

by Cheddi Jagan.

The Caribbean Basin Initiative (CBI) is an imperialist cold-war response to the explosive situation in the Caribbean region, and to developments particularly since 1979 -- the Grenada and Nicaragua revolutions; the electoral successes of progressives in St. Lucia, Curacao and Aruba; the removal of the hated Patrick John regime in Dominica as a result of the mass upsurge of the people; a progressive military coup in Surinam; the Grenada Declaration of mid-1979 signed by Grenada, Dominica and St. Lucia calling for a new type of Caribbean Unity, progressive and anti-imperialist in content. These developments in what the United States considers to be its backyard, its soft underbelly or its "third border" are in line with similar developments in Asia and Africa, which decisively shifted the world balance of forces against imperialism and towards national liberation and socialism.

The explosive situation in the Caribbean was noted as long ago as 1976 when the former Secretary General Alistair McIntyre told the Summit Meeting of the Caribbean Economic Community that the region was faced with "unprecedented difficulties" including a 20% inflation rate; a scandalous food importation bill of \$1,000 million, a worsening balance of payments problem and the need for a 150,000 jobs for full employment by the end of the 1970-80 decade. And he lamented the shortage of funds for the public sector and "startling increases in consumption expenditure."

William Demas, President of the Caribbean Development Bank, estimated that the employment rate was between 10% and 20%; for the 15 to 19 age group, it was as high as 50%. And the rate of labour under-utilisation was between 30% and 50% throughout the region.

The Carter administration deemed the Caribbean as a politically unstable area which could threaten the security of the United States. He established a Caribbean Joint Task Force at the military level; and at the economic level, the Caribbean Group for Economic Cooperation and Development and the Caribbean/Central American Action with the aim of inducing private investments into the area.

Although aid was increased, the situation did not improve. A group of "wise men", appointed by the Caribbean Economic Community to diagnose the ills of the Caribbean territories, underlined in its Report the explosive situation. It pointed out that in the next decade, unless positive steps are taken to change the situation, it would definitely worsen with the prospect for some countries of a 40% unemployment rate, which "would be nothing short of a catastrophe".

The Caribbean Basin Initiative was first proposed by Prime Minister Edward Seaga of Jamaica, who had been brought to power at the end of 1980 with the help of the CIA. He suggested a Mini-Marshall Plan for the Caribbean. This idea was soon after taken up by Chancellor Schmidt of West Germany. Its focus is "economic stability" and "national security", and it will most likely have four main components -- US trade preferences for products such as sugar; duty free importation into the USA of labour-intensive manufactured goods from the Caribbean countries; incentives to US companies to invest in the Caribbean; an "aid" package of about \$350 million (US); military ties. To qualify the recipient Caribbean countries will have to accept the basic philosophy behind the plan, must create an investment climate, pursue a capitalist course, and become integrated into the geopolitical and strategic system and objectives of US imperialism.

The basic philosophy behind the CBI is that the Caribbean, like other third world countries, must look to the private sector for economic development, and must create a climate attractive to investment and trade. In this regard, it is similar to the basic tenets of the Truman Doctrine ("containment of communism") which launched the Cold War in 1947. President Truman had stated that governments which conducted planned economies and controlled foreign trade were dangers to freedom, that freedom of speech and worship were dependent on the free enterprise system. He pointed out that controlled economies were "not the American way" and "not the way of peace". He urged that "the whole world should adopt the American system" and that "the American system could survive in America only if it became a world system". Calling for action, he implored: "Unless we act and act decisively, it (government-controlled economy and government-controlled foreign trade) will be the pattern of the next century ... if this trend is not reversed, the government of the United States will be under pressure, sooner or later, to use these same devices to fight for markets and for raw materials".

The Reagan administration has shifted emphasis from aid to trade and private investment and from multi-lateral to bi-lateral cooperation; and it has reduced financial allocation even to the international lending institutions like the International Monetary Fund, the World Bank, the Inter-American Bank, etc. under its control. President Reagan told the World Affairs Council that "free people build free markets that ignite dynamic development for everyone". Investment, he declared, "is the life blood of development, and improving the climate for private investment" was one of his administration's major priorities. This theme was underlined by the US Ambassador to the United Nations, Jeanne Kirkpatrick in a UN Debate in November, 1981 after the Cancun Summit Meeting. She called for the integration of the third world into "an open world trade system". As regards money and finance she observed: "We must all understand that the external contribution of Trade, Private Investment and Commercial Capital Flows responding to incentives of the marketplace are essential practical ingredients to achieve long term, non-inflation economic growth and development".

The Reagan doctrine and the Truman doctrine have many parallels -- "Soviet threat" and anti-communist hysteria; aid with political strings; security -- military treaties and bases.

