phenomena of peak oil. They do an excellent job of describing the inevitability of the profound economic and social upheavals peak oil will mean – not the 'end of oil,' but the end of *cheap* oil. Comic relief is provided by 1950s archival footage of shiny happy people cheerfully acting out the American suburban dream, oblivious to the predictions of collapse, a classic fifties voiceover serving up the punch lines.

There is little to argue with in regards to the substance of the arguments put forth by the film; the invasion of Iraq is painted as an obvious and necessary foray by an empire built on oil, intent on securing strategic energy resources. As one commentator states simply enough, "If there was no oil in Iraq, we wouldn't be there." It is a fairly straightforward analysis, one made compelling by an explanation of how the explosive growth of the suburbs was predicated upon the assumption of a steady flow of cheap oil. The suburbs were packaged as the fulfillment of the American dream, and if the American way of life itself is threatened, it is necessary to secure the relevant energy resources to keep it going, by force if necessary.

The first third of the film gives a brief, informative historical overview, quickly charts the rise of suburbia from its roots in the rapid industrialisation and expansion of North American cities in the late 1800s and early 1900s, where the upper classes fled the increasingly crowded and dirty inner cities for planned, low-density estates in the countryside, to the post-WWII packaging of the American dream in the promise for the first time that even the average blue-collar worker (or newly-returned veteran) could own their own house with a backyard and garage.

It is in the middle third of the film that the connection between the spread of suburbia and the struggle over control of energy resources in the Middle East is addressed. This is not a sustained examination of the relationship between domestic energy policy and American foreign military adventures in the Middle East, but there is a good, brief explanation of how the scramble to maintain the current level of (unsustainable) consumption in North America requires American control over the world's oil and gas resources.

Richard Heinberg, author of *The Party's Over: Oil, War and the Fate of Industrial Societies*, makes some of the more trenchant comments of the film, especially regarding the creation of suburbia and the military forays into the Middle East by an empire fuelled by cheap oil. He mentions the Carter Doctrine, which noted the 'strategic importance' of Middle East oil and gas resources to the security of the United States, and that the current collection of neo-conservatives running the Bush administration also recognised this in calling for the invasion of Iraq in 1998,

under the Project for a New American Century. All those featured in the film seem to be in consensus that the invasions of Iraq and Afghanistan are the first forays in Dick Cheney's 'infinite war,' a long-term, protracted struggle to secure control of energy resources in the Middle East, where 60% of the world's oil is located.

While the documentary does not get into just how much a role the struggle over oil played in causing 9/11, the event is the starting point for the film in the mind of both of its creators. Writer and director Gregory Greene, a Toronto-based filmmaker, originally intended to do a film on 9/11, but exploring the underlying causes of the event led him to focus on North America's oil-based economy and the struggle over control instead. Barry Silverthorn, the producer and editor, contacted Greene to film the Association for the Study of Peak Oil & Gas (ASPO) Conference in Paris in 2003, which eventually led to *The End of Suburbia*. Silverthorn has also edited a previous documentary about 9/11, Barrie Zwicker's *The Great Deception*. This explains Zwicker's wholly unnecessary presence in the film; he is shot on various suburban streets and cloverleafs in the GTA giving tiresome reiterations of the same points made by the other commentators.

Aesthetically, the film is very much in the vein of Mark Achbar's *The Corporation* and *Manufacturing Consent,* or Michael Moore's various offerings, consisting mainly of talking-head interviews interspliced with stock archival footage. There is perhaps not much new here for those already convinced that our current rate of energy consumption and economic growth are environmentally unsustainable, yet a bleak enough picture is painted that those already engaged in sustainable living practices will want to step up their investigations into the feasibility of urban agriculture and solar panel installation. But *The End of Suburbia* is intended mainly as a wake-up call for those who feel genuine affection for their cars and complain loudly about gas prices; it will depress the hell out of most of them, and hopefully get some to tune up and start riding their bikes. **R**

Rob Rao works in the B.C. Legislative Library.

Route 181:

Fragments of a Journey through Palestine-Israel

Reviewed by Rafeef Ziadah

Directed by Michel Khleifi and Eyal Sivan (2005)
May be ordered on-line at www.sindibad.co.uk,
also available at Robarts Library.

Route 181 is the outcome of directors Khleifi and Sivan's two-month journey from the south to the north of Palestine/Israel. They traced their journey's trajectory on a map and called it route 181. This virtual line follows the borders outlined in Resolution 181, which was adopted by the United Nations on November 29th 1947 to partition Palestine into two states. The film introduces the audience to the complexity of the relationship between occupiers and occupied through extended interviews with various Israelis and Palestinians. Travelling along route 181, Khleifi and Sivan interview Israelis and Palestinians regarding the destruction of Palestinian villages (and the expulsion of these village's indigenous inhabitants) in 1948. At the same time, the directors allow for long moments of silence as they let their camera capture the newly constructed Apartheid Wall.

Throughout the interviews with Israeli Jews, the contradictions and racism of a modern state built on the ruins of another people become apparent. For example, an Israeli construction manager of Moroccan →

descent says that the only good Arab is a dead Arab, and the camera pans along the side of a road, where signs in Hebrew read "Death to Arabs" and "the Palestinian state is in Jordan." Other Israelis deflect all responsibility to the Palestinians by insisting that because Arabs rejected the UN partition plan in 1947, Israelis should feel no guilt for demolishing Arab towns and denying the Palestinians their right to return home. Another elderly Jewish Israeli tells how he helped kill Arabs and ran women and children off the land in 1948. He said the actions were part of "Operation Matate," matate meaning broom. The operation was given the name "because we swept out the Arabs."

When the man refuses to accept responsibility for the war, saying that his actions were just because the Zionists accepted the partition and the Arabs didn't, the filmmaker asks him if he knows the Biblical story of Solomon, who recognized the true mother of a disputed baby to be the one who refused to split the child in two. The Israeli man, not initially recognizing that he's falling into the filmmaker's trap, then insists that the Arabs were killed "for our own survival."

Another interview is with a young Palestinian man living with his mother in the Negev. He states: "people in Israel say death to the Arabs, but if a Palestinian were to write death to the Jews on the street just once, there would be an outrage." He adds, the real relationship of conflict is one of "occupiers and the occupied," rather than "Jews versus Arabs."

One Jewish Israeli woman, who works at a cafe that is postered with images of Israeli military aircraft, tells the filmmakers that her shop used to belong to an Arab, and that she regrets that the Arab homes weren't destroyed when the area was colonized. Annoyed with the old Arabs who come looking for their homes and showing their grandchildren the houses and orchards they owned before 1948, the woman says that she would like to see the land rid "of that cancer" (the indigenous Palestinian population). The Israeli Jews in the film are eager to deny any previous Palestinian history on the land, even as they look around them and see the ruins of Palestinian homes. For example, one man gives an upbeat talk about how his historic home is adorned with Arabic script on the walls, but then insists: "there were no Arabs here." Then he asks: "what do you hope to do by filming ruins?"

The film effectively captures the views of the Sephardic community (Jews from Arab countries referred to as Mizrahim in Hebrew). This is important because the history of Arab Jews and the treatment they received when arriving to Israel is often silenced. As Ella Shohat argues in *Sephardim in Israel: Zionism from the Standpoint of its Jewish Victims*, "Although Zionism claims to provide a homeland for all Jews, that homeland was not offered to all with the same largess. Sephardi Jews were first brought to Israel for specific European-Zionist reasons, and once there they were systematically discriminated against by a Zionism that deployed its energies and material resources differentially, to the consistent advantage of European Jews and to the consistent detriment of Oriental Jews."

Towards the end of Sivan and Khleifi's filmic journey, a Moroccan woman recounts her youthful recruitment in the late 50s as a "broom" by the Israeli government (brooms were diplomatic agents instructed to lure fellow Moroccan Jews to Israel). Reflecting upon her experience as a government broom, the Moroccan woman concludes that luring people to Israel might have not been such a good idea. From the early days of Zionism, Sephardim were compelled to immigrate to Palestine as a source of cheap labour.

Sivan and Khleifi's journey explores how many Israelis appear to both affirm and disavow the legacy of dispossession of the Palestinian population that brought about the Israeli state. The relationship of the occupier to the occupied comes across in every interview, and the viewer is left to conclude that without acknowledgement and redress of the historical wrong that was done to the Palestinian people, there will not be peace in region. **R**

Rafeef Ziadah is a Palestinian refugee, an activist in Sumoud Political Prisoners Solidarity Group and a member of CUPE 3903.

The Brutal Beauty of Labour: *Workingman's Death*

Scott Forsyth

Directed by Michael Glawogger (2005)

Austrian filmmaker Michael Glawogger's powerful and moving documentary, *Workingman's Death*, subtitled "5 Portraits of Work in the 21st Century," takes spectators around the world to view the havoc capitalist globalization has wrought in the lives of working men and women. This film received little attention at the 2005 Toronto International Film Festival. However, a quick Internet search will show you that the film has won awards at festivals all over Europe, and received extensive media celebration.

Glawogger's global 'tour' is viscerally and emotionally overwhelming. We see backbreaking, primitive manual labour in dangerous, miserable conditions, stark refutation to the glossy technophilia of contemporary bourgeois ideology. These painful images are not simply agonizing, however, but surprisingly beautiful and poetic. And the workers themselves are remarkably spirited – taking pride in the daunting labours and comfort and hope in their collectivity. This is not a tale of woe and victims but of hard, very hard, work and incipient struggles.

The political analysis behind this cinematic canvas is unstated but should be familiar. The harsh class warfare of neoliberalism has devastated societies all over the world and destroyed and privatized social provisioning. Impoverished labour has been incorporated into the circuits of global capital. Here we see this 'modernization' of the global proletariat as a brutal process of exploitation and immiseration.

The tour begins in the Ukraine with unemployed miners illegally scavenging coal in the remains of state mines sold off and closed by 'bandit capitalists' after the destruction of communism in the old Soviet Union. We are trapped with the men and the camera in cramped seams, scratching for bits of coal to sell. Above ground, the men and women tell their stories with stoic humour. This unfolds, with grim historical irony, in the coal fields where Stakhanov performed his legendary exploits. The Ukrainian hero was a prodigious miner of coal and his feats became ideologically central in the Soviet thirties; Stakhanovite 'super-workers' would lead the march to socialist industrialization. The workers speak nostalgically of the past glories of the miners there. Glawogger even has the men pose, mimicking a giant statue of Stakhanov; in these images, they are the real 'heroes.'

In Indonesia, workers climb to the edge of an active volcano to chip sulphur, carrying impossibly heavy loads up and down the mountain all day. The product is sold by the kilo to move up the commodity chain to advanced industrial processing. The workers stand in front of the frightening beauty of the fiery lava while being photographed by crowds of Western tourists; it produces a startling *frisson* of contemporary contradictions, of combined and uneven development in the most vicious sense.

A Nigerian slaughterhouse worker comments succinctly "…we are born into suffering because nothing in this country is as it should be." The camera takes us close to the killing and dismembering of goats and bulls in grisly detail and, then, follows the searing of the carcasses in open pits. We pull back to a long view of the vast outdoor abattoir, strikingly beautiful and composed; in an interview, Glawogger compares it to a Bosch canvas. If we overcome our squeamishness at the violent animal death, the difficulty and precision of the work, the colours and patterns of muscles and blood are captivating. Up close, what we hear from the men repeatedly emphasizes the joy and exhilaration they find in their difficult task: one burner of goats enthuses "thank God for my skills…this job makes me special." Labour allows a feeling of self-reliance in a world where the state has forsaken any social role.

The workers on a Pakistani beach dismantle, piece by piece, a different dead carcass – a discarded oil tanker, the gigantic steel skeleton of the most advanced industrialism. One worker says matter of factly, "…of course, this is a shitty job…death is always with us." Again, we follow the protracted steps of a complex labour process in epic wide-screen imagery; the rusting tanker crashes apart with the awesome grandeur of Hollywood spectacle. The workers are posed carefully by the filmmakers and articulate their sense of work, their camaraderie: "We're like brothers to each other."

In a Chinese steel mill, workers toil in flaming archetypal images of industrial labour. These workers echo the Utopian →

hope of the Soviet thirties with the contemporary gloss of modernization's integration into the international market; despite the closing of many plants, they believe in the future. In imitation of heroic statues, Glawogger poses workers to humanize past communist propaganda and subtly, if humorously, gesture to both the failure and the possibility of what one critic of Communist regimes described as the reality of 'actually existing socialism.'

In an ironic coda to the portraits, the film concludes back in Germany, in the first world, in an abandoned steel mill that has been preserved as a theme park. Young people walk through this monument to past industrialization, progenitor of the whirlwinds of globalized production that the film has traversed.

Workingman's Death is epic in both its global sweep across a metaphoric circuit of capitalist production and in its grand and heroic images. But the film effectively counterposes towering tankers and huge glowing steel ovens with individual witnesses, forthright testimony from the actual workers, respectfully framed, standing with their comrades. In the gendered division of labour we see, it is largely men who report but we also hear from many families. They emphasize the dire necessity that drives their mighty efforts and the pride they take in their own skill and tenacity. Those voices and faces, with their dignity, courage and humour, humanize our sense of labour *and* misery.

One critic observed that the film is imbued with 'a Marxian esthetic of work.' It recovers our sense of both the exploitation of labour by capital and the creativity and humanity that define work despite the mystifying disappearance of labour power into commodity or the ideological cant of modernizing globalization.

The film extends that aesthetic to the labour of filmmaking itself, in its artfully constructed and rhymed images, in the sheer difficulty of capturing this material teetering on the edge of the volcano or trudging through the blood and guts, in a superb musical score by the jazz avant-gardist John Zorn, modulated with sounds of the nations visited. That artistic labour plays with and updates the socialist tradition of class and masculine iconography so the politics is integral rather than didactically articulated.

Glawogger, in an interview with *The New Statesman* (October 24, 2005), observes that "cinema does not have the strength to change the world, but it can change our perception of the world. It is capable of touching all the senses. Of making us feel the weight of someone carrying a big load." Indeed, the filmmaker has accomplished this wonderfully. He goes on to say that "the title of the film, then, is a provocation rather than a statement. It should have a question mark after it." That question mark is provided by the spirit, even hopefulness, of these modern workingmen. **R**

Scott Forsyth is an associate professor of film studies at York University.

What does the Right of Return mean?

