

## **15th Congress of the PPP, 1968. . . .FOR A UNITED, FREE GUYANA**

*(Expanded PPP Congress Paper, 1968)*

by Cheddi Jagan

We meet at a time of grave crisis. The coalition's domestic and foreign policies have landed Guyana into a morass.

There has been a steady deterioration in living standards. Unemployment is increasing with growing frustration, social and industrial unrest, crime and delinquency.

This is in sharp contrast to promises made but not fulfilled. The Guyanese people have been betrayed.

In its 1964 election manifesto, called the *New Road*, the People's National Congress (PNC), led by L.F.S. Burnham, declared:

"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 a new servitude not independence."

In January 1963, the same L.F.S. Burnham, as Opposition Leader, bravely uttered these words 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."

In the 1964 election, the PNC campaigned under the banner of socialism. But public enterprise now has no place in the imperialist scheme of things in Guyana. In June 1966, the law enacted by the PPP government in 1962 empowering the Industrial Development Corporation to "**stimulate, facilitate and undertake the development of industry**" was amended — without parliamentary debate — by the deletion of the key word, "**undertake**".

Monetary, fiscal, trade, agricultural and industrial policies were dictated by the US to better serve the interests of foreign (mainly American) monopoly-capitalists. May 26, 1966, did not bring independence to the Guyanese people, only a new servitude, a change of colonial overlords. The United States has merely replaced Britain.

Fortunately, after more than four and a half years of puppet rule, more and more Guyanese are realising that Guyana is retrogressing instead of progressing, that things were never so bad, not even in the dark days of direct British colonial rule.

The broad handwriting is on the wall. It will not be long before the puppets are removed from the political scene.

### **Economic Retrogression**

In 1964, the UF manifesto, *Highways to Happiness*, said that it would obtain "**\$900 million for the economic and social development of Guyana**" for a 6-year programme.

The PNC's *New Road*, not to be outdone, declared that its target of \$130 million annually was feasible.

But the 7-year D-Plan (1966-72) was only \$300 million. And in the first three years of coalition rule, the yearly average of \$43 million was not reached — \$24 million was spent (wasted) in 1965, \$32 million in 1966, and \$41 million in 1967.

A Ministerial Paper, appended to the 7-year Development Programme under the title, "Financing the Development Plan", stated in the last paragraph: "In brief, the Government can support a Development Plan of \$286 million over the years 1966 to 1972 if it can find:

- i) \$96 million in grants, \$100 million in “soft” loan, and \$41 million in “hard” loans from external borrowing;
- ii) \$50 million from internal borrowing; and
- iii) \$40 million from expenditure cuts (especially subsidies) and increased taxation.

What is the position today? Clearly, the targets set out in the Ministerial Paper will not be achieved.

For the 3-year period, 1966 to 1968, grants amounted to \$24 million, foreign loans to \$31.5 million and local loans to \$121.5 million.

Of the local loans, the largest amount, \$13.5 million, was raised in 1965, before the Plan began. Since then, there have been diminishing returns — \$18 million in 1966, \$9 million in 1967 and only \$4.5 million in 1968. So difficult has the position become that the government in 1968 agreed to allow write-offs in income tax for money invested in Government Bonds. This manoeuvre, while helping to raise some local loans, will certainly affect adversely income tax receipts.

Foreign aid in the form of loans and grants has come mainly from Great Britain and the United States. But because of their own serious financial difficulties, they are unlikely to pump aid into Guyana in the future at the same rate as over the past three years.

Actually, US foreign aid has dropped from US\$3.5 billion during the Kennedy period to \$1.4 billion in 1969. And President Johnson has now suggested a cut of \$0.5 billion leaving a balance of \$1.75 billion — exactly half the amount of the Kennedy era. This amount is likely to be further reduced.

Besides, foreign aid is becoming increasingly tied. Minister of Finance Dr. P. Reid, in his 1968 budget statement cautiously complained: “But though foreign aid is welcomed Guyana cannot accept aid under any conditions; hence, unfortunately, aid from some donor countries has not been fully utilised during the year under review” (1967).

Nearly 80 percent of US loans are tied to the purchase of US goods and services. The Bank of Guyana *Annual Report, 1969*, noted: “A major problem in financing capital expenditure is the insufficiency of untied funds — funds which are tied neither to specific projects nor to specified foreign expenditures.”

A look at another aspect of the Ministerial Paper shows that current expenditure is running ahead of what was planned. The plan was to spend \$81 million in 1966, \$86 million in 1967 and \$92 million in 1968. The actual figures are \$84, \$88 and \$97 million respectively.

The increased expenditure unfortunately is not going toward development and social services. Instead, it is being squandered and frittered away in a growing bureaucracy and ministerial extravagance. Of nearly \$5 million increase in expenditure in 1968 over 1967, the bulk went toward personal emoluments and public debt charges. The 1967 increase in expenditure of \$7 million over 1966 was largely used up in significant increase for defence, police, prisons, overseas representation and payment of public debt.

And the government has put Guyana in the red. At the end of 1963 there was a credit balance of \$5,852,656. The government has admitted that at the end of 1968, the credit balance will become a debit of \$17 million. It is more likely to be about \$20 million.

