

Dr. Jagan's Open Letter to Mr. D'Aguiar

Dr. Cheddi Jagan has addressed the following open letter to Mr. Peter D'Aguiar:—

Dear Mr. D'Aguiar —

I have read your statement of last week-end with great interest. I address you this open letter so that you may clarify certain issues in the public interest.

You say that we are marxists and without marxism we have no policy; that Mr. Burnham's P.N.C. has no policy; that your policy is economic dynamism.

Firstly, let me say that marxism is not a dogma but a guide to action and that although the P.P.P. is not a marxist party, it has a definite policy. In the field of politics, it has written from its very inception, the word 'independence' on its mast-head; in economics, it is for a planned economy. Like India and Ghana, it believes that only a planned economy can generate rapid economic growth and necessary social changes. For planning purposes, these countries provide for four sectors — public, co-operative, public-private and private.

You say that Mr. Burnham has no policy, that yours is economic dynamism. What is economic dynamism? I humbly submit that Mr. Burnham's P.N.C. has a policy. It's the same as the policy of the N.D.P. and U.D.P. of John Carter and Rudy Kendall with whom Mr. Burnham is now allied. It's the same as yours. It's indistinguishable from the policy of the imperialists whose theme song and panacea for all our economic and social ills are foreign capital(ists) and the free enterprise system. This underlying similarity is what drives you all together to gang up to defeat us.

This is the cold economic fact. Let's be honest, and forget for a moment the emotional breast-thumping, the flag-waving, all the blabs about freedoms, and big words like 'economic dynamism'. You're all the same; the only difference between you is a difference of personalities. You all want to be generals.

We saw this underlying similarity not too long ago in the political field. In the Constitution Committee, Mr. Tasker of Bookers and Mr. Burnham of the P.N.C. basically sang the same tune — with minor variations on the theme — internal self-government only, Upper House and Proportional Representation. Does it make any difference that Tasker is white and a foreigner, and Burnham an African and a Guianese? Incidentally, this was more or less the same stand taken by the so-called Constituent Assembly, Big Business and the Sword of the Spirit (now Defenders of Freedom).

You state that your policy of 'economic dynamism' is a plan based on the "latest and soundest Western economic ideas;" that "it is specially suited to a country like ours. A country which has made little or no use of its greatest economic advantage namely, its huge land area. A country whose people suffer from unemployment and low standards of living and yet has within it all the basic essentials for full and dynamic development. Economic dynamism would help everyone in British Guiana. To the workers without work it would mean work; to the workers at work it would mean better wages; it would mean homes for those who need homes; and land for those who need land. For those who have farms or business it would mean expansion and prosperity. For everyone it would be a place in the sun. Economic dynamism would mean the most rapid advancement for all people in British Guiana."

Now all the above sounds very well but it is only a lot of words. Please illustrate with precise facts and figures. Assuming that you were the Premier of the new Government what would you do? What would be your five-year or ten-year development plans to achieve all the things which you mentioned above.

Let me pose the problem. Heads of Departments told us in early 1959 that they required \$260 m for a five-year plan. Even this would be inadequate. Take roads for instance. At the rate of roughly \$½m. per mile (estimate for East Coast Road) coastal roads alone would take more than \$100 m. The Hutchinson Drainage and Irrigation Schemes which we supported years ago would take another \$100 m. Add to this the many more millions required for transport, education, health and welfare schemes including adequate pensions and unemployment relief. I have not added such things as rural electrification, hydro-electricity and industrialisation. In other words we need several more millions than the \$110m. which has been placed as a ring around us.

But what did Mr. Berrill, Mr. Adler of the World Bank and the

Colonial Office tell us. They said quite categorically that if we had to raise money at prevailing high rates of interest (6%) we could not have a bigger 5-year programme than \$110 m. They have advised that we should try to contribute more from our own funds for our development; that we depended too heavily on borrowing from outside. We are supposed to contribute \$15 m. from our budgetary surpluses towards our 1960/64 Programme. In other words roughly \$3m. a year. You say that you would pay better wages, perhaps \$4.00 per day to the unskilled worker.

So would I. But every 25 cents increase on the existing wage would cost us roughly \$¼m. to \$1 m. And then there are civil servants and pensioners and social assistance to consider. You are no doubt against borrowing from the East at nominal rates of interest. How then you will solve the problems?

No doubt you would say that you would be able to create confidence abroad, that foreign capital would help you to do all the things which you have mentioned. If this is your argument, please tell us how much you feel foreign capitalists will spend in the next five years, what fields they will enter, by how much the national income and national revenues will be increased (keeping in mind your give-away tax concessions). Please keep in mind that unlike countries like Brazil, we do not have a large home market. If you are thinking of Jamaica and Puerto Rico, remember that foreign capitalists produce mostly for export to North America. Our conditions are entirely different. Our plan is to make bi-lateral trade agreements, obtain plant and equipment on credit and pay back with our national products. We cannot wholly rely on the inequality of international trade.

History and experience have taught us that in most underdeveloped territories foreign capital has hindered development by distorting the economy, by concentrating on extractive industries, by causing a greater flow of money outside the country over a period of years.

Permit me to cite just a few examples. In Persia, in fifty years, an investment of £21½ m. in oil yielded a return of between £700 m. to £800 m. In Latin America, during the decade 1945/55, U.S. foreign investment yielded a profit after taxes of \$7 billion. Of this amount \$1½ billion was reinvested in the area and \$2 billion new investment came in thus leaving a net drain of \$3½ billion. Space does not permit the citing of other examples which tell the same story in underdeveloped territories of the ravages of imperialism.

What do you mean by the "latest and soundest economic ideas?" I presume by this that you do not mean a completely planned economy as in the Soviet Union or a partially planned economy as in Ghana and India. You will recall that because of this emphasis on planning, the second five-year plan of India was opposed by financiers abroad. The World Bank at first refused to help finance this plan. The West is now in a big way helping India financially. This is to a great extent due to the fear that China will outstrip India and thus become a model for underdeveloped countries. By 'economic dynamism' you obviously mean western monopoly capitalism and its imperialist relationship with the underdeveloped regions of the world. How sound is this system?

Imperialism today is on the defensive. Monopoly capitalism is moribund. In the U.S. productive capacity is employed only to the extent of 60% to 75%. Persons like Allan Dulles, Head of U.S. Central Intelligence Services, and economists of the Congressional Joint Economic Committee are now alarmed. They point to the almost twice as rapid economic growth in the Soviet Union as compared with the U.S.A. They call for changes if the West is to win the race of peaceful economic competition. Such changes however require economic planning. Planning, the so-called freedom lovers say, is anathema to the free enterprise system, is akin to socialism and communism. This is the dilemma of the West.

Obviously, the so-called latest western economic ideas based on monopoly capitalism are far from sound. They can no more solve the problems of developed countries in the West than they can solve the colossal problems of underdeveloped countries such as ours.

Reading between the lines, I can see that you are an exponent of elitism; the masses are all well and good, you seem to say (after all they have the votes), but they

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