Adam Hanieh

In 1948, around 750,000 Palestinians were evicted from their homes and land. Forced into neighbouring countries, it is from this mass expulsion that the state of Israel was created.

When we speak of the right of return (ROR) we mean very clearly the right of Palestinians to return to their homes and villages from which they were expelled in 1948. It does not mean a return of a few hundred thousand refugees to the West Bank or the Gaza Strip to live in the Palestinian cantons. What it does mean without equivocation is a return to the places that were once called 'home.' This is not a trip through nostaligia. It is a deeply held sense of place, history and culture. Every Palestinian, wherever in the world they might be – when you ask them where are they from, they will tell you not the place of their birth, but the name of their village or town in Palestine. Even if it is a place they have never before seen.

It is often forgotten that there was another wave of expulsion that took place during 1967 and the occupation of the West Bank and Gaza Strip. In a repeat of 1948, twenty percent of the population of the West Bank was expelled. Villages were razed to the ground and Palestinians found themselves in Jordan, Syria and Lebanon. The empty spaces and settlements that we are told are now 'up for negotiation' in the West Bank were not always empty. They were ethnically cleansed. Just to mention one example – on the north-western side of Jerusalem, 10,000 Palestinians were evicted from their homes in the Latrun area. Their houses were razed and turned into a

nature reserve called Canada Park.

We have Palestinian refugee camps in the West Bank and Gaza Strip where Palestinians who were expelled in either 1948 or 1967 now live. We have camps in Lebanon, Syria and Jordan with Palestinians who were also expelled in those years. We also have, inside what is now called Israel, Palestinians who were internally displaced during 1948 and never allowed to return to their homes despite the fact they hold Israeli citizenship. A further one hundred thousand or so of these internally displaced people live in the 'unrecognized villages' – villages without electricity, sewage or water – because the Israeli state refuses to recognize them.

WHY IS THE RIGHT OF RETURN SO IMPORTANT TO PALESTINIANS?

The right of return is central to the Palestinian struggle as it goes to the heart of Israeli apartheid. It is what makes Israel an apartheid state. One of the first laws promulgated by the new Israeli state was known as the 'Law of Return.' It means that any person of Jewish descent, anywhere in the world has the automatic right to become a citizen of Israel. At the same time, no Palestinian is allowed to return to their country. Without this structural definition – Israel would cease to exist as an exclusive Jewish state.

Please note the last part of that sentence – an exclusive Jewish state. By defining itself on the basis of one religion or ethnic group, Israel defines itself as an apartheid state. It is a state that doesn't exist for all its citizens, but rather only for those who have colonized the land. This is not a definition that Palestinians invented, or that is quietly carried out by successive Israeli governments. It is written into Israel's basic laws as a structural feature of the state. And it is this which makes Israel an apartheid state.

This apartheid character takes many different forms:

- the unrecognised villages,
- the fact that 92% of land is set aside for the benefit of Israeli Jews,
- the way Palestinians in the West Bank and Gaza Strip are dealt with under separate military laws, required to carry passes and confined to bantustans.

But these are the outward manifestations of apartheid. Apartheid is a structural feature of the state that flows from its self-definition and its refusal to allow the right of return.

And so the right of return figures so prominently in political negotiations. Every single negotiations process since the Oslo Accords of 1993 have floundered on this issue. This is often missed in the media reports where the focus is placed upon land percentages, control of borders and the status of Jerusalem. While these issues are no doubt critical – the right of return remains the bedrock demand of every Palestinian and so for the Palestinian struggle. It is not something that can be negotiated away despite the desperate attempts of every Israeli government to do so. Oft-repeated phrases such as "a mutually acceptable solution to the Palestinian refugee problem," or "the return of a limited number of refugees to a Palestinian state" (i.e. bantustans in the West Bank and Gaza Strip) signify attempts to negotiate away the ROR.

These, however, are merely attempts to dismiss ethnic cleansing through the use of linguistic gymnastics. They have been refused consistently by the Palestinian people (although sometimes not by those negotiating in their name). Indeed, the failure of the Camp David Accords in May 2000, a few months prior to the beginning of the second Intifada, was largely around this issue. As negotiations were proceeding at Camp David, Palestinians across refugee camps were protesting under the slogan that the right of return is a red line that cannot be crossed.

The movement to oppose Israeli apartheid is gathering steam. Last weekend a conference held in Toronto and organized by church groups began discussing the issues of sanctions and boycott. Similar initiatives have taken place in Europe and the USA. Most importantly, in July this year, a call was issued by Palestinian organizations from both inside and outside of Palestine calling for an international campaign of boycotts and sanctions until Israeli apartheid was dismantled. At the center of this call was the demand of the right of return.

IS THE RIGHT OF RETURN FEASIBLE?

When we talk about the right of return and Israeli apartheid, Palestinians are often accused of being anti-Semitic or seeking the destruction of Israel. At the end of the day this is what every Zionist argument reduces to.

It is an argument, however, that is designed to divert attention from what Palestinians are actually saying. The Palestinian struggle is not directed against Jews. It has nothing to do with religion. What we are fighting against is a state that defines itself on the basis of one religious group or ethnicity. It is the apartheid that is opposed.

The only solution is the end of this apartheid and the creation of one state that is democratic and pluralist – in every sense. Where anyone who wishes to live may do so, regardless of how they identify themselves. Most importantly, where Palestinian refugees who wish to exercise their right of return have the ability to do so.

The easiest analogy to draw is with the South African struggle against apartheid. The struggle of black South Africans was not anti-white, it was anti-apartheid. They were accused of being anti-white, (and as an aside they were also accused of being terrorists), but their struggle was not a struggle against a race or religion, it was a struggle for humanity.

The Palestinian struggle is very similar. It is a struggle for justice – and because of that reason, it is a struggle for humanity. Although it sometimes appears different we are actually winning this struggle. This is why at every anti-war demonstration, Palestine features so prominently. It is why the Zionist movement is now so openly aligned with, and supported by, the most horrific anti-human force on the planet: the U.S. government. This recognition is also why more and more people of Jewish background are openly supporting the Palestinian struggle and identifying as anti-Zionist. **R**

Adam Hanieh is co-author of *Stolen Youth: The Politics of Israel's Detention of Palestinian Children* (2004), part of the Al-Awda Right of Return Coalition, and a member of CUPE 3903.

Iran, Globalization, and the U.S. Imperialist Agenda in the Middle East

Khashayar Hooshiyar

'Globalization' has been a continuous historical process of the expansion of capitalist social relations worldwide. A new phase of this process began early in the 1980s, when neoliberal ideologues won power in the USA and the UK and started the global implementation of their economic policies by 'carrot-and-stick' strategies. The development of this process in Iran has been slower in comparison to other 'Third World' countries in Latin America and Asia due to historical and conjunctural factors. With the conclusion of the Iran-Iraq war and Khomeini's death in the late 1980s, the rhetoric of the pre-1990s era was gradually replaced with a new pragmatism that amounted to increasing support for the privatization of Iran's economy and its integration into the global capitalist structure. Iran's full inclusion has, however, been impeded by its unwillingness to pay the required political price, both domestically and internationally.

The ascendancy of the neo-conservatives in the United States and their drive for empire in the Middle East through the military invasion and occupation of Afghanistan and Iraq has intensified this contradiction in Iran's policy. Iran's regional and domestic security concerns, combined with its unwillingness to give up its own hegemonic aspirations in the Middle East in exchange for inclusion in the U.S.-dominated capitalist club, has exacerbated the already tense and conflictual relationship between the U.S. Administration and Tehran. The recent consolidation of Iran's political system manifested in the election of the neo-conservative president Mahmoud Ahmadi-Nejad and Majlis (Iran's parliament) is the mullahs' direct response to the threats posed by the Bush Administration's 'war on terror' and deepening domestic and social challenges .

ISLAMIC REPUBLIC'S THEO-NEOLIBERALISM

Since the 1979 Revolution, Iran's political system has gone through five distinct stages. While the main objectives of the regime, namely the survival and expansion of Khomeiniism, have remained the same throughout these changes, the means of achieving them have changed dramatically. In the first phase, which began with the overthrow of the Pahlavi Monarchy and ended with the ousting of the first President of the Islamic Republic in 1981, Khomeini's regime succeeded in marginalizing and/or crushing almost all liberal, progressive, and socialist forces within the informal multi-class coalition that had helped overthrow the Monarchy. The second stage, the era of 'Revolution and War,' witnessed the brutal and pointless eight-year war between Iran and Iraq and ended with the death of Ayatollah Khomeini. This was a period in which the regime managed to use the war to consolidate its power and extend its grip over almost every aspect of Iranian society.

Increasing popular disillusionment and dissatisfaction with the presidency of Hashemi Rafsanjani and the leadership of Ali Khamenei (Khomeini's successor) put an end to the third stage, generally known as the 'Republic of Terror,' and brought Mohammad Khatami to the presidency in 1997. The fourth phase, the 'Reform Era,' failed to bring about the promised changes. The defeat of the 'reform movement' and rise to power of the newly-elected neo-conservative president Mahmoud Ahmadi-Nejad has signalled a new stage in the development of Iran's political system, with important domestic and international implications.

The development of Iran's political system, the changing of the guard, and Iran's foreign economic policy have always been closely related to two broad factions within the regime, pragmatic and hardliner. Although they have taken different forms at different times and advocated different strategies in response to domestic challenges and external threats, both factions have shown a strong desire for Iran's integration into the global capitalist economic system. Following the collapse of Shah's regime, the liberal governments of Bazargan and Banisadr advocated a moderate approach to the West and aimed at the normalization of capitalist relations of production in Iran. The orientation toward the capitalist system found a much stronger voice, however, after the hardliners' futile attempt to implement an Islamic banking system during the early years of the Revolution, as well as the deepening socio-economic crisis resulting from the prolonged war with Iraq.

Iran's drive for inclusion into the capitalist club found real momentum after Khomeini's death in 1989 and during the presidency of the powerful, business-backed mullah, Hashemi Rafsanjani. Proclaiming his intention to "reinstate Iran in the concert of nations," Rafsanjani (Khomeini's right-hand man and one of the leading figures of the Islamic Revolutionary Council in 1979) embarked on the implementation of neoliberal 'free-market' economic policies and normalization of relations with the United States. After Rafsanjani, Khatami's government continued his liberalization of Iran's economic system by privatizing state-controlled sectors, lowering trade barriers, opening the way for foreign investment in the oil, auto, and military industries, and cutting public subsidies. His economic reforms were supported by Rafsanjani who had been appointed the head of the powerful Expediency Council. In fact, Rafsanjani used his new position to further open Iran's economy to foreign investment and 'modernization.' He has been known "as a defender of property rights and IMF-style 'adjustments' in labour and banking laws."

Under the Rafsanjani and Khatami administrations, Iran took considerable steps toward integration into the global capitalist economy. Privatization, deregulation, and an end to multibillion-

dollar public subsidies dominated the economic policies of both presidents. The 2002 passage of Iran's first foreign investment law since the 1950s, aimed at opening up the economy, has been the keystone of these developments. According to the *Financial Times*, Parliament first approved the legislation a year ago, but it was vetoed by conservative clerics on the Council of Guardians, who argued the bill would "pave the way for foreign domination of the economy." They argued it contravened the constitution and Islamic Sharia law, but the law was finally passed when Rafsanjani's Expediency Council overruled the Council of Guardians. In passing the law, Mohsen Rezaei, a former commander of the Revolutionary Guards and the secretary of the Expediency Council said, "the Iranian establishment, including Ayatollah Ali Khamenei, was firmly in favour of foreign direct investment." The liberalization of the Tehran Stock Exchange and reductions in corporate and income taxes have been among other government measures encouraging foreign investment. Furthermore, in a dramatic ruling in 2004, Iranian courts ruled in favour of U.S.-based multinationals Proctor and Gamble and Time Warner in trademark infringement cases.

On the trade front, Iran has been lobbying hard to join the WTO since 1996. By seeking to join this imperialist institution, Iran has shown that it is more than willing to reduce tariffs on trade in goods and services and submit to the imperatives and scrutiny of global capitalism contained in the catch-phrase 'technical assistance to developing countries.' The United States alone was able to veto Iran's application to the WTO more than 20 times over the last decade. Contrary to the expressed aims of U.S. economic sanctions against the Islamic Republic, however, George W. Bush reversed U.S. opposition to Iran's WTO membership in 2005 under pressure from European leaders. Furthermore, he agreed to consider sales of commercial aircraft parts in March of that year. Trade relations between the European Union and Iran has also been flourishing and steadily increasing since 2003. For instance, in 2003, Iranian exports to the world's biggest trading bloc grew to €3.8 billion, up 28% from a year before. EU exports to Iran similarly grew from €3.7 billion to €4.3 billion over the same period.

The bankruptcy of Khomeini's 'revolutionary ideology' and the mullahs' anti-imperialist rhetoric is also evident in Iran's recent dealings with the World Bank. Under the stewardship of Paul Wolfowitz, a key architect of the Iraq invasion, the World Bank in May 2005 approved a total of $344 million in loans assisting Iran's water and sewer projects. In December 2005, a World Bank delegation planned to visit Iran in order to finalize a $700 million loan for related projects.

The theocratic capitalist regime has seen a 'normalization' of Iran's relationship with the West as the best way forward. The 'conservative' and 'reformer' camps differ only over the details of how to surrender Iran's economy and society to global neoliberal forces, their primary concern being their own social position in this process. They seek new sources of profit and share the same ambitions. The apparent division between these political factions are certainly not as stark as the imperialist propaganda machine claims them to be. Rather than a manifestation of substantial or irreconcilable political differences between these factions, they chiefly reflect different strategies for coping with an ever-growing domestic socio-political challenge and the vagaries of U.S. and European imperialism's approach to Iran .

That said, the two factions are the product of the contradictory socio-economic formation that emerged from the ruins of the Shah's regime, and in this respect, represent two somewhat conflictual ideological tendencies within the Iranian capitalist system. In the final analysis, the 'moderate' or 'reformist' faction, represented by the likes of Rafsanjani and Khatami, favours the continuation of the Shah's 'modernization policy' and the creation of a 'modern,' market-oriented, 'theo-hegemonic' capitalist state. By contrast, the 'conservative' or 'hardliner' faction, represented by Ahmadi-Nejad and his allies prefer a *dirigiste* model of capitalist state. For this reason, imperialist powers have been consistently sympathetic and supportive of the 'moderate' faction and accordingly adopted a more pragmatic approach to governments of Rafsanjani and Khatami.