It was suggested also in the Ministerial Paper that at the end of the 7-year period, the government would have to raise a total of about \$10 million by way of taxation to close the financial gap in the Plan. But already taxation for the first three years of the Plan has reached a cumulated total of \$27 million (\$2.77 million in 1966, \$5.4 million 1967, and \$7.95 million in 1968).

And it is obvious that we are not at the end of the road on taxation. From now on, the Guyanese people will be called upon every year to pay more and more taxes.

### **Cost of Living**

The cost of living has been mounting due to the government’s pro-imperialist monetary, fiscal, trade, industrial, agricultural, labour and other policies. In the four-year period, 1965-1968, the cost-of-living index figure rose by 16 points as compared with 8.8 points in the previous 7 years.

The pro-big business policies include:

1. Wage freeze
2. Devaluation
3. High interest rates

4. Removal of consumer subsidies
5. No effective price and rental controls
6. Restrictions on trade with socialist countries
7. Bankrupt agricultural policy leading to skyrocketing food prices
8. Sabotage of industrialisation
9. Indirect (consumer) taxes in the form of increased import duties
10. Decrease of real income.

### **Wage Freeze**

The government is carrying out an anti-working class wage-freeze policy, contrary to electoral promises.

At the street corners during the 1964 election campaign, both the PNC and the UF had wickedly told the people that the PPP was anti-working class and was holding down wages. They promised \$5 to \$10 per day.

The UF manifesto, *Highways to Happiness*, specifically stated:

1. Immediate minimum wage of \$4 per day
2. Minimum annual increment.

But this was not implemented.

It is now clear that had the PPP government not promised to pay \$4 per day, the coalition would have raised wages only to \$3.52 per day. For that is the minimum wage fixed by the coalition government for sawmill, forest and quarry workers. During our regime, these workers received the same minimum wage as government unskilled workers.

The government is aware that the sawmill and quarry industries are highly lucrative. High profits have produced many local millionaires.

With reference to high profits, *New Nation*, the organ of the PNC stated:

“Nearly half a million dollars in revenue has been paid into Government coffers as a direct result of forest products extracted during 1966, *New Nation* has been reliably informed. The sum collected (\$480,051) was \$12,000 or two-and-a-half percent more than that collected for the year 1966, the previous highest revenue-yielding year, and 20 percent higher than revenue collected from the forestry and the lumber industry during 1965”.

But the government, and the Burnham-led Guyana Labour Union, which raided the membership of the Sawmill and Forest Workers Union in 1963 with promises of steep wage increases, were no doubt acting in deference to the wishes of their wealthy capitalist backers whose concern is industrial peace, low wages and high profits. The then Finance Minister, Peter D’Aguiar, made this clear some time ago, when he addressed the Post Office Workers Union. He warned against the agitation for higher wages and said increased wages must go hand in hand with increased productivity or else, “you will be driving the country’s economy into a state of bankruptcy”.

So now the workers are being told that they must submit to a fraudulent wages and incomes policy, and give up their right to strike. The Guyanese workers should note that the British working class by an overwhelming majority at the 1968 TUC Annual Conference rejected the British government’s wages and incomes restraint policy.

### **Monetary Policies**

The coalition government, faithful to its masters abroad, refused to heed the advice of the PPP to take steps to anticipate and thus cushion the effects of the devaluation of the pound sterling. Consequently, our dollar was devalued in November 1967 by 14.3 percent, the same extent as the British pound.

Devaluation has hit the Guyanese consumers now in increased prices of goods from non-Commonwealth areas. It will hit them later in the form of increased taxes to meet larger debt payments to non-sterling countries like the USA and Canada.

Meanwhile, those companies and individuals who export bauxite, alumina, manganese, sugar, rum, molasses, gold, diamonds and timber to non-Commonwealth countries will reap a windfall of about \$10 million annually from devaluation.

Devaluation of our currency has not been the only means by which the puppet government’s monetary policies have helped the capitalists and imperialists. No attempt was made to pursue economic and financial policies in the interest of our development. The difficult problems of monetary control and economic emancipation remain. By refusing to appoint Guyanese Dr. Clive Thomas as Governor of the (Central) Bank of Guyana, as we had proposed, the coalition placed the Bank under the governorship of one sponsored by the

West German Government, Dr. Horst Bookleemann, now succeeded by Mr. W.P. D'Andrade, an instrument of big business and the private expatriate banks.

Interest rates were not brought under control; they still depend on the state of foreign economies, not our own. The average interest rate for all loans and advances was 7.7% in 1966, and 7.9% in 1967. These high rates were eventually passed on to the consumers in one form or another.

Exchange control on sterling imposed by the PPP government in 1962 was lifted in 1965. This led to an outflow of about \$15 million of capital in 1965 and 1966, which reduced Guyana's foreign reserves and contributed to the devaluation of our dollar.

### **Removal of Subsidies**

In 1966, the government in a White Paper declared that it was losing \$14 million annually in various subsidies to the consumers — drainage and irrigation; Transport and Harbour fares and freight; the Marketing Corporation; duty-free gasoline to rice farmers, timber producers and fishermen; deodorized cooking-oil, crop bonuses; etc. This subsidy the government claimed it could not afford, and would gradually reduce. As a result, the government

- 1) increased railway and steamer fares and freights (except the passenger fares on the Georgetown and New Amsterdam steamers), and re-introduced first-class travel which was abolished by the PPP;
- 2) withdrew the subsidy on cooking oil;
- 3) withdrew duty-free gasoline for rice farmers and loggers;
- 4) sabotaged incentives to farmers.