In Europe, the Marshall Plan was linked to the military North Atlantic Treaty Organisation (NATO), and aid was tied with political strings -- united front governments in Italy, Belgium and France were forced to expel left socialists and communists in the same way as Cuba, Nicaragua and Grenada are to be excluded from the CBI.

For the Caribbean and Latin America, "Operation Bootstrap" was inaugurated -- the Puerto Rican model of economic development based on private foreign investment and the creation of an investment climate within the country -- together with the "International Treaty of Reciprocal Assistance" (the Rio Pact) of September 1947, the Law of Reciprocal Aid of 1949 and the Law of Mutual Security of 1951 with bilateral Mutual Defense Association (MDA) agreements: all aimed at meeting the so-called communist threat from within and without.

After the Cuban Revolution, the Kennedy administration came forward with th

Alliance for Progress, a reformist programme, aimed at countering the socialist direction and example of the Cuban revolution. Later, imperialism instituted regional integration (Latin American Free Trade Association, Central American Common Market and the Caribbean Free Trade Area and Caribbean Common Market) and "partnership" (joint ventures) to stem the tide of revolution.

All these attempts failed. Now, the Reagan administration is proposing to resurrect the discredited Puerto Rican model, the Rio Pact, the MDA and if possible to create a pro-imperialist axis of Caribbean states, armed to the teeth in a regional defense force. The Caribbean Joint Task Force has been upgraded to a Caribbean Command. New manoeuvres involving 41 ships were carried out in January, 1981.

The Caribbean Basin Initiative will also fail. It is not getting down to the core of the problem -- vast drain from the area of resources; investment return permitting the recovery of invested capital in 3-4 years; imbalanced economy; unequal international trade with the Caribbean countries constantly selling their products cheap and buying dear; inflated prices for oil and other products controlled by the foreign monopolies.

US policy for the Caribbean will not produce the necessary stability which is sought; instead, it will create deviousness and instability. Its main concern is to halt if not reverse the revolutionary process, to harass and attack Cuba, Nicaragua and Grenada, and to coerce and relegate the other Caribbean countries to the status of neo-colonial appendages of US imperialism and the transnational corporations. The C.B.I. has been sharply criticised by the Sub-Committee on Canada's Relations with Latin America and the Caribbean as being "poorly planned and questionably motivated". Mexico objected to the linking of aid to political-ideological yardsticks and objectives, and indicated that it should be open to all nations. It did not attend in October 1981 a meeting in Barbados of a group of technical experts charged with preparing a detailed regional response to the proposed plan. Here, the emphasis shifted away from the initial idea of large sums of aid towards trade and investment opportunities. But private foreign investment could hardly be predictable or planned for in keeping with strict economic planning discipline.

At the fifth annual Conference on Caribbean Trade Investment and Development in Miami from November 29 to December 1, there was an atmosphere of skepticism and concern about much talk and little action. A close friend of the USA, Prime Minister Tom Adams of Barbados said that a Marshall-type Plan was irrelevant as a model for application to the developing world and rejected the idea that Caribbean development must be based solely on private initiative and the free market. He called for development as opposed to rehabilitation assistance, claiming that foreign investment "was being used as an excuse with no regard for the needs of the people".

Another close friend of the United States, Prime Minister Eugenia Charles of Dominica, who recently stopped all scholarships to Cuba, said that "private investment plays an important role in the modernisation of developing countries, but we have more urgent needs".

Prime Minister Vere Bird of Antigua who has stated that the USA has a right and duty to "protect" the region from "subversion" stated: "There is no disagreement with Washington's dictum that the region's poor countries must pull themselves up by their bootstraps. But first we must have the straps with which to pull up the boot. We will never have the straps if the order of priority does not place the required aid at the forefront".

The Caribbean does not need a resurrected form of neo-colonialism. Imperialism colonialism and neo-colonialism have reduced the Caribbean countries, with the exception of socialist Cuba and revolutionary-democratic Grenada and Nicaragua to the status of underdeveloped capitalist dependencies with mis-development, declining living standards and untold racial problems.

The time has come for an end to vacillation, for political will and firm action. The Caribbean leaders cannot hope to embrace imperialism and at the same time expect imperialism to solve economic and social problems. Pleas alone will not bear fruit as Prime Minister Adams did at the Miami Conference, when he said: "I do assert, without apology, that Caribbean countries should not be required first to present evidence of imminent communist subversion before qualifying for a US commitment to alleviating, by whatever means, their economic and social circumstances". Imperialism is the root cause of the ills of the region.

The way forward is a complete break with imperialism, and the establishment of revolutionary-democracy states for radical socio-economic transformations. This is what the people want and will support.

Copyright © Nadira Jagan-Brancier 2000

Cheddi Jagan Research Centre