The current entrenchment of the regime under Ahmadi-Nejad's administration seems to be more ideological and political than economic. Ahmadi-Nejad has assumed a defensive posture in light of the domestic socio-economic crisis and imperialist threats, but not so far as to close the door to multinational →

corporations and other agents of neoliberal globalization. This is evident in the statements issued by one high-ranking government official regarding Ahmadi-Nejad's commitment to the moderates' previous twenty-year economic plans. Furthermore, Ayatollah Khamenei's recent transfer of some of his own important decision-making powers to the powerful Expediency Council, led by Rafsanjani, is a clear indication of the regime's determination to assure the West that Iran will stay on its economic course, despite Ahmadi-Nejad's rhetoric.

THE ROOTS OF CONFLICT AND WHAT U.S. IMPERIALISM WANTS FROM IRAN

If economic issues are not at the core of the conflict between Iran and the USA, what then accounts for Iran's inclusion in 'the axis of evil' and the increasing political and military pressure on the mullahs? The answer lies in George W. Bush's declaration that "you are either with us or with the terrorists." In other words, the United States demands a full and unconditional compliance with the empire, or you will be labelled an enemy. In the U.S.-dominated world order, cutting social programs, violating human rights, destroying the environment, repressing workers' movements, and crushing dissent are worthy deeds, but not enough. It is only under conditions of absolute compliance that you will be considered a friend of the USA. If you abide by their rules and advance their interests, even if you are a terrorist, you are a 'good' terrorist (i.e. *their* terrorist). They will protect you, even if you are a torturer or a dictator.

The main quarrel with Iran is not just over Iran's attempt to build nuclear weapons or its support for Hamas, Hizbollah, Islamic Jihad, or resistance forces in Iraq. It is more than Iran's unwillingness to recognize the government of Israel. And it is definitely not Iran's total disrespect for human rights or its barbaric repression of the democratic aspirations of the Iranian people that lies at the source of the conflict. Even if Iran were to become a democracy tomorrow, recognize Israel, condemn terrorism, relinquish its drive for nuclear weapons, and withdraw its support for the groups on the U.S. 'terrorist list,' it would be highly unlikely to lead to the 'final resolution' of the U.S.-Iran conflict. As one observer of Iran-U.S. relations recently pointed out: "About the only way Iran would become a 'friend' of the U.S. would be if it became a vassal state, à la Afghanistan and, more recently, Iraq."

In the 9/11 era, the United States is pushing a new global imperialist agenda. Iran is seen as a major obstacle to the implementation of this strategy in the Middle East. Despite the fact there is not much left of its revolutionary fervour, Iran is still viewed by Washington as a major ideological and military force challenging U.S. hegemony in the region and beyond. U.S. assumptions are partially correct. Without a doubt, the Iranian regime has no desire or intention of becoming a pawn in U.S. imperialist design for the region. The complexities of Iran's political structure, the 1979 Revolution and the ideological and political legacies of Khomeiniism, and,Iran's position within Islamist movements and the Arab world would not permit such a drastic compromise, regardless of whether or not such an inclination exists within the Iranian ruling class.

The key to the survival of the regime so far has been its uncompromising position on three interrelated principles: domestic despotism, export of the Islamic Revolution, and political independence. With respect to the first, Rafsanjani once said: "we will never repeat the Shah's mistake of reforming the political system" – referring to the Shah's liberalization of Iran's politics and his democratic gestures at the outset of the Revolution. On the second principle, the regime is still actively involved (albeit on a reduced scale) in providing ideological, logistic, and financial support for a variety of Islamist movements from Lebanon to Iraq. With respect to the third principle, the Islamic regime came to power without the direct endorsement of the West, positioning themselves at the head of the mobilized masses. Consequently, the clerical regime at one time enjoyed a considerable social base, allowing it a certain degree of political independence from Western imperialism. This, in turn, has made the new regime highly suspect in Washington. While the regime has lost most of its vast social base and popularity, slogans and an anti-imperialist posture remain a factor in keeping its repressive forces (namely the Revolutionary Guard, Basijis, and the Intelligence service) loyal to the regime. Iran's enduring political independence has also increased its manoeuvrability, both within the region and in relations with radical Islamist forces outside Iran.

While Iran has rejected subjugation, it has not ruled out 'normalization' of relations with the West, particularly the United States. In line with Rafsanjani's rapprochement efforts in the 1990s, the neo-conservative government of Ahmadi-Nejad has also been showing a certain degree of willingness to engage with the USA, as evident in comments made by the deputy foreign minister

Mohammad-Reza Baghari. In a recent address to U.S. civilian and military officials in Bahrain, Mr. Bagheri expressed his disappointment with Bush's 'axis of evil' speech, especially given Iran's cooperation with U.S. forces in Afghanistan. Baheri restated Tehran's willingness to assist US interests in Iraq, emphasizing that it expected a 'sincere' recognition of its role.

In fact, all factions within the regime have shown their willingness to 'normalize' their relationship with anyone, even their arch-enemy, U.S. imperialism. According to Rafsanjani:

> "As Muslims we have no problem with resolving any of the foreign issues facing us… We have a tenet in Islam which is the precedence of the expediency of power over the expediency of weakness… In principle, the Expediency Council has been created on the basis of this need. To endanger our country and imagine that we are acting in an Islamic way is not Islamic."

In his 'religious' justification of Iran's efforts to establish 'normal' relations with the 'Great Satan,' the survival of the regime is the main concern. The only thing Iran wants from the U.S. in return for its *limited* compliance and cooperation (perhaps even full compliance, if it were not for certain fundamental domestic imperatives) is to be recognized and respected as a major military and political player in the politics of the region, not as merely another pawn in the American empire. This, however, is in contradiction with the U.S. strategic plans for the world and the Middle East.

Nonetheless, it seems that both parties have come to realize that they are on a collision course rather than a path toward 'peaceful' coexistence in the region. The Americans justify their stance by pointing to Iran's refusal to recognize Israel or stop nuclear activities, its support for militant Islamist forces, its human rights record, and its troublemaking in Iraq. The U.S. also considers Iran a threat to its objectives in Central Asia, which include the exploitation of the region's huge oil and gas reserves. Iran has already built a gas pipeline from Turkmenistan, and is engaged in negotiations with New Delhi regarding the construction of another pipeline to India. Tehran's own designs are undermining the plans of Washington and American multinational corporations for alternate pipeline routes through the Caucasus and Turkey, or possibly through Afghanistan. Consequently, the idea of overthrowing the Iranian regime, an idea raised by Bush's inclusion of Iran in the 'axis of evil,' is now being pursued more seriously.

The main question being contemplated by the neo-cons in Washington is now less about *what* to do with Iran, and more about *when* and *how* to bring about the desired 'regime change.' As far as Iran is concerned, the U.S. invasion and occupation of Iraq and Afghanistan, and the presence of massive U.S. military forces on its borders, is a direct military threat to its national security. As Aijaz Ahmad notes:

> "We have plenty of documents telling us that preparations for the invasion of Iran – with varying scripts and objectives – have been going on for at least three years, not just conceptually but in terms of actual military preparations: war games, positioning of men and materials all the way from Azerbaijan to the Gulf waters, not to speak of Iraqi territory itself, or negotiations for use of Turkish air space for that matter. So far, an actual invasion of Iran has been stalled due to the sheer scale of Iraqi resistance, the internal disarray of U.S. armed forces, and Iran's own ability to unleash vast forces against the U.S. in Iraq, Afghanistan and Lebanon."

The hardliners' consolidation of power in Iran, which has culminated in the militarization of Iranian politics and the installation of a neo-conservative parliament and president, is the mullahs' direct response to Bush's 'regime change' strategy.

THE ENEMY OF MY ENEMY IS NOT MY FRIEND

Despite their apparent contradictions and differences, the Iranian theocracy and U.S. imperialism are two sides of the same historical coin. The Iranian regime's conflict with imperialism is not about people's democracy, freedom or socialism, nor do the mullahs represent the interests of the oppressed and exploited workers of Iran. Furthermore, Iran's opposition to the U.S. invasion and occupation of Iraq and Afghanistan is in fact superficial; indeed, Iran's ruling elite cannot hide their delight over the removal of their two erstwhile strategic enemies in the region, Saddam Hussein and the Taliban.

The current fight between the reactionary capitalist regime in Tehran and the neo-conservatives in Washington is not our fight; their cause has no relationship to the ideals and objectives of socialists and progressive forces in Iran, Canada, or around the world. The 'anti-imperialism' of the Islamic Republic, the U.S. imperialist 'war on terror,' and George Bush's call for the 'democratization' of the Middle East all serve the interests of the ruling class in Tehran and the financial giants, multinational corporations, and petro-military industry of the United States. Socialists can and must take advantage of the contradictions between Iran and the USA, but we must be careful not to become the ally of either one of them, and we must not allow either one to use our concern for democracy, freedom, equality, and justice to their own advantage.

More than 25 years of repression, exploitation, and corruption have turned Iran into a social powder keg. Social and political problems that led to the 1979 Revolution have not only remained unresolved, but unemployment, underemployment, inflation, class disparities, and poverty have grown to unprecedented levels. Now that the phoney reform movements have been defeated, the main factors preventing the overthrow of this repressive and reactionary regime are increasing revenues from the oil and gas industry, and the regime's own ruthlessness in crushing any dissent before it can develop into an organized force. Yet as the modern history of Iran suggests, Iran's working people and other oppressed forces amply possess the capability and determination to organize and defend their rights. **R**

Khashayar Hooshiyar teaches part-time at York University and is a member of CUPE 3903 and founder/editor of *Iran Review*.

Imperialism and Neoliberalism in the Middle East

Adam Hanieh

Since the late 1980s, international financial institutions (IFIs) such as the World Bank and International Monetary Fund (IMF), along with the governments of the advanced capitalist core, have spearheaded the breaking up and reconfiguration of Middle East economies along neoliberal lines. The basic features of neoliberalism reinforce the fundamentally imperialist nature of the global economic order; the structural and systematic domination of the majority of the world's states by a handful of advanced capitalist countries. Neoliberal restructuring acts to facilitate the defining characteristic of this imperialism – the transfer of value from the Third World to the advanced capitalist core. This article examines some of the basic mechanisms of these transfers from the Middle East region (leaving out Israel, Iraq and the Palestinian Territories because of data limits and their particularity) throughout the 1990s, and the tension of unity and rivalry within the imperialist bloc that characterizes its interaction with the Middle East.

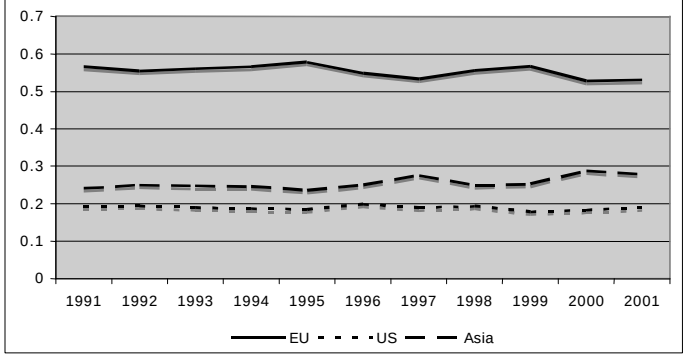
A consistent tradition of Marxist political economy has argued that it is necessary to understand different geographical spaces within the world economy as a dialectical unity of development and underdevelopment. Ernest Mandel put this concept in his *Late Capitalism* (1983, p. 103) as follows:

> The entire capitalist system thus appears as a hierarchical structure of different levels of productivity, and as the outcome of the uneven and combined development of states, regions, branches of industry and firms, unleashed by the quest for surplus-profit. It forms an integrated unity, but it is an integrated unity of non-homogeneous parts, and it is precisely the unity that here determines the lack of homogeneity. In this whole system development and underdevelopment reciprocally determine each other, for while the quest for surplus-profits constitutes the prime motive power behind the mechanisms of growth, surplus-profits can only be achieved at the expense of less productive countries, regions and branches of production. Hence development takes place only in juxtaposition with underdevelopment; it perpetuates the latter and itself develops thanks to this perpetuation.

Mandel's approach alerts us to the importance of examining the ways in which value is transferred between different spaces of the global economy. There are several mechanisms by which this value transfer can take place: transfers from low organic composition industries to high organic composition industries as part of the mechanism of distributing social labor time, transfers within the same industry that take place through the price mechanism as more efficient producers appropriate value from less efficient producers, the transfer of value that takes place through repatriation of profits by multinationals located in the periphery from sales that are made in the periphery, and transfers due to debt repayments. These mechanisms of value transfer are manifest in flows and stocks of money, trade and investment between the Third World and the advanced capitalist core.

The advanced capitalist countries stand as a unity in opposition to the Third World bloc as part of the dialectic of development and underdevelopment described by Mandel. Nevertheless, as the classical theories of imperialism emphasized, this unity is also characterized by competition and rivalry between each of the advanced capitalist states. How has this combination of unity and rivalry evolved under the impact of neoliberalism in the Middle East? One way of mapping this evolution is through tracing the relationship between the region as a whole and the three major capitalist blocs the United States (U.S.), the European Unions (EU) and Asia (which we include as Japan and China, with the caution that China's place as an imperialist power is clearly problematic, but its economic relations with the Middle East nonetheless of increasing importance). Four measures of relative integration with the blocs can be used as a proxy for the changing patterns of value transfers under neoliberal structural adjustment: trade integration, foreign direct investment (FDI) flows, debt transfers and labour migration.

Figure 1:
Relative Share of Imperialist Blocs in Middle East Bloc Trade (1991-2001)



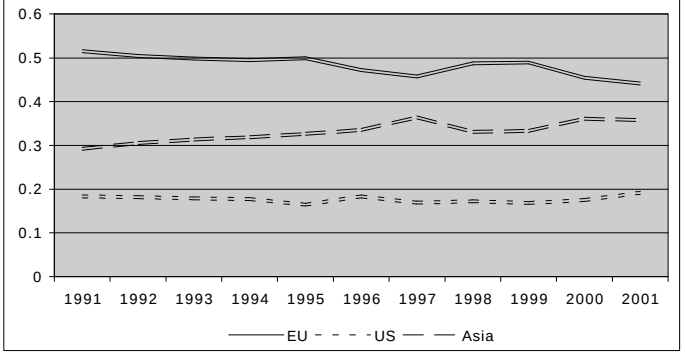
1. Trade Integration

Figure 1 shows trade between the region and each of the three imperialist blocs as a percentage of the total value of bloc trade

(the total trade going to U.S., the EU and Asia exclusive of other trade to other areas). This graph demonstrates two features of the relationship between the area and the imperialist bloc: first, the major trading partner has consistently been Europe, with over 50% of the value of trade with the imperialist blocs going to this area. Second, Europe has maintained this dominant position over the 1990s. Since the mid-1990s, however, there has been a slight shift away from Europe toward trade with Asia. The U.S. share has remained fairly constant.

