

To the PNC, independence has certain clearcut objectives. This was very properly set out in its election manifesto, **NEW ROAD**. It said: "Independence though emotionally satisfying, is not an end in itself. To be worthwhile, it must be an instrument for building a cohesive nation, liberating the people from the economic yoke imposed by the foreigner and establishing a prosperous, self-reliant and free society . . .

Some other Guyanese are militant and noisy in their demand for Independence from Britain, but consciously would immediately pawn Guyana, the moment after Independence, to some other foreign power. Such persons are colonial charlatans or at best infants, the witting or unwitting tools and agents of new masters. Theirs is the concept of new servitude not Independence."

Has foreign aid helped or hindered the achievement of those objectives? Has it helped to build a Guyana free from foreign political and economic yoke or a cohesive nation? The answer is definitely no. After one year of independence, Guyana is even more tightly bound to imperialism. And foreign aid is one of the means.

Aid has come principally from the United Nations and Western countries — Canada, Britain, United States of America and Germany. UN aid continues in the pattern set by the PPP government. Aid from Canada and Britain is a carryover of previous commitments with some slight increase during the last two years. West German aid mainly in the form of technical assistance has increased sub-

stantially. But the major increase is U.S. aid.

External grants from all sources increased from \$3,836,110 in 1964 to \$4,839,777 in 1965, to \$8,910,000, and to \$14,210,400 in 1967. External loans increased from \$4,003,200 in 1964 to \$4,537,361 in 1965, to \$3,740,000 in 1966 and to \$17,620,000 in 1967.

The quantum of aid has thus

considerably increased. But it's all directed to perpetuate a neo-colonialist economy. Nearly three-quarters of the seven-year \$300 million economic plan is devoted to the development of infra-structure—roads, airport, sea defences, public buildings, dredging of rivers, steelings, etc. This is in keeping with the overall feature of Western aid. Public funds are to be used by the State for infra-structure development, which becomes an indirect subsidy to foreign and local capitalists.

This kind of development means a crushing debt burden, which will soon smother Guyana.

Another aspect of Western aid is that the recipient country must make provision for the development of industry chiefly in the private sector. This explains why concessions have been granted to foreign companies — bauxite to Reynolds Metal Company; oil to three foreign oil companies and timber in the whole of the Pomeroon and North-West districts to the Commonwealth Development Corporation (CDC). This was also why the coalition

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government has changed the Industrial Development Corporation Act to prevent it from "undertaking the establishment" of government-owned industries.

Meanwhile, the bulk of foreign investments has been directed to the extraction of bauxite. This is also a feature of US aid — foreign investors must be encouraged and given incen-

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tives, mainly for extraction of minerals.

In 1948, 59 percent of US investments went into extractive industries in the poor underdeveloped countries and only 22 percent into manufacturing and distribution. To the developed countries on the other hand, 23 percent went into extractive industries and 59 percent into manufacturing and distribution.

An examination of US investments (\$1,629 million) in 1964 in Africa shows that such investments are directed not to the manufacturing industries. Of this sum, \$630 million was

invested in oil and gas extraction, mainly in Libya; \$350 million in mining; \$225 million in manufacturing industry, but of this \$192 million went into South Africa and only \$33 million in the rest of the continent; \$122 million in other branches, particularly crude rubber production in Liberia.

This clearly fits in with US foreign economic policy. Note

the remark of the then Secretary of State, Dean Acheson, in 1953. As regards Point Four aid he said: "I think there is a pretty widely held idea that we are going to build large mills and factories for these underdeveloped people. This is not true."

The Woodrow Wilson Institute also clearly set out the philosophy behind US aid when it postulated: "The US Government makes loans or grants to other countries because these are effective and morally valid means for the achievement of American foreign policy objectives. Aid which meets these criteria is justified; aid which does not, should not be provided."

D. Vosper, former British Secretary of State for Technical Co-operation, spoke of the need to formulate the British aid policy with an eye to winning "the support of these developing territories which, when it comes to the councils of the world, now hold the majority of votes."

On a recent visit to Guyana, the British Minister of Overseas Development, Mr. Arthur Bottomley said: "In the current financial year . . . 1966-67 . . . we have provided nearly \$8.7 million for capital development, nearly \$4.8 million towards meeting your anticipated budgetary deficit, and \$720,000 to help pay for the 65 British professional and technical people who are serving here in Guyana's Civil Service."

In 1967-68, Mr. Bottomley said that Guyana would be provided with \$12 million plus technical assistance at the present level or possibly greater.

## AID AND TRADE

Apart from dictating to the underdeveloped countries with whom they must trade and in what sectors aid must be put, Western countries so tie their aid as to benefit themselves.

A former British Chancellor of the Exchequer, Reginald Maudling, advocated the channelling of British aid in such a way as to cut back unemployment at home. "I spoke," he said: "about giving Overseas aid from the products of our industries going through a period of recession" . . . "It seems sensible that we should try to link the needs of the underdeveloped countries with idle productive resources in this country."

