

Grave Problems Facing the People

Cheddi Jagan

An ever-escalating cost of living and a high and increasing unemployment are the major problems affecting the Guyanese working people.

As a result, crime including praedial larceny, delinquency, prostitution and suicide are on the increase. Alcohol and drugs provide an escape. And thousands, seeing no hope in the future, yearly emigrate to North America.

The PNC is at fault. Under its regime, the cost of living has more than doubled.

During the term (1957-1964) of the PPP government, the consumer index rose by 11.1 points; during a comparative PNC term, (1965-72) it rose by 26.7 points.

The PNC government would like the Guyanese people to believe that it is not responsible for the erosion of their standard of living, that the fault lies with prices which are constantly rising on the external market, and with businessmen and market sellers who are resorting to blackmarketing.

Actually, the present desperate situation has been created by the PNC government's faulty economic planning strategy, by pro-imperialist, anti-working class trade, fiscal, monetary, industrial and agricultural policies, and by corruption, squandering and discrimination.

TRADE POLICIES

Pressured by Anglo-American imperialism which brought it to power, the PNC reversed the liberal and progressive trade policies of the PPP government, and placed restrictions on trade with the socialist world.

The PPP had removed all import quotas and licences on goods from Japan and the socialist countries. It had also developed trade and cultural relations with Cuba.

In 1965, the PNC regime broke off relations with Cuba, and re-introduced import quotas and licences. Later, it also

imposed a 10 per cent tax (surcharge) on all imports from the socialist states.

Three and four-yards-for-a-dollar cotton piece goods and other inexpensive goods from the Soviet Union and other socialist countries disappeared from the shelves.

The restrictive measures were imposed in accordance with the wishes of the United Kingdom and the United States of America, which were and are suffering from a decline in their share of world trade.

The PNC must not be allowed to get away with their excuse of rising prices in the external market. They deliberately chose to get our imports mainly from the capitalist world where prices are rising, and not from the socialist world, where prices are stable or are falling.

The PPP government in the early 1960's had established that if all government medical supplies alone were purchased from the Socialist States, the annual saving would have been about one-half of a million dollars per year.

Here is an admission of PNC blunder. In the draft Second Development Plan (1972-76), it is stated:

"United Kingdom export prices, for example, increased by about 25 per cent between 1963 and 1971, as compared with an increase of about 14 per cent in Japanese export prices. Prices of exports from the miscellaneous non-European/Non-American countries increased even more slowly than Japanese export prices. However, the proportion of the value of imports from those countries declined over the period, thus suggesting an inefficiency in import purchasing, rather than unsuitability of the products of non-traditional suppliers".

Mismanagement and inefficiency at the External Trade Bureau (ETB) have also led to shortages and high prices.

FISCAL POLICIES

But the high imported price is not the only cause for the high price in the shops. There is also a tax (import duty) on the imported goods. This form of taxation (indirect taxation), which falls heaviest on the poor, increased tremendously from

\$32 million in 1964 under the PPP to \$69 million in 1973 under the PNC.

Under the 1962 "Kaldor" budget, the PPP attempted to shift the burden of taxation from indirect to direct from the working class to the capitalist class.

It sought not only to get more from direct taxation, but also to prevent tax evasion. This was why businessmen paid workers to go on strike against the budget.

In 1965, the PNC-UF coalition abolished some, and drastically reduced other, capital taxes of the 1962 budget. And year after year, indirect taxes were imposed. The Defence Levy (3 per cent customs duty on imports) alone gives the government about \$5 million a year.

The PNC regime also reversed the PPP's policy for subsidisation. In 1966, it introduced in the National Assembly a white Paper, indicating that \$14 million in subsidies would be cut out. Fryoil and other subsidies were removed; the East Coast railway which subsidised transportation cost for workers and school children was closed down.

MONETARY POLICY

Devaluation of the Guyana dollar in 1967 and 1971 caused consumers to pay more for their goods. But it gave extra profits — about \$3 to \$10 million annually — to the capitalists. The PPP's suggestion that this super-profit should be taken back by the government and used for subsidising essential commodities — milk, meat, fryoil, flour; rice; split peas; school books — was ignored by the Burnham government.

Devaluation has also increased Guyana's public debt, adding to the burdensome debt payment of \$35 million in 1973, equivalent to 21 per cent of the current budget expenditure. This meant higher taxation and higher prices.

INDUSTRIAL POLICY

Countries like Guyana remain poor because they also suffer from unequal international trading; they buy dear and sell cheap. Industrial goods from developed capitalist states are constantly rising in price, whilst the prices for the foods and raw materials (mainly minerals) from the underdeveloped countries are lagging or falling.

Under the PNC regime, Guyana is being fixed permanently in a disadvantageous straitjacket. The PNC has accepted the neo-colonialist plan designed by the imperialists for the English speaking Caribbean and Guyana.