A more detailed breakdown of export and import trends indicates that at the beginning of the decade Europe supplied 62% of core bloc imports to the Middle East and received 52% of the Middle East exports destined for one of the three major blocs. While import patterns from the blocs remained constant throughout the decade a significant shift took place in exports from the region to the blocs. By the end of the decade, the European share of exports received from the region had dropped to 44% while imports remained constant (see Figure 2). The region's exports to Europe shifted toward the Asian bloc, which received 36% of Middle East bloc exports by 2001, up from 20% in 1991. The U.S. share of exports remained constant.

Figure 2:
Share of Imperialist Blocs in Middle East Bloc Exports (1991-2001)



2. Foreign Direct Investment

Through the 1990s, the region received on average one percent of global FDI compared to its contribution of 2% of world GDP. During this period FDI inflows were concentrated in six countries: Egypt, Jordan, Morocco, Oman, Saudi Arabia and Tunisia. Sectors most attractive to FDI were the oil sector, petrochemicals and manufacturing especially textiles and minerals.

One of the difficulties in tracking FDI flows is that data are generally not broken down for both geographical source and host countries. Furthermore, statistical information on FDI flows to the Middle East region is not disaggregated by bloc due to the relatively small inflows involved. Information from the OECD *International Direct Investment Statistics Yearbook*, however, enables a rough calculation to be made for FDI stock held by each of the major imperialist blocs in the Middle East (this data source does not include China).

Figure 3 indicates that the U.S. has consistently held the biggest stock of FDI in the region. At the beginning of the 1990s this made up around 50% of total FDI stock held by the major blocs (the U.S. share was just over $5 billion of a $10 billion FDI total stock). By the mid-1990s the proportion held by the U.S. had increased to 62%, dropping down to 55% by the end of the decade. By 2001, total FDI stock from the core countries stood at just over US$26 billion. The share held by the EU was the lowest of the three blocs at the beginning of the decade (22%) but this had nearly doubled by 2000-2001 to 40% of bloc FDI (China is not included in this data and this absence probably distorts the recent trend for Asia quite considerably given that China has recently made significant purchases in the region , particularly Egypt and the Gulf regions). This massive increase in FDI from Europe occurred in the late 1990s. UK FDI in Egypt increased by 400% between1999-2000, Germany's FDI position in the Gulf increased by 92% between 1999 and 2001, and more than doubled in both Egypt and Morocco from 1998 to 2001. In 1999, Germany began very large investments in Libya (in 2000 Germany held more stock in Libya than it did in any other country in the region). France also increased its stock in Egypt by more than 600% between 1997 and 2001 and 400% in the Gulf between 1999 and 2001. The impact of the Asian crisis in the late 1990s can be seen in the precipitous drop in Japanese FDI.

3. Debt Transfers

Another measure of value transfer between the region and the core is the servicing of debt. In 1991, total debt owed by the region stood at around 74% of the region's GDP with the largest absolute debts owed by Egypt, Syria, Algeria and Morocco. From 1991-2000 the region paid back more than $138 billion in debt repayments on interest and principal, more than the total amount originally owed in 1991 ($128 billion). Nevertheless, debt →

Figure 3: Proportion of FDI Stock from EU, U.S., Japan in Middle East Region

Bloc	1991-1992	1995-1996	2000-2001
EU	0.22	0.24	0.40
US	0.50	0.62	0.55
Japan	0.33	0.24	0.05

Calculated from International Direct Investment Statistics Yearbook, OECD.

outstanding in 2000 remained at close to $122 billion. The net transfer of dollars out of the region averaged $4.3 billion annually from 1991-2000. For every $1 that was distributed to the region in aid and loans during the decade, $1.45 flowed back to the core in interest and principal repayments (calculated as the proportion of average annual disbursements to the sum of principal and interest repayments). By 1999, the three countries Jordan, Morocco and Tunisia were spending more on debt service than they were on education; all three spend twice as much on debt service than they do on health care.

The role of debt in the neoliberal restructuring process is clear from the institutional profile of the debt. There are three types of public debt: multilateral debt (debt owed to international organizations such as the World Bank and IMF); bilateral debt (debt owed to other governments); and private debt (debt owed to private entities – usually large banks – such as Citigroup). From the beginning of the decade, the share of official debt (debt from bilateral or multilateral sources) increased from 68% to 80% of the total disbursements with the largest increase coming from multilateral institutions such as the World Bank and IMF (see Figure 4). This increase reflects the use of debt as an important weapon in the enforcement of neoliberal restructuring.

Debt cancellation has also been used as a means to guarantee political support for imperialist actions in the region; in 1995 Jordan received close to $800 million in debt cancellation from Germany, the USA and the UK for signing a normalization agreement with Israel. Egypt had earlier received a $14 billion cancellation for supporting the U.S.-led invasion of Iraq in 1990. In both cases, the cancellation was accompanied by an acceleration of structural adjustment under IMF auspices.

Despite the fact that official debt has consistently been the largest share of debt disbursed to the region, most of the payments from the Middle East go to the private sector in the core. At the beginning of the decade, around 65% of debt service payments were going to private institutions with multilateral and bilateral debt constituting 16 and 18% respectively. In other words, despite the fact the private sector had contributed only around 1/3 of the total debt to the region it was receiving 2/3 of the payments made on the total debt. By the end of the decade the private sector was responsible for about 1/5 of total debt to the region, it was, nevertheless, receiving just under 1/2 of the total repayments.

4. Labour Flows

One final measure of the region's relationship with the imperialist core is the migration of labour. Worker remittances form a very major component of the GDP of many countries in the region. As reported in the World Bank study, *Trade, Investment, and Development in the Middle East and North Africa: Engaging with the World* (2003), from 1998 to 2000, 20% of Jordan's GDP came from this source, Egypt 4.2%, Morocco 5.8%, Syria 3%, Tunisia 3.6% and Algeria 1.9%. This trend began in the 1960s when workers from the region migrated to low-skill industrial jobs in Belgium, France and the Netherlands. The pattern shifted slightly during the 1980s and 90s toward work in the southern European countries, with a large component of this work considered 'illegal.' The main countries involved in labour migration to the core are Morocco, Tunisia and Algeria whose nationals represent from 20 to 40% of the foreign born population of their host countries in Europe (World Bank 2003b: 86). The figure may even be greater as many of the workers are undocumented, particularly those from Algeria.

The World Bank has recently urged the EU to set up agreements to make better use of the skilled, cheap labour in the re-

Figure 4: Debt Flows from the Middle East 1991-2000

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
External Public Debt										
Bilateral	66213	66132	66532	73839	79808	80426	76599	78536	74970	71010
Multilateral	20089	20540	22022	24290	26245	26534	25155	27405	27368	26164
Private	40895	38233	36018	35547	34439	31051	26622	26300	25393	24666
TOTAL	127197	124905	124572	133676	140492	138011	128376	13224	127731	121840
Share of Debt										
Bilateral	0.52	0.53	0.53	0.55	0.57	0.58	0.60	0.59	0.59	0.58
Multilateral	0.16	0.16	0.18	0.18	0.19	0.19	0.20	0.21	0.21	0.21
Private	0.32	0.31	0.29	0.27	0.24	0.22	0.20	0.20	0.20	0.20
Net Transfers										
Bilateral	1669	-588	-1294	-1368	-1892	-2024	-2729	-3565	-2966	-2960
Multilateral	-89	97	175	-116	62	164	-1064	-659	-738	-1490
Private	-4011	-3872	-3353	-1059	-655	-1824	-1406	-1974	-2010	-1455
TOTAL	-2431	-4363	-4472	-2543	-2485	-3684	-5199	-6198	-5714	-5905

Debt figures in millions of U.S. dollars at year-end. Figures calculated from Arab Monetary Fund, Balance of Payments and External Debt Statistics 1991-2001, Tables 25, 26, 27, 53, 54, 55. Net Transfer = Total disbursement - principal repayment - interest repayments.

gion. One of the benefits of such a scheme to European capital is that costs of reproducing labour are minimized, especially those costs that have been won through earlier European working class struggle such as pensions and family support. For these reasons, tightly regulated schemes that require the migrant workers to return to their home country are essential. Such an agreement is even envisioned as a carrot for speeding up the process of neoliberal structuring in the region. The World Bank report comments:

> It should be possible for the host country to adjust the size and skill mixes of the inflows – and to include incentives for the workers to go back at the end of their contracts. At an early stage, such a scheme could focus on workers with a certain minimum level of skill, say, those with secondary school education. The available pool of such workers from Egypt, Jordan, Morocco, and Tunisia amounts to less than 7 percent of the EU labour force… and MENA countries might find it easier to move faster on liberalizing their finance, telecommunications, electricity, and transport services markets if they were offered enhanced labour access in the bargain.

5. Imperialism and the Middle East Region

While neoliberal restructuring represents the unity of interests of internationalized capital in the core, it is simultaneously shaped through inter-bloc rivalry and competition. Europe is a major destination for trade and labour flows and over the decade has become an increasingly important source of FDI. The U.S. receives much less trade but has remained the largest source of FDI. FDI from Asia dropped dramatically over the decade but trade has increased significantly at the expense of the EU. Net flows through debt service payments remain solidly away from the region.

Each of the relationships between the region and the core discussed above – trade, FDI, debt flows, and labor migration – represent a form of value transfer between the two geographical areas and reinforce the process of uneven and combined development described by Mandel. The process of neoliberal reconfiguration is designed to increase the rate and quantity of these flows through increasing the sphere of activities subject to the law of value (as with the privatization of state sectors) and dismantling mechanisms that divert value away from the center (as in the cases of protectionist tariffs or discriminatory taxes). The distribution of debt servicing indicates that one of the primary beneficiaries of this value transfer has been private capital in the core. This is a further example of the way neoliberal restructuring has been implemented by states and IFIs in the interests of internationalized capital.

A detailed analysis of these value flows would be important to undertake. It is, however, possible to take a proxy measure of different levels of relative productivity between the Middle East region and the U.S. as a partial measure of the way value has been transferred to the latter. Figure 5 displays the ratio of Gross Domestic Product (GDP) per capita based on purchasing power parity (PPP) for the Middle East North Africa (MENA) region as a whole and the USA, and the Mashreq (Egypt, Jordan, Syria and Lebanon)and Maghreb (Algeria, Tunisia, Morocco, Libya and Mauritania) sub-regions to the USA. This graph shows the relative per capita value added of the population of the MENA region and Mashreq and Maghreb sub-regions in international dollars (a dollar with the same purchasing power over GDP as the U.S. dollar has in the United States) and is a rough indication of the number of MENA workers (or Mashreq and Maghreb workers) that are required to appropriate the same value as one U.S. worker (as a rough proxy measure of relative productivity, and not meant to imply any direct equivalence with Marxist categories).

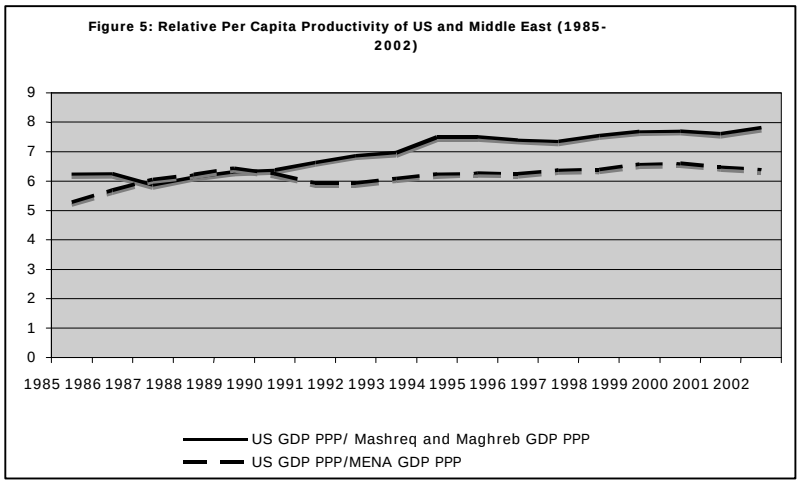


Figure 5 demonstrates that from the mid-1980s to 2002 there was a very sharp deterioration of the order of around 20% in the relative value of labour in the MENA region vis-à-vis that of the USA. In other words, around 20% more labour time was required by a MENA worker in 2002 to produce the same magnitude of value vis-à-vis a U.S. worker as they did in 1985. In order to compensate for the affect of oil price movements, the graph also shows the same ratio for just the Mashreq and Maghreb sub-regions (meaning without the oil rich *Gulf Cooperation Council* countries, composed of Saudi Arabia, United Arab Emirates, Bahrain, Kuwait, Oman and Qatar). In this case, the drop has been even larger, in the order of 30%.

This is precisely what we would expect from an analysis of value flows based on the framework suggested by Mandel at the beginning of this article. Unequal exchange in trade, the repatriation of profits, royalties and taxes through FDI projects, the state of permanent indebtedness and the direct transfer of labour power through migration all suggest that net value moves out of the region to the core. One of the tentative conclusions that we can draw from this is that neoliberalism has accelerated the rate and mass of value transferred from the Middle East region to the imperialist core. **R**

Adam Hanieh is an activist in Palestinian solidarity movements and a member of CUPE 3903.

U.S. Imperial Strategies in the Middle East

Angela Joya

The British writer Peter Gowan has remarked that the current expansion of liberal democracy can be better understood as the expansion of 'cosmopolitan neoliberalism,' whereby one state, the USA, has acquired special prerogatives at the expense of all other states. With such extended powers, the U.S. aims to harmonize and synchronize laws, institutions and political systems across the world. We can observe examples of this in Egypt and Syria (and Saudi Arabia), where constitutional amendments in a liberal democratic direction have shaped the current political debate in these societies.