### **Trade**

On April 13, 1962, L.F.S. Burnham declared in the Legislative Assembly that the "PNC does not oppose trade on the basis of ideology". But his government has jettisoned exports to Cuba and restricted imports from socialist countries.

Quota restrictions have been placed on less expensive goods from the East. This measure, which has helped to increase the cost of living, is in keeping with United States dictation. The United States government would like to get its client states to purchase more from the West to help solve balance of trade and balance of payments difficulties. The US share of world trade fell from 34 percent at the end of World War II to 16.4 percent in 1965.

By the abandonment of the Cuban market, rice farmers and timber producers and workers have been hard hit. Many Amerindian loggers and sawmillers, who were able to cut more trees and fashion them into sleepers, have lost their means of livelihood. Many sawmill workers have also lost their jobs. Thus an area like Bartica is today a depressed "ghost town".

The government contracted the Connell Rice and Sugar Company of the USA at a retainer fee of a little over one-quarter million dollars to sell rice outside of the British Caribbean area. The government claims that Connell also gets a commission of 1 percent. But some RMB members express doubts about this, stating that if Connell was selling on a commission basis, it would not have been using its own brand name, "Rooster", to market Guyana's rice abroad. They claim that Connell buys at low prices and sells at higher prices.

The coalition's mishandling and mismanagement of the rice industry have caused the Rice Marketing Board (RMB) to lose \$4.3 million in 1965-66 and \$2.9 million in 1966-67. The government claims credit for a profit of \$1.4 million in 1967-68. But this has been made at the expense of the sweat and blood of the rice farmers, who have been penalised in many ways.

The RMB reduced prices and dropped certain intermediate grades, resulting in a drop in prices to the farmers of between \$3 to \$5 per bag of rice.

This drop in prices also affected the income of the government-owned Rice Development Corporation (RDC). Consequently, prices paid to farmers at the RDC mill at Mahaicony-Abary for padi were dropped to \$4.70 for Grade D and \$2.90 for Grade E, well below the cost of production. At the RDC mill at Anna Regina, the lowest price per bag of padi in 1968 was \$3.14 as compared with \$5.19 during the PPP regime. And to further squeeze the farmers, the RDC has decided to abandon the 3-man system of grading of padi.

Another adverse effect of the loss of the Cuban market and the lowered income of the RDC was its inability to meet its \$5 million loan commitment to the Commonwealth Development Corporation (CDC). The government was thus forced to give the CDC lucrative concessions— low prices for land and option to lease their lands in the whole of the Pomeroon, Moruca and Northwest District — for a 12-year extension of the loan.



## Agriculture

Today, from every government quarter, it is being said that agriculture constitutes the backbone of the country. This is in sharp contrast to the epithets hurled against the PPP regime, that it was a “coolie government”, “a rice government”, concentrating too much on the countryside, on agriculture, on drainage and irrigation. But the coalition has done everything to downgrade agriculture. The progressive farmers scheme, on which the PPP placed great hopes, was virtually killed.

Thus, there is a progressive decline in agriculture. The *1966 Economic Survey of Guyana*, stated: “Income arising in the agricultural sector generally are projected to remain fairly static at approximately \$68 million in 1966, and the contribution of the sector to the Gross Domestic Product is expected to decline from 20.6 percent in 1965 to 19 percent in 1966”. The actual percentages for 1966 and 1967 were 18.1 and 17.8 respectively. These should be compared with 21.3 percent for 1964 and 24 percent for 1963, years of CIA-fomented and financed strikes and strife.

The share of “other agriculture”, other than sugar and rice, declined from 3.2 percent of GDP in 1961 to 2.6 percent in 1966.

On page 16, the *Survey* reveals that the “production of livestock (except poultry) is believed to have declined during the year”.

Agricultural production is therefore clearly not even keeping pace with the rate of population increase. This shows up in the increased imports of foods — \$33.4 million in 1966 and \$30.7 million in 1965 as compared with \$28.7 million in 1964. For 1966, the report says: “Food imports rose sharply by about 9 percent above the value recorded in 1965”.

Cassava, eddoes, tannias and plantains have now become so scarce that they retail for 14 to 20 cents per pound in Georgetown, as compared with prices of 2 to 6 cents per pound during the PPP regime. So plentiful was the supply of local produce then that L.F.S. Burnham could have boasted in a pre-election broadcast in 1961 that when the PNC assumed office no one would go to bed hungry, and there would be free distribution of milk and cassava.

During the 1964 electoral campaign, the United Force declared that 30,000 farmers would each receive 30 acres of bona-fide land, guaranteed drainage and irrigation, good markets and fair prices.

But today the situation is grave. There is land hunger and intense competition for land. And the coalition’s overall agricultural policies have caused great suffering both to producers and consumers.