This simply means sending out more consumer goods to the poor countries, which they should be producing themselves.

This is why aid from the Western countries can be regarded as packaged unemployment.

In the case of Britain, about 10 percent of the aid given has to be purchased from the United Kingdom. For the United

States, the figure is higher — 80 percent. This is the condition attached to the US loan for the Atkinson Field-Mackenzie highway. Four out of every five dollars will have to be spent in the USA for more expensive equipment, supplies and personnel.

Some countries like India, Pakistan and Egypt are even forced to take surplus US food under Public Law (PL) 480. From 1954 to 1958, various agricultural, raw materials and foods costing \$2,960 million were disposed of in this way. In recent years, the figure was about \$1,700 million annually.

That aid is tied with trade accounts for the fact that the Guyana puppet government has abandoned trade with Cuba, and placed restrictions on trade with socialist countries. This has helped to increase the cost of living.

It has been announced that the International Monetary Fund would be prepared to back us with "stabilization loans" to cushion the loss of our foreign reserves amounting to \$12 million because of our balance-of-payments deficits in 1966.

Aid in the form of support of the monetary system is of temporary help to the poor, underdeveloped countries. It acts as a palliative for an emergency situation. But this kind of aid in no way increases the production potential of the recipient country. That is why in the long-run, it can lead to grave consequences for a poor country's economy.

Guyana should learn from countries such as Brazil, Argentina, Bolivia and a number of other Latin American countries, which received funds from the International Monetary Fund for currency stabilization. The end result was still further depreciation of their currencies and a higher foreign debt burden, which further undermined their unstable balance of payments.

## TECHNICAL AID

Another field of Western aid is technical assistance. This comes in various forms — economic planning and technical experts, University professors, Peace Corps personnel, etc. The main objective is to channel the economy in a certain direction and to mould the minds of civil servants, intellectuals, students and workers.

Mr. R. Carr, former British Secretary of State for Technical Corporation showed how it was important for the imperialists to win the minds of the people in the third world he said in November 1963: "It has long been a tradition in Britain, steaming from our imperial history, to have large numbers of people overseas. The interesting thing is that since 1947 almost the whole of the British empire has become independent, but the number of people serving overseas has increased."

Mr. A. Maddison, former head of the technical co-operation service of the Organization for Economic Co-operation and Development, says that the efforts of the donor countries in technical assistance "will be fully fruitful only if the re-

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dependent countries make serious efforts to adapt their social structure and their educational systems to the demands of economic growth; obviously capitalist growth, as enunciated in the Truman Doctrine of 1947.

This explains why there is a

US adviser to the Prime Minister on matters relating to the planning of economic development; why Peace Corps personnel have been placed strategically in schools and other institutions in different parts of the country; why books are being supplied to libraries and schools; why increasing numbers of Guyanese are going to the USA to be trained; why the CIA-backed AIFLD gives \$80,000 (US) per year to the Critchlow Institute for trade union education.

Naturally, such experts "eat up" a great deal of the foreign aid. According to Mehmed Eldemir, a Turkish engineer "the Americans have made this an indispensable condition. From 10 to 15 percent of the credits is spent on these advisers. But the work they perform boils down to determining, on the basis of data prepared by our specialists, the profitability of one or another enterprise and to putting all this in a pretty cover." The same can be said of Guyana.

One observer has rightly pointed out that of every three dollars originally allotted for economic development of the newly free countries, only two get to the young Asian, African and Latin American states. One-dollar is lost on the way; one dollar goes for development and the third dollar goes for corruption and graft.

Guyana also received \$800,000 in the form of US vehicles and supplies as aid to the police. Besides, police officers are being trained in the USA. This is also in keeping with imperialist objectives.

Those who are prepared to form military alliances with the US, or to tailor their foreign policies according to US wishes (we are non-aligned in name only), are given military and economic aid. The total of US economic aid, for instance, to Asian countries in the five year period 1954 to 1959 increased by 62 percent as compared with the period 1949 to 1954, while economic aid to states which entered SEATO and Baghdad Pact rose by 78.3 percent.

It must not be forgotten, however, that those who joined these pacts, including NATO, CENTO and OAS, are committed to foreign and domestic policies dictated by imperialism. This has only one end result — greater burdens in the future — budget and balance of payments deficits, inflation, devaluation of our currency, increasing cost of living, bigger debt charges bigger government bureaucracy and increasing unemployment.

On January 11, 1963, LFS Burnham said in the Legislative Assembly:

"If all we are going to do in this country after we have got independence is to pass a few bits of legislation and embark upon a few reforms within the framework of the existing economic and social order, we are wasting our time, and the uneasiness of the masses will certainly catch up with us, and will certainly remove us from the political scene."

Guyanese must now concentrate to remove the US puppets from the government.