The post Cold War era began with the U.S. state displaying its global power in its first war on Iraq in 1991, which at the same time challenging European states by extending NATO powers to Eastern Europe. The new aspect of American imperialism is to be found in the intertwining of a liberal internationalist focus on the institutions of global governance, with the cold war concerns of anarchy and security displayed within the second Bush administration. The consequence of this shift for the Middle East has arguably been the renewed significance of liberal democratic institutions in facilitating market functioning. Of all the regions of the world, the Middle East presents a great obstacle to establishing institutions that facilitate the free flow of capital. Pursuing this goal, the National Endowment for Democracy (NED) has carried out numerous projects promoting free enterprise in multiple Middle Eastern countries (Afghanistan, Iraq, Jordan, and Morocco so far).

Underlying America's imperialist policies is the reconstituting of the political, legal and economic landscapes in the region, all under the rubric of security and democracy. These goals of American policy are in unison with the conditionalities set by the World Bank and IMF for the Third World. These demands are often phrased in the following terms: good governance, a small state sector and the opening up of the economy in order to attract foreign and domestic investors. The goal of these international financial institutions is not simply to dismantle the public sector due to inefficiency; rather, they intend to sow the roots of market mechanisms in the Middle East, thereby formally institutionalizing the supremacy of capital over labour.

Furthermore, the current activities of the U.S. and other capitalist interests in the Middle East aims to revamp the region in a manner that would guarantee accumulation without creating or causing uncertainties for the movement of capital. It is clear, from the range of official U.S. government documents and the right-wing think tanks, that Middle Eastern ruling elites are provided with a single option, and that is to embrace liberal democratic reforms (competing political parties, free and regular elections, free media, private property, rule of law, and withdrawal of the state from its redistributive functions while fully privatizing their economies). If these reforms are not implemented, just as in the case of Iraq, the U.S. threatens to intervene more directly to bring 'democracy' to 'the people' of the Middle East. Fearing being removed from power, Middle Eastern governments have complied with U.S. demands, although only to the degree that their power is not compromised. They have been actively expanding the reach of capital investment within their territories while at the same time curbing their own redistributive role. To create an investment friendly environment, governments have kept a tight hold on labour as a condition for higher investment opportunities.

The U.S. intends to integrate the Middle East into the global economy so that abiding by the rules of the world market would become a responsibility of the states in the Middle East. Perhaps the 'newness' in U.S. policy is marked in the method of achieving an expanding range of goals. This method entails a reorganization of domestic political, economic and juridical institutions with the constant threat of military intervention in cases of non-compliance.

'GREATER MIDDLE EAST INITIATIVE'

The other aspect of U.S. global policy entails the maintenance of security within the national borders of these states. The U.S. has now recognized that without political reform, economic reforms will lead to instability. This was first mentioned in the 'Greater Middle East Initiative' as part of the project *Rebuilding America's Defenses* in 2000. The United States believes that dissent can be absorbed through political reform, something that the elite would resist as it would destroy the basis of their power by creating space for political struggles (as is happening in Egypt with the Muslim Brotherhood).

According to the Bush Administration's policy advisors, there is a strong link between the disconnectedness of societies from the global economy and the level of violence. Hence, globalization and further integration into the global economy have been recommended as the key to reduced violence, more security, prosperity, and stability. In its global constabulary role, the U.S. seems adamant in bringing this change in the Middle East, albeit masked under the banner of democracy and freedom. The new U.S. policy in the Middle East, announced by Bush in November 2003, pursues a 'forward strategy of freedom' throughout the Middle East. Freedom, as articulated by the Bush administration, means freedom of capital, freedom of the market and freedom of commodities to circulate around the world. It is hard to find evidence of how such mechanisms would solve the deeper problems of the poor or the unemployed. Rather than addressing the root causes of violence, and the resentful attitudes toward the U.S. and other capitalist powers, America's policy of transplanting freedom and democracy is intent on bringing market reform, security and sta-

bility for investors in the Middle East.

The main goal of the USA, then, is to connect the *disconnected* societies to the *connected* part of the world. If achieved, it is argued that it would solve a number of problems such as poverty, resentment toward the West, social conflicts, political frustration, etc. This shift in American policy is reflected in the increasing influence of neo-cons, such as the Cato institute, the Heritage Foundation, and the National Endowment for Democracy, on American foreign policy. Clearly, American demands from the rest of the world are ridden by neo-con right-wing ideology. This ideology centres on a blind faith in the role of free enterprise and the market as perfect allocators of resources. Nothing other than the market can be tolerated. This particular side of the Bush Administration was exposed in the actions of Paul Bremmer, who rewrote the Iraqi constitution, removing all obstacles to the development of private property. The realities in Iraq since then have proven that such ideologically motivated plans will not be realized easily.

Under the current U.S. Administration, market reform has been, to an astonishing degree, enveloped in the language of freedom and democracy. In addition, the American general public are constantly reminded of a strong correlation between peace (non-violence) and free enterprise, which has provided legitimation for pre-emptive American interventions in the Middle East. Reform in the Middle East has been presented as a prerequisite and basis for security and peace in the north. As stated in George W. Bush's speech, it is widely argued that the west has become the main point of envy of the third world, especially the Middle East. The only way to deal with this is to globalize the Middle East, by expanding their global trading capacity, liberalizing investment and exploring the potential markets of this region. All of this would require the establishing of political institutions, free and competing elections, as well as a free judiciary and open, uncensored media. In such a context of transparency and security, global investors would flood Middle Eastern states and the people of the region would finally be able to realize their ultimate potential. Such has been the promises pronounced by the current U.S. president as well as the influential U.S. think tanks.

The flip side of this project of the U.S. is that it would reveal the actual interests served by such schemes and designs. It is not the poor and ordinary citizens of the Middle East who would mainly benefit from such plans. Rather, it is the domestic and foreign elites and investors, scrambling for opportunities to invest their capital, which will benefit most from this process of reform. Introducing a wide range of economic, political and juridical reforms would secure the region by making it easier for private investors to make investment decisions under conditions of political stability and transparency. In addition to this, once opened, Middle Eastern labour, consumers and natural resources present great opportunities for diverse capitalist interests (both U.S. and other). The project, in short, entails uprooting the existing political and economic arrangements to put in place a more rigid, formalized set of institutions that facilitate and enhance accumulation opportunities in the Middle East as well as in the rest of the developing world.

What is the significance of Iraq in this larger project of U.S. imperialism? From the perspective of U.S. policy advisors, it is the disconnectedness of Iraq from the global economy that posed a threat to U.S. imperialism. The successful rebuilding of Iraq as a neo-con utopia is crucial to all U.S. missions in the Middle East, and perhaps the rest of the world. The Bush Administration believes the privatization of Iraq could have a ripple effect that would initiate a wider process of political, economic and social changes in the whole region. In Bush's words, "The establishment of a free Iraq at the heart of the Middle East will be a watershed event in the global democratic revolution." Hence, the U.S. will achieve the goal of integrating the non-integrated gap.

OBSTACLES TO THE U.S. IMPERIAL PROJECT?

Naomi Klein has argued that despite the full-fledged push toward integrating Iraq into the global economy, there are real hurdles that would either prevent or radically slow down such a process. The U.S. has not succeeded in winning the hearts of Iraqi people. Beside this failure, the stark reality of poverty, unemployment and threat to public sector jobs have led to the formation of different types of popular resistance movements.

What chance of success does the U.S. possess in the rest of the Middle East? The track record of the U.S. and international financial institutions' push for implementing liberalization has left negative memories among the Middle Eastern populace. Soederberg argues that the era of neoliberal globalization has reached its point of crisis in the south. She writes, "The dangerous combination of the dwindling levels of public support for market-led restructuring and austerity packages, on the one hand, and shrinking room for manoeuvre regarding national economic and social policy formation, on the other, has led to a crisis of neoliberal governance in the south." This crisis of neoliberalism poses a great threat to U.S. imperialist designs.

Throughout the 1980s, the process of economic liberalization was subject to political class struggles in the Middle East. Governments were forced to be sensitive in adopting liberalization policies, although at times governments acted with an iron fist and imposed reforms in order to deal with the burden of debt repayments. As a result of the liberalization processes, workers, as well as the poor and the unemployed, became more vulnerable to the dictates of global capitalism. It is important to note that such reforms also carried a political cost, namely the decline in legitimacy of ruling Third World elites and the rise of alternative political groups such as Islamic fundamentalists.

As the distributive functions of the state have eroded and its coercive powers have increased, this has given rise to civil wars, as in Algeria and Lebanon in the 1980s; riots; protests and; most importantly, to the de-legitimization of the state. The rise of Islamic fundamentalism as an alternative represents the nightmare of capitalist powers, both in the north and in the south. This new development poses a great obstacle to U.S. global power and its goal of reproducing capitalism around the globe. **R**

Angela Joya is doing research on the political economy of the Middle East and is a member of the Canadian Middle East Socialists Network.

No Blood for Oil?

Peak Oil and U.S. Imperialism

Tom Keefer

The USA's invasion and continuing occupation of Iraq stands as the source of one of the most significant political fault lines in the world today. With over 100,000 Iraqis killed since the beginning of "Operation Iraqi Liberation" (and a million more dead from a decade of sanctions and the first Gulf War), the war in Iraq is a harsh example of the brutality and viciousness of the U.S. ruling class. Of significant importance for global struggles against imperialism, the invasion of Iraq sparked the largest coordinated protests in world history, and the long-running insurgency against U.S. occupation is having far-reaching effects on U.S. military and political capacities. With over 2000 U.S. soldiers killed in combat, $250 billion spent on the war, and no end in sight, the situation can in some cases be compared to the debacle of the Vietnam War for its potential impacts on the radicalization of social struggles and the political difficulties it is creating for the U.S. ruling class.

Many of those opposed to the war have rallied behind the slogan 'no blood for oil' and have argued that the war in Iraq is a war for control of the immense amounts of oil which remain under Iraq's soil. With estimates of Iraq's oil reserves ranging between 120 and 300 billion barrels of oil (a magnitude in line with the oilfields of Saudi Arabia), control over Iraqi oil could, it is argued, provide the United States with a means to prolong its position of global dominance and forestall the rise of a 'multipolar world' occasioned by the industrialization of China and other large third world countries. In contrast to this argument, other activists and theorists see the privileging of oil as the explanatory factor of the war in Iraq as inaccurate and simplistic. In an article published in the *London Review of Books* and in their recent book *Afflicted Powers: Capital and Spectacle in a New Age of War* (Verso, 2005), Retort, a group of San Francisco activists, contend that the blood for oil argument does not account for the true nature of capitalist politics:

> We distrust [the 'blood for oil' argument's] false transparency. We think it *aspires* to be an economic explanation of history, but is really still locked inside a 'hero-and-villains' vision of social process. It revolves around the (malign) power of a single commodity, substituting the facticty of oil (and oil men) for the complex, partially *non*-factual imperatives of capital accumulation.

Retort is certainly correct that many arguments around the war in Iraq can devolve into a conspiratorial framework unduly focused on a specific sector of U.S. capitalism, and thus lead to a real underestimation of the political project required to end the occupation of Iraq and imperialist domination more generally. But the fact that there are reductionist 'blood for oil' arguments does not take away from the fact that control over global oil reserves has been central to the rise of US hegemony and remains vital to the continuation of its global rule. Retort too easily dismisses the growing consensus that global production of oil is facing an imminent 'peak' and will begin a long-term and irrevocable decline at some point within the next two decades. Equally problematic, they underestimate the centrality of oil in the replication and maintenance of global capitalism today and fail to address the fact that there are no ready substitutes for oil either as a raw material or as a source of energy.

The concept of 'peak oil' was first publicized in the 1950s by petroleum geologist M. King Hubbert's use of an analysis of aggregated oilfield production and depletion to accurately predict the peaking of U.S. oil production in 1971. Since that point, U.S. oil production has steadily declined despite dramatic efforts to expand exploration offshore and to apply new technology to recover extra oil. Today, the USA, which has cumulatively produced more oil than any other country in the world, produces 39% less oil than it did in 1971, with declining national production made up for by rapidly increasing imports. The phenomenon of peak oil does not represent the 'end of oil' but rather the high point of global oil extraction, which is correlated to roughly the midpoint of extraction of total world oil supplies. On a global scale, after peak oil is reached, there will still be about half as much oil left in the ground as that which we have used to date, but it will be increasingly of the unconventional kind and harder to extract and process.

In an age of cheap and plentiful oil it is easy to overlook the centrality of oil to advanced capitalist societies even though, as a raw material, it provides much of the fabric for our daily lives. Whether in the plastics of our cars or computers, the synthetic materials in our clothing and footwear, or in the fertilizer and fuel necessary for modern agriculture, oil as a raw material is, in the words of one petroleum geologist, "too precious to be burned in combustion engines." Oil products are used heavily in construction both as a raw material and as a fuel to power heavy construction machinery, and the basis for all of our highways and roads is the heavy oil left at the end of the refining process, which also find its way into asphalt shingles and roofing tar. Oil and other hydrocarbons are the basic building block for the petrochemical industry, which provides the plastics industry as a whole, and its use is crucial for the production of other commodities in the high-technology and military sectors.

Aside from its use as a raw material, oil when used as a fuel is responsible for over 40% of the world's primary energy generation, and 90% of the world's transportation energy. Since the First World War, oil as a commodity has also had an inescapably stra-

tegic value, as all the major militaries have used oil to fuel the vehicles for their armies, navies, air forces and supply trains. Today, the U.S. military is the world's largest single consumer of oil, and in a sense, is mostly made up of oil. According to a recent Pentagon report, when the total weight of all soldiers, equipment and supplies is calculated, 70% of the weight of the U.S. military is made up of oil.

While it may be possible for industrial capitalism to develop new raw materials and sources of energy to replace dependence on oil, this possibility should not be taken for granted; nor should it be expected that the transition between 'energy regimes' will be smooth and seamless. Unlike the transition from wood to coal and coal to oil, the alternatives to an oil-based economy are all less energy rich and more costly than oil, indicating that such a transition will be tumultuous.

