

STRAIGHT TALK

Alliance For Progress

- by Cheddi Jagan

Not too long ago, the Archbishop of Brazil described the Alliance For Progress as dead. The U.S. Government is now trying to pump new life into it.

President Johnson recently announced that he proposed to ask Congress for an additional \$1.5 million as a further injection into the veins of Latin American countries. Since there are a few in our country who feel that we must join the O.A.S. to cash in on aid under the Alliance For Progress and loans from the inter-American Development Bank, it is time for serious review.

When the representatives of Latin American countries met on August 5, 1961 at Punta del Este, there were high hopes. The Alliance For Progress was President Kennedy's counter to Fidel Castro's announcement in 1961 that the Cuban Revolution would take a socialist course. But this was not publicly stated. What was stated by the U.S. Government was that it was interested in removing poverty, illiteracy and backwardness in Latin America.

But at the beginning, the aims of the plan were severely limited. There was no question of changing the basic structure of the economy of Latin American countries from primary producers of one crop or one mineral. There was no intention of stimulating industrialisation and building a sound agriculture. Emphasis was put on social objectives as health, housing, and education. And an economic growth rate of only 2.5 percent yearly was projected.

A 2.5 percent growth rate was ⁱⁿ adequate. At that time the average figure for Western Europe and U.S.A. was 4 to 5 percent and for the socialist countries 8 to 10 percent. But even the modest expectation was not achieved. In fact, there has been a steady decline. The average figure for 1960 to 1965 was 1.6 percent as compared with 1.7 percent for the period 1955 - 1960 and 2.2 percent for the period 1950 to 1955. Argentina, one of the most developed countries in Latin America, suffered a decline of 2.7 percent in the gross product for 1966.

The reasons for this decline are many - economy in imbalance, fall in prices of exports, rise in prices of imports, latifundia, vast outflow of profits, crushing debt burden, balance of payments deficits ^{and} inflation.

Latin American economy is kept in a straight jacket, in imbalance as producers of one or two crops and minerals. There is not a balanced industrial-agricultural economy. Conditions attached to US aid do not permit this. Only about 10 percent of US aid is spent on industrialisation.

For instance, figures for Africa disclosed that of a total of \$1,629 million of U.S. investments in 1964, \$830 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. According to official statistics, the U.S. "aid" to Africa between 1946 and 1965 amounted to \$3,062 million.

Land in Latin America is concentrated in the hands of absentee owners. About 5 percent of the population own about 75 percent of the arable land. Much of the food needs of the people has to be purchased abroad. In the last few years production of food supplies has fallen according to the U.N. Food and Agricultural Organisation. # As a result of fall in prices,

Latin America lost \$½ billion in 1962, exactly the same amount it received as foreign aid under the Alliance For Progress. Besides, Latin American share of world trade dropped from 11% to 6% in the 10 year period 1955 to 1965.

There are also balance of payments problems, run-away inflation and devaluation of currency. In 1961, in Argentina the dollar was quoted at 83 pesos. In 1966, the official rate was 250 pesos; in the black market, it was 290 pesos. In Brazil and Chile inflationary rise was greater than in Argentina. Currency of Uruguay lost 90 percent of its value during 1965 and 1966. In Columbia while the population ~~dropped~~ ^{increased} 20 percent, the purchasing power of the people dropped to the same extent.

The worsening position of the Latin American people is indicated by the grave housing shortage. When the Alliance For Progress was started in 1961, the housing deficiency was estimated to be 15 million houses. According to the inter-American Bank of Development, the need in 1966 was 19 million houses, four million more than at the start of the plan.

The deteriorating conditions and lowering standards of living of the masses have resulted in growing political consciousness and action. In Argentina, there is a wave of strikes. In other countries - Venezuela, Columbia, Peru, Guatemala and Bolivia - the workers, peasants and intellectuals have launched guerilla warfare with the aim of dislodging the imperialist puppets and dictators.

It is against this background that the U.S. is feverishly using the Organisation of American States (O.A.S.) to pressurize Latin American States to ^{spend more on the military and to} form joint military forces - so-called peace force.

9

STRAIGHT TALK CONTINUED

Latin American countries were using some 25% of their budgets for military purposes, amounting to over \$1½ billion a year. It is the intention that these forces will be used to crush popular movements in whatever country they may exist. This is contrary to the long established principles which were supposed to regulate the affairs of the American States, namely, non-intervention, exercise of sovereignty, and self-determination.

To achieve the objectives of intervention as in President Kennedy's Bay of Pigs ^{of Cuba} (~~Cuba~~) invasion in 1961, and President Johnson's landing of marines in the Dominican Republic in 1964, the US Imperialists are advocating the abolition of "national frontiers" and their replacement "by ideological frontiers".

But the ideology is not to be the ideology of equality and freedom. Rather it is the ideology of the "shark" to more easily maintain its domination and exploitation of the "sardines" by devices such as the Latin American Common Market.

Neither military alliances like the OAS nor aid schemes as the Alliance For Progress will help to cure the ills of Latin America, the Caribbean and other third world countries. What is needed is the ending of foreign political, military and economic domination and the complete re-structuring of the economy in the interest of the people.