Under the scheme of regional integration (Carifta, Caribbean Common Market and Community), which L.F.S. Burnham launched, Guyana has been relegated to the role of an agricultural appendage to a deformed type of industrialised West Indies. U.S. Big Business has set up branch-plants of their multinational corporations, mainly in Jamaica, Trinidad and Barbados. Here inferior-quality and higher-priced goods, even in relation to the capitalist world, are being produced and shipped to Guyana. These exports are being facilitated by integration (free movement of goods) and import restrictions (banning of \$12 million of imports from outside of the region).

AGRICULTURAL POLICY

Despite emphasis on the importance of agriculture, the PNC has a bankrupt agricultural policy. This has contributed to higher prices for local goods.

It shifted emphasis on infrastructure development from drainage and irrigation (the key to agriculture) to roads, sea defences, airport and air strips, stappings and public buildings. Allocations for drainage and irrigation were reduced from 30 per cent in the PPP D. Plan (1960-64) to 17 per cent in the PNC D-Plan (1966-72). And only about one-third of the money allocated by the PNC was actually spent on water control; the rest was diverted to non-productive infrastructure.

Farmers were held down by unremunerative prices. Until recently, milk and rice prices were lower than in 1964. Copra price is the same as it was in 1964, although in the West Indies, farmers are getting about 5½ cents more per pound (about 35-40 per cent increase).

Crop bonuses and other subsidies (duty free gasoline; bags and fertilizers, free drugs for acoushi ants; free injections for rabies in cattle, etc.) were removed.

The cost of a 10-acre plot of lease land, including surveying fees, was increased from \$22 during the PPP's term to nearly \$109. How is the small man to raise this initial amount?

Land rent has increased from 25 cents per acre to \$2 for the first five years, and \$4 thereafter.

CAPITAL INFLOWS AND BANS

By relying heavily on foreign capital inflows (loans and grants) for the D-Plan; by concentrating on infrastructure which did not increase production, and by banning \$12 million of imports, mainly foods, an inflationary spiral was bound to develop.

CORRUPTION AND EXTRAVAGANCE

The Guyanese taxpayers have to pay also firstly, for high cost of corruption which has become a way of life from the top to the bottom; secondly, for Daimler-Benz and Rover-style living and big salaries and fat allowances, while the masses are called upon to "eat less, sleep less and worker harder," and to accept wages-restraint; thirdly, for jobs-for-the-boys through political and racial discrimination.

ECONOMICS AND POLITICS

And because industry and agriculture were neglected, production did not expand sufficiently to cope with the costs of the expanded government machine (personal emoluments jumped from \$28 million in 1964 to \$72 million in 1973), and increased debt charges (\$10 million in 1964 to \$35 million in 1973). Thus, increased taxation and cuts in social services were resorted to, in order to fill the gap (the social services of the current budget declined from 44.5 per cent in 1964 to 37.7 per cent in 1973).

So long as the PNC's economic planning strategy remains unchanged (and there is no real change from the first to the second D-Plan), the standard of living of the working people is bound to deteriorate.

With increasing crime, more money will be required to pay salaries to additional policemen, magistrates, judges and prison personnel, and for the upkeep of prisoners. The army will also be enlarged to cope with possible future revolutionary upheavals. Debt charges will sharply increase when 5-year and 10-year moratoria (grace periods) come to an end. These will be met by additional taxation and/or further cuts in social services.

As popular discontent increases from further erosion of the

standard of living of the workers, the PNC, to maintain itself in office, will resort not only to fraud at elections, but also to denial of fundamental rights. THE TENDENCY TOWARDS FASCISM WILL BE INTENSIFIED.

Guyana needs a new deal. The PNC is incapable of changing. Only the PPP can move Guyana forward.

'Fairytale Elections'

THE "Catholic Standard" of July 21, 1973, under the headline "Fairytale Elections" carried the following:—

"The July 16 Election results, to say the least, puts a severe strain on one's credibility. No one seriously believes it. That this is so must be laid firmly at the door of the Government.

The conduct of the Election arrangements has been most unfortunate. The public and the Opposition parties were treated in cavalier fashion. Information, which must be provided under law, was withheld until the last moment and was often given in an incomplete form.

The law also was suddenly amended to give a semblance of legality to the situation.

What is more to the point is the staff assembled were not notable for their neutrality.

To top it all the Government ignored the straightforward and commendable request that representatives of the Opposition parties should accompany the ballot boxes to the counting centres.

In the circumstances, the failure to seal boxes, the harassment of election personnel of the other parties who tried to follow the boxes, the wholly inexplicable detention of the boxes in the Guyana Defence Force (GDF) compound for long period—all these circumstances were bound to attract suspicion.

At this time there is no rejoicing in the country at the fact that there will be a strong Government. People are fearful and the queues outside the US Embassy every morning will now grow longer."