Moreover, there are real limitations to the alternatives to oil. Most of the rivers where large-scale hydro projects could be developed have already been dammed for that purpose, and many of these dams now require costly retrofitting. Supplies of natural gas, which have long been touted as a possible 'bridging fuel' away from dependence on oil, have entered a rapid process of decline in the continental United States and seem to have also peaked in Canada. Coal is a very effective fuel for electricity generation, and may also be liquefied for use as a transport fuel, but it is a major contributor to greenhouse gas emissions and toxic pollution as well as being subject to the same 'peaking' problem as oil. Nuclear, wind and solar energy are dependent on a fossil fuel 'platform' for the production and maintenance of their components, and while useful in electricity generation, cannot contribute to overcoming a liquid fuels shortfall caused by declining oil supplies. Nonconventional sources of oil such as the Albertan tar sands have been heralded as an alternative to reliance on Middle Eastern oil, but the unfortunate fact is that in addition to being environmentally destructive on a truly massive scale, the tar sands remain thermodynamically inefficient, requiring the equivalent of two thirds of the energy content of a barrel of oil to produce one barrel.

None of this is to categorically deny that alternatives to oil are possible – human ingenuity and the potential profits to be made provide powerful impetus to resolving this problem. However, when looked at from a thermodynamic perspective, it is clear that no known source of energy, whether it be coal, hydropower, solar or wind power or tar sands, comes anywhere close to the 'energy return on energy invested' of oil. This means that barring the discovery of some miraculous form of energy such as cold fusion, there will be a rough and difficult transition from a predominant oil-based economy to some mixture of renewable energy, nuclear power or other fossil fuels. In sharp distinction to the first one hundred and fifty years of industrial capitalism, the peaking of oil production will force capitalism to either cope with steadily declining energy inputs or discover a new source of energy. In this context of transition, access to cheap and high-quality oil, such as that lying under the sands of Iraq represents a prize of enormous financial and strategic value.

It is true that understanding the central importance of oil to industrial capitalism and being aware of the problem of 'peak oil' is not sufficient for the development of a sophisticated and materialist analysis of capitalism and imperialism. Indeed, as is clearly the case among certain members of the peak oil camp, it is possible to follow these assumptions into a reactionary, neo-Malthusian form of politics. However, arguments concerning the depletion of finite resources are not in and of themselves Malthusian, and a Marxist analysis that does not take bio-physical limitations and the role of energy in production into account will be intellectually short-changed in trying to understand the invasion of Iraq and the shape of future national and international class conflicts.

Appreciating the implications of the peaking of world oil production, the inelasticity of demand for oil, and the paucity of potential alternatives, is of great importance to socialists interested in understanding why the U.S. is in Iraq and the nature of its foreign policy in the region. Because the results of both long term rises and short term disruptions to the world oil supply will be felt on a global level and result in an increased level of class struggle as basic costs for transportation, food, and consumer goods will rise, it is vital that Marxists engage with these debates and seek to understand their implications for anti-capitalist and anti-imperialist struggles. **R**

Tom Keefer is at York University and editor of *Upping the Anti*.

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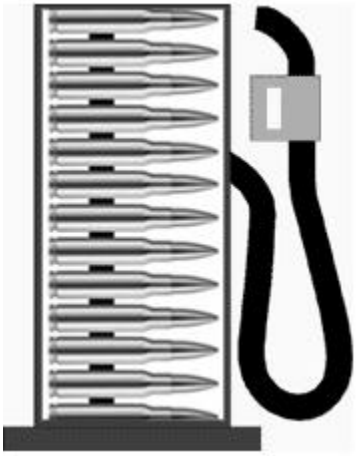
A Sceptical View of "Blood for Oil"

Adam Schachhuber



Whatever other reasons the Bush Administration may have had for invading and occupying Iraq, sensible people accept that the fate of the country's oil reserves, which are estimated at more than 112 billion barrels, had a weight far greater than zero in the final calculations. Especially on the left, this much is obvious; hence the salience of the antiwar slogan 'no blood for oil' and the plausibility of 'blood for oil' arguments put forward by writers like David Harvey, for whom the invasion was a violent spasm of "accumulation by dispossession" designed to "control the global oil spigot and hence the global economy." Before the invasion, blood for oil arguments made sense, given the Bush Administration's ties to the oil industry, a climate of high and volatile prices, instability in key producer states, increased demand in China, and the circulation of explicit blood for oil schemes in some neo-conservative circles. More than two and a half years into the occupation, however, it is apparent that these arguments misread important aspects of the relationship between U.S. state power, the U.S. oil industry, and the world oil market, overestimating the place of oil in the war and the 'new imperialism' as a result.

The first problem with blood for oil arguments is the premise that something in world supply and demand movements compelled the U.S. to adopt a predatory 'energy security' strategy and take exclusive physical control of Iraq's oil reserves. Because imports now account for more than half of total U.S. consumption and world prices are high, scarcity is perceived to be a bigger problem than oversupply and overcapacity for the first time in recent history. Most reliable estimates predict that rising U.S. and Chinese dependence on Middle Eastern oil will make a major recalibration of reserve-output ratios in the major Middle Eastern OPEC states necessary at some point over the next twenty years. This will probably be the case whether or not alternative sources of oil and energy are successfully developed over the same period. If the secular decline in per capita U.S. consumption stops because of structural inelasticity and the power of the domestic oil lobby, or growth in Chinese consumption accelerates, current trends could conceivably result in acute competition over limited and unevenly distributed oil resources.

These data are certainly stark, and imply that real changes in the geopolitics and economics of oil are likely to materialize sometime in the foreseeable future. But there is no way to reasonably infer from them that the invasion of Iraq signals the outbreak of some desperate scramble to control Middle Eastern oil reserves. Nor is there anything in them to support claims that a 'peak oil' situation of rapid depletion and absolute scarcity is already (or even imminently) impacting production volumes, prices, or the calculations of the American state. These Malthusian arguments interpret statistics on volumes, new discoveries, and proven and probable reserves, all of which are based on inexact estimates of the profitability of extraction in present market conditions, as if they unproblematically represent hard laws of geology. In this, they conflate economic dynamics and natural dynamics, which obscure the fact that oil is a commodity whose production, circulation, and consumption are still primarily determined by the metrics of price and profitability.

Disregard for the whole question of price and profitability leads directly to a second problem with blood for oil arguments: the premise that the U.S. is somehow committed to cheap oil, hostile to control over volumes and prices exercised by OPEC and its members, and therefore prone to undertake the kind of coercive privatization and liberalization of national oil industries many people predicted would happen in Iraq. It is certainly true that a chain of American militarists from Henry Kissinger onwards have darkly hinted that the U.S. should use force to stop OPEC's distortion of prices and attenuate the threat to U.S. security this supposedly represents. Moreover, this idea was translated by some neo-conservatives into elaborate plans to privatize Iraqi oil reserves and upstream installations, smash the Iraqi oil bureaucracy, and then destabilize the whole OPEC quota system from within.

Ominous as they are, these empty threats really reveal more about their authors' relative isolation from the U.S. oil industry than they do about the substance of U.S. oil interests. The continuous internationalization of capital in the industry has always been contingent on the American state's capacity to ensure that the expansion of supply from highly productive sources does not drive supply from marginal sources out of the market. The crucial variable in this process has historically been the maintenance of prices within a band whose lower limit is what Ian Rutledge terms the "international supply price," where differential rents for low cost producers (mostly in the Middle East) begin to decline while profits for high cost producers (mostly in the continental USA, but also in new and underdeveloped areas of greenfield investment) begin to disappear entirely. This has meant that the tendency toward privatization and liberalization in U.S. oil strategy is constantly tempered by the need to control volumes, sup-

press direct price competition, and mediate the conflicts over differential rents that inevitably arise in the combined and uneven development of the world oil market. At the moment, preservation of the internal coherence of OPEC and its Middle Eastern members' nationalized oil industries is the only imaginable way to do this.

A brief reconstruction of the history of the world oil market illustrates why OPEC continues to be relevant to U.S. oil strategy. In the first wave of internationalization, the major international oil companies colluded with the assistance of the American state to control volumes and set prices. This governance structure aligned real prices with the international supply price for several decades, but eventually broke down as a result of rising conflict between the major companies and producer states over the question of royalties and taxes; the destabilizing entry of smaller independent companies into the Middle Eastern upstream; and declining productivity in the domestic U.S. industry after 1970. As is well known, the OPEC 'revolution' of 1973-4 installed a new governance structure, which replaced loose control of production volumes and posted prices with fixed quotas and administered prices. Less widely appreciated is the fact that this transition – and the fourfold increase in prices it caused – brought real prices back into alignment with the international supply price, restoring the profitability of the majors and saving the domestic U.S. industry from certain disaster in the process. It is therefore very difficult to regard OPEC as a permanent threat to U.S. oil interests, especially when the importance of OPEC petrodollars to the U.S. financial and arms sectors are taken into account.

OPEC's ability to maintain the international supply price has broken down twice in the past twenty years, and in each instance the American state has intervened to help restore it. In 1985-6, OPEC quotas and administered prices collapsed under the combined weight of excess capacity and competition from non-OPEC producers. This led to a brief experiment with a system of 'netback' prices, which, if it had continued unabated, would have seriously undermined the majors and permanently driven high cost domestic U.S. producers out of the market. Under direct pressure from then-Vice President George Bush, Saudi Arabia announced drastic production cuts that arrested the fall in prices. Subsequently, all of the major producer states adopted a system of market reference prices that links the cost of non-OPEC oil to the cost of OPEC oil (and vice versa) through a complex network of spot markets, forward markets, and futures markets. While only inexactly tied to real movements in supply and demand, and therefore extremely volatile, this system has been mostly successful.

In 1998-9, prices collapsed again. In what amounts to a real-time refutation of Say's Law, an OPEC decision to raise quotas coincided almost exactly with the Asian financial crisis, and real oil prices subsequently fell to their lowest level in more than fifty years. This was good for U.S. consumers and the U.S. auto sector and helped to prolong the so-called Clinton boom, but its impact on the oil sector was predictably disastrous. Producer states were subjected to severe fiscal distress, which in some cases spilled over into political instability: the majors faced a steep decline in cash flows and profits, resulting in a merger wave that created five lean 'supermajors' and, most importantly, the domestic U.S. industry lapsed into a crisis so severe that U.S. strategic reserves were endangered and steep tariffs on U.S. oil imports were seriously considered. In response, OPEC, along with Mexico and Norway, announced a series of three sharp production cuts that finally raised prices (the first two failed to take effect in part because the International Energy Association inexplicably failed to register them in its monthly market reports). Clinton Energy Secretary Bill Richardson played a central role in brokering the agreement between Saudi Arabia, Mexico, and Venezuela that led to these cuts, and his counterparts in the Bush Administration repeatedly intervened to ensure they had the tractability needed to sustain the realigned real prices with the international supply price. In fact, the central tenets of Dick Cheney's National Energy Policy, namely expansion of domestic production and diversification of sources of supply, were wholly dependent on this outcome.

In this context, the insane neo-conservative plans to radically privatize and liberalize Iraqi oil (and thereby disable OPEC and reduce prices), which blood for oil arguments often assume are indicative of a coherent overall U.S. oil strategy, appear implausible if not technically impossible. In addition to the fact that the reconstruction needed to make these plans workable would have taken about three years, even in the absence of resistance, their successful implementation would have marked a major departure from current U.S. oil strategy with demonstrably adverse consequences for all but a tiny fraction of U.S. oil capital. A conspiracy between this latter fraction (essentially Halliburton), the neo-cons, and the Pentagon is certainly not beyond the realm of reasonable speculation, but Dick Cheney's visible involvement in the more cautious and conservative course of reconstruction currently underway suggests this is unlikely. The extent of privatization and liberalization remains uncertain, but will be nothing like what the neo-cons proposed. Actual developments in Iraq have already restored much of the status quo ante: upstream reserves will remain in the hands of the state; investment will occur within a framework of (re)construction and production-sharing contracts (which already exist in most producer states, and whose terms vary considerably) between the national oil company and international capital (which currently includes many non-U.S. firms, most of whom were already present in the country); and Iraq will remain a reliable OPEC member when its levels of production are sufficient to influence world prices. Most of this could have been achieved by simply lifting the sanctions and ending the oil-for-food program, which suggests that the U.S. invasion of Iraq was less a war of economic necessity fought over oil than a war of political opportunity fought over some combination of oil and other, much higher stakes. In conclusion, then, blood for oil arguments are an inappropriate response to an occupation that has already yielded much more of the former than it ever will of the latter. **R**

Adam Schachhuber is a doctoral student in political economy at York University and a member of CUPE 3903.

New Challenges and Threats Hover Over Venezuela's Bolivarian Revolution

Carlos Torres

After several attempts at deposing the government of President Hugo Chávez, a number of right-wing political groups decided to withdraw from the parliamentary elections that took place Sunday, December 4. Approximately 500 contenders – of a total of more than 5,000 parliamentary candidates, representing a little more than 8% of candidates – decided to abandon the electoral contest. In addition to the withdrawals from the elections, six opposition parties out of a total of 400 or so received no more than 2% of the partisan vote. Some of these parties, such as the AD (Social Democrats) and COPEI (Social Christians), represent the most traditional sectors of Venezuelan politics and this time experienced a reduction in voter preference. Likewise, the desertion of Primero Justicia from the liberal right will leave the ensemble of right-wing sectors, involved in previous attempts at overthrowing the Chávez government, in almost an entirely extra-parliamentary role.

Without doubt, the management of right-wing sectors, that threaten to create a serious crisis of legitimacy for the government of President Chávez, represent a serious risk to the prevailing democratic system in Venezuela, which could even attract scrutiny from the international community. Nevertheless, the government counts on an indefinite amount of socio-political capital, which proponents of a coup dare not challenge. Indeed, the Venezuelan people have not yet spent all of the energy and power with which they could react, should they see their rights and victories achieved in the last ten years threatened. Thus far, the Venezuelan people have demonstrated their fortitude and capacity to mobilize, when they've put their lives on the line during the coup and the managers' strike. The opposition knows that time is not on its side because, while it lacks a plan and strikes blindly into the air, popular organizations grow, develop and multiply.

By abandoning electoral activities, the right seeks to strengthen its confrontational strategies, possibly radicalizing the next presidential electoral contest in 2006. This is occurring because oppositional sectors have ended up without viable strategies that could ensure an effective questioning of the government or even the possibility of reverting turning to conspiracy and coup. In an exhausting array of democratic and daring paths, the right has found itself without options, while the democratic sectors of the centre have left as a manifesto their incapacity to be seen as serious and valid spokespeople before the Bolivarian government. On the one hand, these sectors, trapped between the dynamic forces of the revolution and the stigma of right-wing conspirators, have seen themselves overcome by a rhythm that does not leave space for their ambivalent positions. On the other hand, they have demonstrated their inability to even pretend to represent the interests of the popular sectors.