## Food Prices

Local food prices have increased because of a combination of factors:

- sabotage of drainage and irrigation;
- ejection of farmers;
- dismantling of minimum guaranteed prices;
- increased role of middlemen;
- reduction on crop bonuses;
- reduction of expenditure on pest control;
- negligible credit to small producers;
- destruction of crops by wild animals and birds;
- praedial larceny;
- increased cost of production;

Water control for adequate drainage and irrigation is a basic requirement for agriculture. That is why the PPP had embarked on a progressive plan of implementation of major drainage and irrigation schemes. The coalition government, however, has changed the PPP’s order of priorities. Emphasis has been changed from drainage and irrigation to roads.

Drainage and irrigation schemes, so vital to the success of agriculture, were set out in the \$300 million 7-year Development Plan to cost \$40 million. However, for the first 3 years of the plan, only \$900,000 would have been expended.

There has been a cut in drainage and irrigation expenditure at the Cane Grove and Black Bush Polder land settlement schemes. The Pomeroon farmers were also hit by floods in 1965 and 1966. Compensation for loss of crops and loans to rehabilitate farmers were promised, but never given.

The 6,000-acre Pomeroon follow-up scheme was to be undertaken after the Tapakuma Lake Scheme. But it was abandoned. So was the Mahaica-Mahaicony-Abary Project. The internal drainage and irrigation works of the West Coast Boeraserie Extension Project have not yet been completed.

And even though priority has been given to roads, one of the most important roads, the Parika-Mokouria, was abandoned. Had priority been given to this road, the land on the East Bank of the Essequibo River, which was improved by the Boeraserie Extension Project, would have been producing much needed crops.

The coalition government sabotaged the scheme of guaranteed minimum prices to farmers. Prices of plantains, milk, coffee and other items dropped significantly in 1965 and 1966. In 1966, the Guyana Marketing Corporation refused to purchase oranges from the farmers. They were forced to sell oranges at 50 cents per hundred as compared with \$2 which they received during the PPP regime. Now the Marketing Corporation is buying on the basis of three grades and is requiring shipment in crates instead of, as previously, in bags.

The price paid for milk to the producers by the milk plant was reduced from 80 cents to 60 cents per gallon.

Coffee farmers now get only 30 to 35 cents per pound as compared with 48 to 55 cents per pound during our regime.

The discriminatory policy pursued by the government has also contributed to a fall in the production of "provision". Lands have been taken away from farmers in Hubu and other areas which were actually producing crops and given to PNC supporters, the majority of whom are not interested in farming.

Nearly 300 persons on the West Coast of Berbice had constituted themselves into the Greater Kabawer Cooperative Society and applied for 4,000 acres of land. Instead of facilitating the society and acquiring more land from the sugar planters to meet other needs, the government split the holding, giving 2,000 acres to the society for farming and 2,000 acres to a group of 30 persons for cattle rearing — a clear violation of the terms for the release of the land by "Bookers" to the government.

The "crop bonus" scheme inaugurated by the PPP to help in the diversification of agriculture and to encourage the production of food items imported from abroad was also sabotaged. The coalition government reduced expenditure on this head from \$36,939 to \$20,000 in 1967. The same was done in many other fields, such as veterinary preventive measures and aid to the fishing industry. Aid to the fishing industry has been reduced from \$92,000 in 1966 to \$50,000 in 1967. Many fishermen are complaining that the government has not given them remission of duties on gasoline, twine, and outboard engines.

Those steps have disheartened the farmers. Besides, very little help is given by way of loans to the small farmers. Writing about the Guyana Credit Corporation, the *Bank of Guyana Annual Report, 1967* states that the "lending capacity of the Corporation is now virtually confined to repayments received because no new funds have been channelled into it in recent years".

There is also the problem of pest control. For many years, it has been suggested that the riverain lands offer a large scope for agricultural development. One problem, however, has been the destruction of crops by pests, such as *acushi* ants. The government has done very little to aid agriculture in this field. As compared with government expenditure of \$9,000 in 1966, no money was voted in 1967 for the eradication of *acushi* ants.

Whereas during the PPP regime farmers obtained free supplies of drugs to destroy *acushi* ants, now they have to pay. The same applies to vaccine for cattle infected by rabies.

Another cause for loss in the riverain areas is destruction of crops by wild animals and birds. Monkeys, birds and wild hogs destroy farms willy-nilly, while tigers destroy livestock. By refusing to return shotguns to farmers, the government is largely responsible for loss of crops and animals.

Another reason for loss is praedial larceny. Because of increasing unemployment, crime is rapidly increasing. In the city, this has taken the form of choking-and-robbing and crimes of violence. In the countryside, it has taken the form chiefly of stealing from farms. The East Coast Union of Local Authorities has recently called on the government to provide more police protection to farms at night.

High prices of provisions have come about not only from a fall in production. A contributory factor is the increased cost of production to the farmers. Farmers have had to meet not only increased costs for

consumption goods. Those who employ labour have been forced to pay increased wage bills as a result of the spiral of inflation. They have also had to meet increased prices for farm implements, fertiliser, stockfeed, seed, etc.

The coalition is thus hindering agricultural production not only directly but also indirectly.

Take the case of Guyana Stockfeeds Ltd. This company, an Anglo-American tie-up of Bookers with the Quaker Oats Company, is virtually the sole producer of stockfeeds. The brand produced is Ful-O-Pep, under license from the Quaker Oats Company which supplies the concentrates no doubt at a handsome profit.