The elections yielded a result similar to previous parliamentary elections in terms of the popular vote, such as 67% abstention rate in the 2000 election. In those elections, all of Venezuela's political parties participated, leaving the precarious position of right-wing parties exposed, a situation that has not improved for them today. For the right that governed for almost half a century, it was preferable to abandon a contest it knew was lost than to face an electoral tragedy.

The mayor of Caracas, Barrueto, affirmed that, "in spite of the levels of abstention, in this election the percentage of participation exceeds historical voter tendencies and in Caracas participation doubled, to almost 33%."

According to the minister of Sports and Culture, Aristóbulo Izuris, for the right and the United States, that have already tried different scenarios like the coup d'état and the managers' strike, all that remains is to try to create a situation similar to Haiti.

Now, more than ever, the government of President Chávez can rely on the people to mobilize in the context of the electoral contest. However, and this the president knows beyond a doubt, it would be naive not to contribute to more organization and the development of social movements and political formations that rest on support for the process. The people's organizations have a historic opportunity to grow; strengthen democracy; expand their role in their own social and political development; and strengthen their conscience as actors and builders of the revolution that they have supported on their shoulders and defended with their lives.

The Venezuelan right, as prepared by the American right, have turned over the conduct of politics to the United States. This has produced a political break from which the right will not be able to recover unless it reactivates its conspirator tendencies, which will only spur public rejection. The Venezuelan people want peace and tranquility. Whoever gambles on confrontation will be crushed by a force that seems to rest but does not sleep.

At the international level, the Bolivarian Revolution counts on the backing and sympathy of vast sectors of public, democratic and progressive opinion. The role that the international community can play is tied to the efforts of the Venezuelan people. This context can and should motivate these broad sectors to reinforce the vastness of the initiatives to which, one day, state governments and institutions will provide political and moral support through a process that requires and deserves more than beautiful words and greetings of solidarity. The Bolivarian Revolution cannot abandon to indifference a humanity that survives on few hopes of liberation and "truly existing" reduced alternatives.

It is time to free ourselves of presupposed and twisted visions. The Bolivarian Revolution has demonstrated its shrewdness, vision and courage in continuing its process and confronting its detractors. The

revolution has been capable of constructing itself against the dominant tendencies in the historical time that witnessed its birth. This new challenge can only strengthen the revolution's chosen path, be it the path of elections or the path of building its power, or better still through a combination of both. The unexpected incursion of the Bolivarian Revolution only validates the maxim that history has surprises in store for us that not even the most spectacular of analyses can anticipate in advance. **R**

Carlos Torres is an organizer for the Americas Social Forum. This article was filed from Caracas.

Canada's Haiti Solidarity Movement Takes Off

Kevin Skerrett

"Free Father Jean-Juste – Canada, U.S. out!" and "Canada Sortez d'Haiti" were featured chants among the more than 300 activists gathered for Ottawa's largest yet demonstration opposing Canada's brutal Haiti policies on November 12. The Parliament Hill action – a feature event of the Canadian Peace Alliance annual conference – kicked off a Canada Haiti Action Network (CHAN) Week of Action joined in some 10 cities.

The week was a blur of activity: CHAN activists in Winnipeg staged a "die-in" with 50 blood-stained protesters falling to the ground; some 40 Halifax activists marched through the streets of downtown Halifax; another 60 militants with Toronto Haiti Action Committee confronted the office of Defence Minister Bill Graham, and others in Edmonton, Guelph, Vancouver, and elsewhere held film screenings, public talks, leaflet drops, and cabinet minister confrontations (with Pierre Pettigrew and Bill Graham featuring prominently).

Let there be no doubt – there is a live and kicking Haiti solidarity movement in this country that is climbing out of the underground and into the light of day. The common message of this Week of Action was a simple set of very democratic demands of the Government of Canada: that it withdraw the RCMP from Haiti, currently training the murderous Haitian police; withdraw Elections Canada from "monitoring" the sham election process under way; condemn the detentions of political prisoners in Haiti; support the calls for an investigation into last year's Canada-backed coup; and call for the re-establishment of the constitutional government so as to oversee fair elections without repression.

This Week of Action marks an important change in the Haiti solidarity campaign. This time around, with more time to plan and organize, the Canada Haiti Action Network was able to build broader links and support, gaining endorsements from an impressive list of groups, including the Canadian Labour Congress, the Canadian Peace Alliance, and various Cuba solidarity groups. Greater basic awareness is generating broader support.

The momentum developed in November is being harnessed straight away in the course of the current Canadian election campaign – now overlapping with the sham election under way in Haiti. Plans are under way to participate actively in all-candidates meetings and other election forums, attempting to force discussions of Haiti that all of the mainstream parties – including, sadly, much of the NDP – are studiously avoiding. A special effort is being made to urge Jack Layton to address the simplest issue of all: the cruel detention of Father Gérard Jean-Juste, a Catholic priest who was arrested without charge in July, just in time to prevent his registration as a candidate for Lavalas in the election process that Elections Canada is "ensuring" will be "free and fair."

A DIFFERENT KIND OF MOVEMENT

On the heels of the relatively successful anti-war campaigns against Canada's (at least official) participation in the Iraq war and in Ballistic Missile Defence (BMD), it is worth noting a few of the difficulties associated with building opposition to Canada's junior-imperialist intervention in Haiti.

Unlike the situation with Iraq, or Missile Defence, there is no mainstream debate – or even public discussion – on what is happening in Haiti. Considering that hundreds of millions of tax dollars (labeled "aid" but primarily subsidies to Canadian companies, NGOs, and security forces), the media silence is appalling – and a major obstacle to movement building. Secondly, with both Iraq and BMD, major sections of the Liberal Party, the NDP, and it would appear at least sections of Bay Street, were not onside – or at least, were not wedded to these potentially expensive ventures.

On the other hand, rebuilding the foreign policy partnership with the U.S. through a lead Canadian role in the smashing of Haitian democracy has been more or less embraced by the entire political class of both Canada and Québec. As such, oppositional movement building is a significantly different project, and goals and expectations, and tactics, need to be adjusted accordingly.

The remaining anti-war networks are an important starting-point for building support. However, reactions to the Haiti Question there are varied, ranging from a full and enthusiastic embrace in Vancouver, Halifax, and Ottawa, to the steadfast opposition in Montréal – the hotbed of the anti-Iraq war movement, but also the principal target of the propaganda used to build support for the coup d'état that overthrew Aristide. From there, other key sources of support include the labour movement and the solidarity movements defending both Venezuela and Cuba from imperial depredations. What has emerged as the loose-knit Canada Haiti →

Action Network is quite linked to the anti-war movement, but by necessity built an identity that is separate from it, and capable of mobilizing on its own when necessary. The dynamism, leadership, and anti-racist analysis injected into this movement by activists from the Haitian diaspora – many personally affected by Canada's brutality – is serving as a high-octane fuel for organizing.

Finally, the regime change in Haiti is not about an obvious lifeblood commodity for modern capitalism (like oil), and it has the explicit blessing of the United Nations Security Council. For both reasons, the social democratic left finds it very difficult to question (or understand). Nonetheless, the broader imperial project in Latin America and around the world has been greatly strengthened by its 'success.' As such, those of us on the anti-imperialist left ought to recognize in it not a minor or temporary aberration from Canada's 'peacekeeping' tradition, but a potentially permanent and dangerous remodeling of Canada's international role. We will need to learn to challenge the government's rhetoric about a "Responsibility to Protect" – and build a bigger and more sophisticated movement able to expose what it is that Canadian capitalism really wants to protect. **R**

Kevin Skerrett is a trade union researcher active with the Canada Haiti Action Network in Ottawa. To join the CHAN email list, or comment on the above, email him at kskerrett@cupe.ca

THE 'NEW' WORLD BANK:

Poverty Reduction or Public Relations Strategies?

Arne Ruckert

For more than two decades, structural adjustment policies (SAPs) have been at the heart of World Bank development strategies. As a result, developing countries have been asked (or required) through loan conditionalities to cut social spending, privatize state-owned companies, devalue local currencies, deregulate labour markets, and open up domestic markets to foreign capital through trade and financial liberalization, often with devastating social and economic consequences for workers and the poor. However, since the beginning of the new millennium, the Bank has been shifting its development discourse away from structural adjustment toward poverty reduction and country ownership. This is signified by the introduction of its new Poverty Reduction Strategy (PRS) approach, described in both volumes of the Bank's 2002 *Sourcebook for Poverty Reduction Strategies*. Yet, while the negative impacts of SAPs have been widely documented, and even acknowledged by the Bank in recent publications, as of yet, it does not appear that the Bank has actually moved beyond the structural adjustment paradigm.

There are a number of new ideas at the heart of the Bank's new PRS framework that deserve highlighting. First, according to the Bank, the PRS approach brings a new focus on poverty reduction, recognizing the multidimensional nature of poverty and the need to prioritize outcomes that benefit the poor. Second, it prioritizes country ownership in the formulation and implementation of national poverty reduction strategies, including the participation of civil society in all aspects of the policy process. This means that developing countries are supposed to be in the driver's seat of the development process, by developing their own idiosyncratic strategies for poverty reduction that reflect their individual country needs, desires and circumstances. Unfortunately, while this may seem grand in theory, this is not what appears to be happening in practice.

Many academic and civil society reviews of the PRS process dismiss this policy shift as purely symbolic. They conclude that national strategies are not only similar from country to country, but also to the former structural adjustment policies, with privatization, liberalization, and deregulation still at the core. Moreover, the participation of civil society has, in most cases, been reduced to empty consultation processes on already established national strategies, with the voices of critical civil-society organizations in developing coun-

tries left unheard. For example, while a large umbrella organization representing over 300 civil society groups in Nicaragua, *Coordinadora Civil para la Emergencia y la Reconstrucción*, had developed a comprehensive proposal for the PRS process, they were not even permitted to engage in a policy dialogue regarding macro-economic policy issues. In the context of this renewed criticism, are poverty reduction strategies simply public relations exercises to ensure the sustainability of the same structural adjustment package?

MINOR DIFFERENCES

To concede this is the case would be too simplistic because there are indeed some minor differences between SAPs and PRSs worth highlighting; however, ultimately, they do not challenge the Bank's underlying neoliberal policy framework.

First, there is a new emphasis on the participation of civil society in the developing world as a result of the growing resistance to structural adjustment programs, and the acknowledgment by the Bank itself of the need for reforms. In many instances, developing country governments only paid lip-service to SAPs, and did not follow through with their implementation, given the contested nature of SAPs within civil society. Recognizing that SAPs can no longer be imposed on developing countries, and a more consensual and participatory process is required to improve the effectiveness of development policies, the Bank incorporated the idea of engaging civil society in the policy making and implementation process. Though, as mentioned earlier with the example of Nicaragua, genuine participation in policy formulation does not seem to have taken place.

While the PRS is a new process, it has been identified by the Bank primarily as a way to break the resistance to structural adjustment, and make highly contested neoliberal policies hegemonic. Consequently, (the illusion of) country ownership is important since commitment to programs and policies makes their implementation more likely. Participation, therefore, can be seen as an instrument to build a strong consensus around neoliberal policies.

Second, the Bank has recently begun to realize the need to address the negative social impacts of privatization on the poor and the marginalized. In its 2005 *World Development Report*, the Bank proposed subsidizing those segments of society that would otherwise not be able to afford privatized essential services, such as clean drinking water and electricity. As a number of developing countries' PRSs set out, personal consumption of water and electricity is exempt from user fees up to a certain level. This has been discussed under the label of a 'big push for markets,' reminiscent of the big push development theory of the 1950s. The idea is that once markets have taken off into self-sustaining growth, subsidies can be cut back and the poor can become 'normal customers.' These progressive elements, however, do not break with the neoliberal logic of privatization of essential social services. Rather, they are intended to do just the opposite, to provide incentives for governments and people to buy into the neoliberal paradigm in order to guarantee its reproduction. While this approach to privatization provides some temporary relief to the poorest segments of society, the neoliberal model of commodification is, nevertheless, left untouched. In fact, subsidizing the poor could be seen as a necessary compromise for capital in gaining access to potentially lucrative markets in the developing world.

ALL THAT GLISTENS IS NOT GOLD

Another welcome element of the Bank's new approach is the linkage of debt relief to poverty reduction strategies. Developing countries that qualify for the Enhanced Heavily Indebted Poor Country Initiative (HIPC II) have received some debt relief from donors after their national PRSs has been endorsed by the Bank. However, again, all that glistens is not gold. Debt relief has not fundamentally challenged the overall debt regime, but actually strengthens its sustainability. The neoliberal aim of reforming the debt restructuring process is to maintain the incentives of sovereign governments to honour their outstanding debt in full and on time, after they have been reduced to (what the Bank believes to be) a sustainable level. Moreover, linking policy reform to debt relief is a powerful incentive for developing countries to adopt neoliberal policies, because they are often constrained by enormous debt burdens. As a consequence, this link has further undermined country ownership of policy and implementation, and actually increased the leverage of the Bank to impose their will onto developing country governments.

Poverty Reduction Strategy is the new buzzword in development circles, as there is little doubt that poverty reduction and civil society participation deserve to be put on the agenda of development institutions. However, as we have painfully learnt in the past, putting important issues on the agenda does not automatically translate into progressive policy changes. While the resistance to structural adjustment has been somewhat successful in that it forced capital to make some concession to the poorest segments of society in the form of subsidies, real policy alternatives to the neoliberal model have not been an outcome of the new participatory PRS process. This should not surprise us, since the goal of the PRS process has never been, after all, to open up space for real alternatives to SAPs, but rather to guarantee the implementation of the same adjustment policies that have been contested in the recent past.

The new PRS approach, therefore, should be understood as an attempt to ease criticism of the Bank's neoliberal policies and build political legitimacy to continue imposing a particular policy package on developing countries. However, the necessary condition for a real reduction in poverty and a meaningful democratic advance lies in a clear break with neoliberalism, and the recent experience in Venezuela shows that this is not an impossible dream.

There do exist policy alternatives to the deep deprivation and suffering that continues to take place in developing countries under the tutelage of the Bank. But, these alternatives will only materialize if the space for policy making is genuinely opened up to developing countries through meaningful participation of country governments and progressive groups within its civil society in setting their own development agenda, and when the imperial interventions of the Bank into developing countries cease to exist. **R**

Arne Ruckert is a doctoral student at Carleton University and a CUPE member.

Modelling Institutionalized Dissent: NAFTA's Environmental Commission

Thomas Marois and Silvia Diaz Irias

The creation of spaces for the expression of dissent – without the power to change policy or practice – is being used with greater frequency and seeming legitimacy as a neoliberal strategy of control. This strategy, often called 'civil society participation,' has been adopted in various forums, such as the Johannesburg Environmental Summit (2002) and the Monterrey Financing for Development Conference (2002), as well as being a central pillar of the now-stalled FTAA negotiations. In the jargon of these meetings, they are labeled 'contributions' from affected actors. These neoliberal-based forums seek to create an aura of legitimacy by appealing to non-governmental actors, concerned social groups, business societies, and the like while hoping to marginalize local struggles.

One of the original institutional models for incorporating environmental dissent within freer trade negotiations is the NAFTA-based 1994 North American Agreement for Environmental Cooperation (NAAEC) environmental side agreement, which provided for the creation of the trinational Commission for Environmental Cooperation (CEC). Far from substantively addressing environmental sustainability, however, the CEC helps to buttress neoliberal legitimacy and in doing so institutionalize dissent under the rubric of civil society consultation. These consultations are muted by the very institutional structure in which they are embedded, for the CEC itself is formally subordinate to freer trade issues within NAFTA and to the decisions of each country's environmental ministers. Thus, while left struggles against neoliberalism depend on building and sustaining a social base of power through critical consciousness for effective resistance, the channelling of these energies into neoliberal-based forums institutionalizes our efforts into a framework that offers no possibility of substantive change. As such, two critical points about the CEC need to be clarified among left environmentalists and activists. First, the NAAEC environmental side agreement that smoothed the signing of the NAFTA represents a failure, not a success, of organized environmentalism. Second, any future acceptance of similar environmental side agreements, as has been done in Canada with the 1997 Canada-Chile and the 2001 Canada-Costa Rica bilateral freer trade agreements (and potentially with the FTAA), must be strongly resisted. The CEC only provides a neoliberal model of institutionalized dissent that mutes left environmentalist challenges to its legitimacy.

THE CEC MODEL

On 11 October 2005, the CEC hosted a regular Joint Public Advisory Committee (JPAC; see below for description) session in Mexico City to discuss the JPAC "Strategic Plan 2006-2010." A variety of people and organizations attended from Canada, the USA, and particularly Mexico as the host country. At core, this meeting reflects the JPAC's search for a 'reason to be' within the CEC organization and is itself a testament to the futility of the CEC for substantive environmental activism. This point becomes clearer as the institutional structure of the CEC is explained.

The CEC was established by Canada, Mexico, and the United States in 1994 to facilitate cooperation among the NAFTA partners in implementing the NAAEC. While NAFTA itself was pursued most vigorously by Canadian and Mexican corporate and neoliberal technocratic interests in order to gain increased and more secure access to the sphere of trade and commerce of the United States, the NAAEC was negotiated and put in place largely because of the pressure of U.S. environmentalists on then President Clinton.

The CEC mandate is to address environmental issues of continental concern, with particular attention paid to the environmental challenges and opportunities presented by freer trade within NAFTA. Arguably, the primary strength of the CEC involves conducting research and providing technical assistance – that might not otherwise have been carried out – for the purpose of promoting environmental sustainability. The other primary strength lies in the CEC ability to make publicly known environmental concerns within any of the three NAFTA countries (under NAAEC Articles 14/15). Essentially, these are requests to review whether or not a country is upholding its own environmental standards. Challenges can be brought forth by any citizen against any of the three countries. Council (see below) may also request reports to be conducted under Article 13, the so-called roving eye. In these cases, the CEC may act as a check and balance on member states. In practice, while the CEC has had some successes, there is general agreement that its processes are cumbersome, lengthy, and frustrating as the CEC has no punitive powers to sanction environmental offenders.

The ineffectiveness of the CEC is determined by the very terms of its creation. The CEC structure is comprised of three interrelated bodies: the Council, the Secretariat, and the JPAC. The Council is composed of the environment ministers of Mexico, Canada, and the U.S. and it is the governing body of the CEC. It holds all effective institutional power. The Secretariat provides administrative, technical, and operational support to Council (especially under Article 13 and Articles 14 and 15 of the NAAEC). The JPAC is composed of fifteen state-appointed members, five from each of the three NAFTA countries. Sitting 'outside' of government, JPAC members come from a range of social locations, from university professors, to local environmental actors, to large corporate executives (the current Chair of the JPAC is Jane Gardner, an American member and from the General Electric Company). The JPAC is supposed to act as a single, transnational body that is independent of government and a voice of the people. In this sense, it plays the contradictory role as public sounding board and advisor to the Council. However, the JPAC is formally subordinate to Council and is

thus deeply dependent on it for action. In effect, the JPAC has no power to press the demands communicated to it by the public beyond passing them on to the Council and perhaps also making them public. The nature of the JPAC meeting, then, was essentially an internal search for a 'reason to be' since its role as a public sounding board is effectively muted by the institutional framework.

THE JPAC MEETS IN MEXICO CITY

The core of the 11 October 2005 meeting was the discussion of the JPAC Strategic Plan. The focus of the discussion was about the three proposed *priorities* of the JPAC (information for decision-making, capacity-building, and trade and the environment) as well as their three *working principles* (transparency, outreach, and engagement). A series of JPAC presentations were given – each meant to support civil society discussion. Representing the 'NGO' perspective, Canadian JPAC member Jean-Guy Depot emphasized the need for local activism in environmental protection. However, he failed to articulate any clear explanation of the relevance of the CEC nor did he provide any insight into either American or Mexican environmental challenges. Another Canadian JPAC member, Irene Henriques, of the Schulich School of Business, York University, offered a more dynamic presentation from the academic perspective. She underlined the need to communicate with one another. However, she did not explore the limitations of the JPAC (and hence civil society participation) within the CEC nor did she mention anything around ongoing environmental debates.

Mexican JPAC member, Carlos Sandoval of the National Industrial Ecologists Council, offered the private sector perspective. Speaking on behalf of small and medium-sized enterprises, he praised natural and social capital approaches as the way forward. His clear message was that market-forces are the best solution to environmental ills – one can always vote with ones' dollars and make more environmentally-friendly choices.

The 'civil society' contributions were expressed in two forums. The first took place after the above-mentioned JPAC presentations, when the floor was opened to public comment on the JPAC *working principles* (transparency, outreach, and engagement).

Later in the day, three break-out sessions were held to discuss in more detail the three priorities of JPAC (information for decision-making, capacity-building, and trade and the environment). Two polarized responses emerged throughout the day. On the one hand, private sector NGO representatives applauded the CEC calls for greater private sector cooperation, the involvement of business, and market-based solutions. On the other hand, local and environmental NGOs, indigenous groups, and critical academics challenged the presence of big business within the CEC and lamented CEC ineffectiveness. Calls were made for greater independence and power relative to the most serious violators of environmental law (including General Electric, which holds two JPAC seats for the U.S. delegation). Wide frustration was expressed over the impotency of the JPAC. Indeed, many JPAC and Secretariat members themselves lamented their inability to effect any substantive change without the approval of Council.

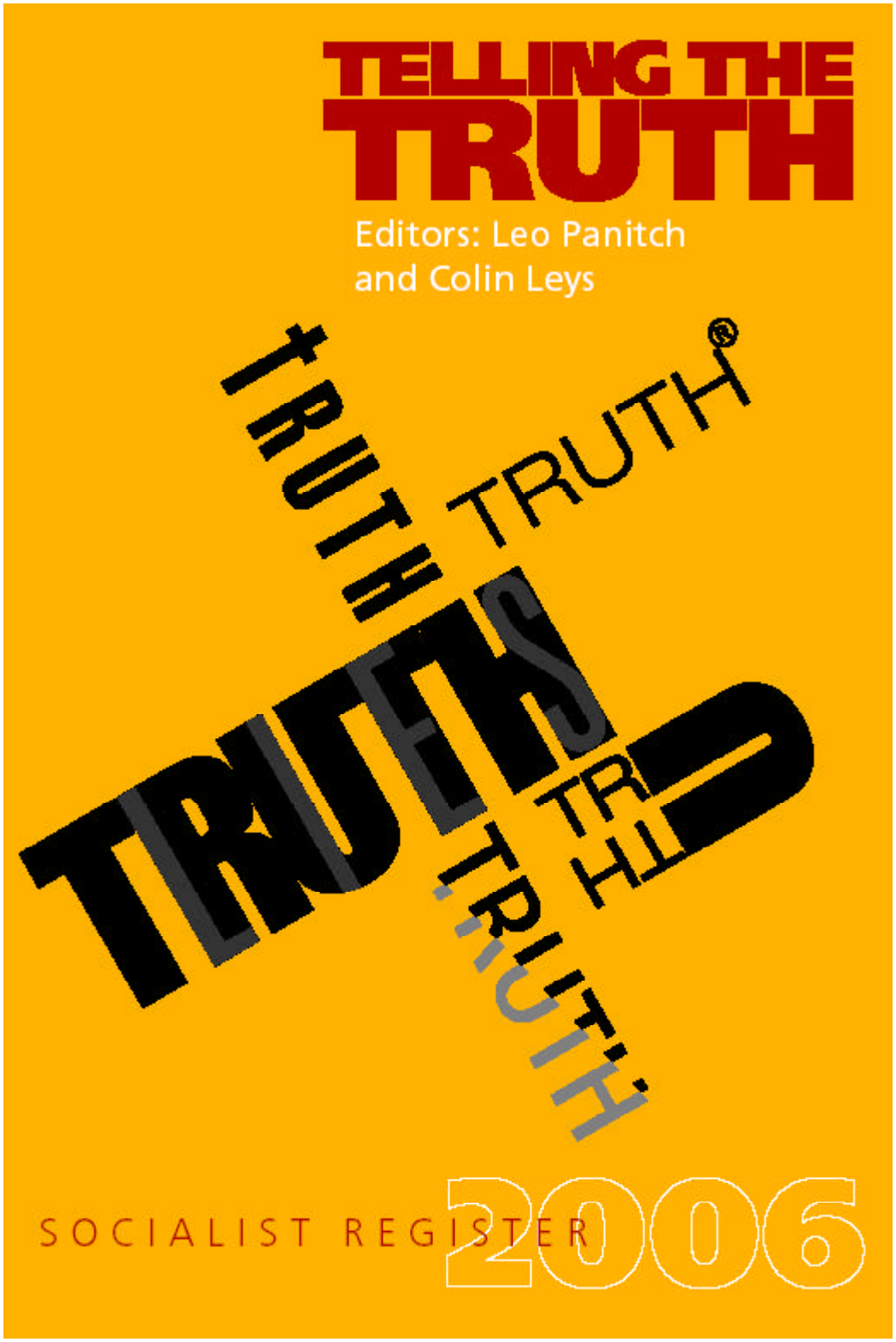
At the same time, ironically, most participants accepted the CEC model as a good model and an important environmental body that could be replicated in other trade agreements. Many vocally opposed the Mexican government's Environment and Natural Resources Secretariat (Semarnat) decision to make a 60% cut in CEC funding (following President Fox's 32% cut to Semarnat). Mexico's contribution will fall from $3 million USD to $1.2 million USD, which under Article 43 of NAAEC requires that Canada and the U.S. also match this cut as each country must contribute an equal share. But why? While any number of groups and people may attend and express dissent in these meetings, little comes of it. This is reflected in the fact that despite the October JPAC meeting being designed to solicit feedback on their Strategic Plan, practically none of the critiques voiced made it into the revised document. In fact, there is a complete absence of any anti-big business, anti-free market sentiment in the revised document. If the JPAC cannot even sustain a critique from within itself, it certainly cannot hope to sustain any substantive critiques or change with Council, within which the interests and pressures of national politics and global neoliberalism are deeply rooted! What, then, are the options of the environmental left?

AN ANTI-NEOLIBERAL MODEL

At the same time as the Mexico City JPAC meeting was muting dissent, local challenges to neoliberalism were being voiced in Los Pedregales de Santo Domingo ("la colonia"), a Mexico City community created by largely marginalized people with little help from the government. In a pot-banging march known as *el cacerolazo* (a tradition of Latin American social protests), "la colonia" took to the streets to articulate its dissent, giving a more grounded response to neoliberalism than 'JPAC *working principles.*'

The explicitly anti-capitalist, anti-imperialist, anti-poverty protest took place not behind closed doors but on Mexican streets at the doors of its community members, which were literally opened as marchers passed. Drummers, pot bangers, and protesters' voices performed community outreach and engaged "la colonia" in song, dance, and shared food. The organizing committee of Los Pedregales de Santo Domingo was joined in solidarity by a protest support group, el Colectivo de Medios Abiertos. This "Open Media Collective" is youth run and has established a community arts resource centre with the aim of creating alternative anti-neoliberal and democratic spaces from which to develop dialog and political action through murals, video, and community radio – moving well beyond impotently institutionalized *working principles* into real-life working practices aimed at capturing local spaces of resistance.

The alternative to neoliberalism cannot be approached through the capture of some fictitious transnational space, an institutional space created by neoliberal advocates for the purpose of cooling out protest. The fight for an alternative to neoliberalism depends on capturing and creating local spaces as a foundation for a conscious and critically-minded solidarity movement that can feed national and international movements of resistance. **R**



A generalized pathology of chronic mendacity seems to be a structural condition of global capitalism at the beginning of the 21st century. The egregious lies told in Washington and London about the invasion of Iraq are only a conspicuous case of the general problems of legitimacy generated by neoliberalism and empire. Honesty and plain speaking by politicians has become exceptional, and the journalistic profession is shamefully complicit. The empty motivational language and sales-pitch mentality of corporate culture increasingly pervade all areas of life. Hardly less important is the growing subordination of scientific research to commercial ends, and the deliberate abdication of a significant segment of the academic intelligentsia from the vocation of telling the truth. After living through the era of George W. Bush will post-structuralists and postmodernists still claim that any 'narrative' is as good as any other?

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- **'welfare reform'**
- **'law and order'**
- **the media and the Iraq war**
- **global poverty statistics**
- **development economics**
- **the politics of theatre**
- **academic postmodernism**
- **socialists and the problem of class**
- **the history of truth**