Besides, Guyana Stockfeeds Ltd. itself is making lucrative profits. It complained in 1967 that its profits were low, but it was still able to share a final dividend of 25 percent for 1966.

Dividends previously shared out were 15 percent in 1962, 15 percent in 1963, 20 percent in 1964, and 21½ percent in 1965. This means that the company has recovered its investments in 5 years.

High profits and quick take-out may be good for the foreign investors. But they inhibit the growth of the economy and affect the farmers.

Take corn as an example. The company imports large quantities of this product. This importation would not be necessary if the company paid remunerative prices to the farmers. Hucksters selling corn in Georgetown to the company are paid 6½ cents per pound. But because of the increased cost of steamer-fares and freight rates, they refuse to pay more than 6 cents per pound, which the farmers in the Berbice River district, for instance, find un-remunerative. If the company shared a smaller dividend, and paid 7 cents per pound to the hucksters, the latter would be in a position to pay the farmers a higher price, which could very well stimulate local production.

But production is affected not only at the farm level. High prices of stockfeed also inhibit production of livestock, poultry, eggs, milk, cheese, bacon, ham, lard, etc. High prices of feed mean high prices for livestock, poultry, eggs, etc. These high prices place a limit on the ability of consumers to purchase these products. A vicious circle is thus created which limits production and increases the cost of living.

Clearly, a basic industry such as stockfeed should be either government-owned or government-controlled.

### **Dangerous Trends**

The present trends in Guyana pose grave danger signals, Guyana must at all cost avoid what has happened to Latin America and the Caribbean. These countries which previously produced their own food are now importing large quantities of food, particularly from the USA.

This has been principally due to the fact that under US imperialist influence, agricultural policy became export-oriented for the production of plantation crops like coffee, bananas, and sugar.

North-east Brazil, which went over completely to sugar production, is one of the worst hunger spots in the world.

Many Guyanese farms have been converted in recent times into cane lands. This is a trend which has grave dangers for the future.

Another trend noticeable in the largely agricultural Caribbean and Latin America is the trek of the population from the country to the city. This is very noticeable in places like Barbados, St. Vincent and Jamaica.

Owen Jefferson, a UWI economist, recently postulated an explanation for this trend. He said that the Jamaican economy had certain very profitable "islands" such as bauxite and tourism, which can afford relatively higher wages. Prices and cost of living are eventually adjusted to these wages. Meanwhile, the unemployed or underemployed refuse to work in small farms which, in the majority of cases, cannot afford the wages paid in the highly profitable "islands" – thus, the trek from the country to the towns and the eventual shanty-town and slums.

### **Industrial Failure**

On January 20, 1960, L.F.S. Burnham in the Legislative Assembly, attacking the PPP government, shouted:

"Where is the plan for the towns, and where is the plan even for villages? . . . No industry for villagers; no plan to get an industrial area and see whether it is possible for government to erect factories".

In a budget debate on January 11, 1963, L.F.S. Burnham observed:

“The country is going to export more sugar, bauxite, manganese and so on, and therefore, we should be happy. If exports are increased and the Government is likely to get more revenue, we will be very happy. Is that what the people of Guyana are looking forward to? Must an improvement in conditions depend upon the export of sugar and bauxite and increased import duties? Shades of the old colonial budgets!”

Yet, very little has been done by the coalition to industrialise and diversify the economy.

In the Throne Speech, the government continued to declare that it was pursuing a mixed economy. This is in keeping with the promises by the PNC in its 1964 election manifesto *New Road*. Under the heading “Goals and Attitudes”, it said:

“Ours will be a mixed economy with a public and private sector. Government will own and run outright those industries which the circumstances and facts suggest. These will not be limited to infrastructural undertaking where the capital investments are heavy and the returns not immediately recognisable, but will include what are described as productive and immediate profit-bearing enterprises.”

In the same manifesto, under the heading “Policy Foundations”, there was stated the following:

“Essential industries must be under social control. These will include all public utilities, others which are important for ensuring adequate protection of satisfactory standards of quality, and yet others which from time to time it may appear beneficial and in the national interest to have publicly owned, controlled or operated. These will not exclude by any means profit bearing undertakings.”

The major coalition party has not only betrayed its pledges, but has also reversed the policy of the PPP government. In November 1964, we had voted the sum of \$5 million in 1965 for the Industrial Development Corporation. This was to be used for the setting up of government-owned industries to manufacture items such as bicycle tyres, galoshes, yachting shoes, glass, cement, etc., for which feasibility studies had been undertaken. Out of this sum, \$1 million was earmarked for government participation with local private entrepreneurs in jointly-owned factories. But under pressure from the United States government, the coalition has not honoured this commitment. Indeed, as has already been pointed out, the Industrial Development Corporation (now Guyana Development Corporation) by an amendment of its statute on June 2, 1966, can no longer establish government-owned industries.

The future for manufacturing industry is therefore bleak. This accounts for the coalition’s belated recognition of the importance of agriculture in the economy.

All that has been done is the expansion of government activities in the field of construction – roads, sea defences, airport, airstrips, etc. – the extraction of bauxite and manganese, the extension of some existing factories, and the erection of factories which were contemplated during the PPP regime in the private sectors; those in the public sector were dropped.

The coalition government has certainly relegated industrialisation to a minor role. In the field of manufacturing industry, \$16 million was allocated in the D-Plan. But for 1966-68, only \$3.5 million has been voted for forest, agricultural and industrial development.

A total of \$62.3 million for industries, including cement, wood pulp, fibre bags, milk condensory, oil refinery, etc., has been listed in the D-Plan report for the private sectors. But so far very little has been done.

The oil refinery and the huge banana project, on which so much hopes have been built, fizzled into thin air.

In 1967, only two loans totalling G\$0.2 million for air transportation and trawler fishing (the latter to an imperialist company) were granted under the Private Investment Fund, which was established since 1966 with the US Agency for International Development (USAID) contributing US\$2 million and the Guyana government G\$600,000 annually for five successive years. The obstacle here is certainly the condition that purchasers of goods and services for the establishment of light industries must be made in the USA, where prices are generally higher.

Thus, the manufacturing sector in 1966 accounted for only 3.2% of the Gross Domestic Product in industries already established. And the *Economic Survey Report* for 1966 admitted that “the rate of expansion was slowing down.”

The *Survey* did not regard future prospects as bright. It stated:

“A statement of intentions indicates that the firms involved in manufacturing expected to invest approximately \$4.8 million in 1966. As in the previous year, almost a third of this would represent the



expected investment by the Electricity Corporation. Further, as no new large scale manufacturing enterprise has been set up during the year, investments in 1966 are hardly likely to exceed the estimated \$4.8 million. In 1966, fixed investment in the manufacturing sector did not achieve the level expected and is now estimated at \$2.5 million; and practically a third of this was attributed to the Guyana Electricity Corporation. It is apparent that most companies did no more than maintain their capital intact”.

The Minister of Finance in his budget speech stated that “it is now anticipated that private investment may decline in 1968.”

Government construction and the extractive industries (bauxite, manganese) provided the main impetus to economic growth. But bauxite expansion has now tapered off. The *Bank of Guyana Annual Report, 1967*, disclosed that the “upward trend of production in the bauxite industry, which was the main factor in economic growth in recent years levelled off.”

In October, 1967, the Demerara Bauxite Company announced a cutback of 20 percent in production of metal grade bauxite. And the Manganese Mines Ltd. has decided to suspend production.

### **Tax on the Poor**

The coalition’s fiscal policies have been directed at easing the rich and squeezing the poor. All the budgets introduced from 1965 have hit the working people.

In 1965, the government removed exchange control on sterling, and abolished or drastically scaled down capital taxes (capital gains; gift tax; net property tax; etc.) imposed by the PPP 1962 budget. And for four consecutive years, the government imposed indirect taxation in the form of increased import duties.

This was a complete somersault by the PNC leader. Speaking in the Legislative Assembly as Opposition Leader, L.F.S. Burnham on April 13, 1962, had remarked:

“ . . . the People’s National Congress did not oppose the capital gains tax nor the gift tax, nor in principle do we oppose the tax on net property. Our opposition was mainly directed to those customs duties, the imposition of which resulted in the increased cost of widely used commodities, and this increased cost could have meant the lowering of the already low standards of the working class. And I would say that our party was rather concerned that a so-called socialist party could seek to raise the bulk of the new extra revenue from the pockets of the poor.”

A year later, in 1963, speaking on the budget, Burnham reiterated what he had previously said:

“Let us say immediately that of the tax reforms passed during 1962 there were some which the People’s National Congress agreed to — the capital gains tax, the net property tax and the gift tax. Those three taxes the People’s National Congress agreed with and supported because to our mind, whatever might have been the motive, ulterior or expressed, of the People’s Progressive Party, those measures represent an attempt (1) at redistribution of income and wealth, and (2) an attempt to find the means whereby the government would be able to do one of two things, both of which are necessary; to put money on investment into the public sector of the economy, or to provide social services for the community. May I say immediately, without apology, that the People’s National Congress opposed in February 1962 the proposed taxes on the consumer goods, and no snide remarks about our holding on to the coat-tails of other parties will change us. It does not matter what the People’s Progressive Party says on this question. We opposed the imposition of those import duties on what in fact were necessities, in the 1962 No.1 budget.”

The PNC has betrayed the people by renouncing its pledges. It has reversed the trends established by the PPP government to use the tax system to re-distribute wealth in favour of the poor.

Under the PPP, income tax (direct taxation), which was 25 percent in 1961, increased to 29 percent in 1963; custom duties (indirect taxation), which were 26 percent in 1961, were reduced to 22 percent in 1963.

In 1964, the last year of the PPP government, the gap between indirect taxation (\$32.5 million) and direct taxation (\$25 million) was \$7.5 million. In 1968, the gap widened to \$17 million.

The government’s fiscal policies are clearly redistributing income against the lower and middle income groups and in favour of the upper income groups. In 1968, out of a total taxation of \$7.95 million, \$7.25 million will fall on the lower and middle income groups.

In the 1968 personal income-tax revisions, the lowest income earning groups have to pay 12 dollars mere per year and the middle income groups up to \$200 more. But those in the top income groups with over \$14,000 taxable income will pay \$10 less per year!

This discrimination in favour of the wealthy is clearly not in the national interest. It will mean widening the already wide gap between the rich and the poor.

Figures of income distribution in Guyana are not available. But it cannot be far different from those of Jamaica, where 5 percent of the top families earned 30 percent of the national income, the middle 10 percent of families earned 43 percent, and the bottom 60 percent earned only 19 percent.

In Guyana, thousands of families engaged in agriculture other than sugar and rice earned in 1966 only 2.6 percent of the gross domestic product. And a large percentage of the working class, earning low wages and underemployed, support large families and unemployed dependants.

In the case of the other 1968 tax measures, there was also discrimination. Big business dominated by foreign companies was favoured; small local business was squeezed.

The government imposed a special 4.5% development tax on all companies. This tax will hit harder the smaller companies, which are not involved in the export trade, than the bigger companies. The latter, which trade in sugar, bauxite, manganese, timber, etc., with countries which have not devalued their currency will receive a windfall of about \$10 million annually.

In place of this obviously discriminatory tax, the PPP suggested a variation — the imposition of an export tax on all exports to countries which have not devalued. This was meant to secure the windfall which will be pocketed by the big foreign companies.

The PPP legislators argued that such an export tax would bring back into the Treasury part of the great losses, which the government and country suffered from devaluation at about \$40 million.

It was further argued that the \$10 million obtained from the export tax could be used to cushion the ever-increasing cost of living — \$7.25 million in place of the 1968 taxes on the lower and middle income groups, and the rest for subsidisation of school textbooks and other essentials such as flour, milk, split peas, salted fish, salted meats and cooking oil.

The coalition, oblivious to the needs of the people, rejected the proposals. It is clear that with or without Peter D'Aguiar as Minister of Finance, the course of the government is set — set for the sellout to imperialism and the betrayal of the Guyanese people.

### **Price and Rent Controls**

High profit margins charged by the merchants add to the misery of the working people. The government issued threats about “jailing the sharks”, but did nothing to control prices effectively. Instead, it allowed the sharks to swallow the sardines.

The tax on Banks Brewery is an example. The government decided in 1968 to tax the beer company 4 cents per bottle. We said that we would support the tax, provided it was not passed on to the consumer. We argued that the company has been extraordinarily profitable. In recent years, it shared 45 percent, 50 percent and 60 percent dividends. A \$1 share is now valued to \$3. But the government failed to heed our advice. The company was allowed to pass on not 4 but 5 cents to the consumers!

### **Why Taxation?**

The poor have been squeezed and taxed because of:

- Tax relief to the capitalist class;
- Squandermania;
- Growing bureaucracy and “jobs for the boys”;
- Increasing debt charges.

The difficulties experienced by the Guyanese people today are also due to the wasteful expenditure of public funds by the government, and to bribery, corruption and nepotism. Ministers and bureaucrats have taken to Cadillac-style decimal living at home and abroad. The Prime Minister squandered over a quarter million dollars to repair and redecorate his residence. Extravagance is the order of the day.

The bureaucracy today consumes nearly half of the budget. Forty-four per cent has to be paid for personal emoluments because of the rapid expansion of the government machine. Ministries have expanded by 50 percent. As against 10 ministers and 3 junior ministers during the PPP regime, the coalition now has 15 ministers and 6 junior ministers. Two Parliamentary Secretaries served 10 PPP ministers; six now serve the Prime Minister alone.

Nepotism, corruption and “jobs for the boys” have resulted in “round pegs in square holes” and general inefficiency.

A past Deputy Lord Mayor, Mr. Cleveland Hamilton, in a broadcast in May 1967, cried out against the new elite, creating “a new, larger area of snobbery”, and against bribery which “is all over the place and is fast becoming a national scandal. Every citizen’s position is in peril where he may not justly achieve what he bargained for, where he pays far more than he ought, and where even his rights may be delayed or denied altogether. The harm done in any situation in which bribery, corruption, nepotism and favouritism assume national proportions and is a way of life from top down can never be calculated.”

The Civil Service Association (CSA), which helped to bring the coalition parties into the government, accused the government in a letter to the Trades Union Council (TUC) in August 1967 of causing a breach of industrial principle and a display of gross irresponsibility and arrogance. It appealed to the TUC to “intercede before it is too late.” The CSA also attacked the Public Service Commission for rubber-stamping the government’s decisions on matters of appointments and promotions.

The *Sunday Graphic* of August 6, 1967, wrote:

“The CSA Secretary said that his Association was most dissatisfied with several recent appointments made by the PSC. Some of these appointments the CSA considers most objectionable, and have seriously disrupted the Association’s confidence in the integrity of the PSC.”

The Police Federation charged in its evidence before the Collins Commission that unless policemen were prepared to bow, and scrape and kowtow, they were bypassed. The President of the Federation alleged that favouritism was rampant. He declared:

“The merit principle is seldom applied. Many men have belittled and degraded themselves in order to find favour with an officer in the hope that they would be recommended for promotion.

“There have even been cases where men who have been before the court on charges touching on their integrity and honesty, have been favoured when neither characteristic could recommend them.

“Too often men have taken the examination and passed only to have their names overlooked in favour of someone who may not have ventured to test himself. At present, this system is responsible for a considerable amount of frustration and dissatisfaction.”

It is this kind, of nepotism and corruption which has led to inefficiency and added expenditure at the Guyana Electricity Corporation. The end result is that a formerly well-run and profitable undertaking has had its management turned over to the Commonwealth Development Corporation at an annual cost of £25,000 and further burdens on the poor consumers. Finally, there is the danger of denationalisation of the Corporation.

### **More Employment**

The situation in Guyana is today bad. But it will grow progressively worse. Since the coalition usurped power, unemployment has been rising steadily. Government denies this claiming that unemployment has dropped, that it has created 50,000 jobs in the past four years.

Guyanese people have long since recognized that there is a wide credibility gap in the statements of ministers, a wide difference between statements and facts.

The government has been challenged to prove that 2,000 permanent jobs have been created within the last two and a half years since the new development programme began. Clearly, when the government now speaks of 50,000 jobs, that is a statistical lie. For in the government method of counting, anyone offered a job for one day, two days, or one week can be counted as a person who has been placed in a job.

That unemployment is rapidly mounting is evidenced by the growing incidence of crime, praedial larceny and delinquency. From every quarter — judiciary, East Coast Union of Local Authorities, the general public — there are cries for harsher and harsher punishment.

Unemployment has mounted and will increase for several reasons:

- Population (working) increase;
- Retrenchment;
- Government’s industrial failure;
- CARIFTA;

Drift from country to city.

### **Growing Population**

The population of Guyana is increasing by over 3 per cent a year. Infants' births over debts have now reached the figure of over 20,000 per year. In 1968, over 10,000 children, aged 11 to 12, took the Common Entrance Examination. In a short while, the bulk of these will be thrown on the labour market looking for employment.

But little is being done by way of creating additional jobs. Government industrialisation policy has been a failure. There has been retrenchment on a wide scale. In 1966, about 1,000 workers were retrenched by the sugar industry. In the government services, particularly public works, sea defences, and transport and harbours, nearly 1000 were retrenched.

In October 1967, Demerara Bauxite Company announced that 1500 workers will be retrenched during the next 18 months. In August, Manganese Mines Ltd. Of the North West District retrenched 150 workers, and by year end about 600 workers will be unemployed when operation cease. The CDC branch at Winiperu which employed 450 workers in the 1950s now has a labour force of only 180.

The coalition government, relegating industrialisation to a minor role and sabotaging agriculture despite its shouts that agriculture is the backbone of the country, is not creating the conditions for self-sustaining economic growth; and thus for the absorption of the growing army of unemployed and underemployed.

### **CARIFTA**

With Guyana now linked in a Free Trade Area with the other British Caribbean territories, she will assume the role assigned to it by imperialism as a non-industrialised country.

Previously, Guyana without CARIFTA protected its nascent industrialisation by tariff-wall protection. As a result, any imperialist company, which formerly exported goods, was forced to set up a branch factory in Guyana to preserve its market.

Take the case of the local company, Continental Agencies. When it began producing "Torginol" paint and captured a significant portion of the Guyana market, British Paints Ltd., which previously distributed through Bookers, established a branch factory here. Had CARIFTA been in existence before, it is quite possible that British Paints would have set up in some other part of the West Indies.

With CARIFTA permitting free movement of goods without tariff-walls, the imperialists will now "have the power of decision" as to the siting of their plants. Obviously, they will go to those countries where inducements are greatest — inducements such as low wages, duty-free importation of equipment and raw materials, generous tax holidays or low taxes, anti-labour measures such as anti-strike laws, etc.

In this respect, some of the small islands will benefit. The banana project on with so much hopes had been put was given up mainly because of competition from the Windward-Leeward Islands. In these territories, the imperialists can get workers to sweat at about half the rate of pay in Guyana.

CARIFTA will also aid Trinidad and Jamaica which had a head start of industrialisation. It would be much cheaper for the imperialist companies to expand their factories in these two countries than to set up new enterprises elsewhere.

### **Lower Living Standards**

The Guyanese people will suffer from the lowering of living standards. Taxes on the poor will increase and social services will be cut. This will be mainly due to the fact that debt charges will mount and the bureaucracy, particularly on the security and military side, will increase.

Debt charges have jumped from \$5 million in 1960 to \$18 million in 1968, an increase from 12 percent to 19 percent of budget expenditure. Because of double-your-money-in-nine-years local loans (\$33.5 million borrowed between 1965 and 1968) and 5 and 10 years moratoria (grace period) on repayment of foreign loans, debt charges are likely to reach 31 percent of budget expenditure in the 1970s. This was the figure projected by Cambridge University economist, Mr. Kenneth Berrill in 1958 when we had

suggested a Development Plan of \$200 million for 5 years. Now the D-Plan is even larger — \$300 million for 7 years.

With 19 percent of the budget for debt charges and 44 percent for the government's over-bloated bureaucracy, only an inadequate 37 percent remains for health, education, pensions, subsidies, crop bonuses, and guaranteed minimum prices for farmers.



If the puppet government is not thrown out and its pro-imperialist policies not changed, this 37 percent will be further reduced to about 20 percent when debt repayments climb to 30 percent and the bureaucracy grows with the increased militarization of our politics to over 50 percent in the 1970s.

Consequently, year after year, in order to maintain social services at existing inadequate levels, more taxes will fall on the working people, and social services will be further curtailed.

Already, in the field of health, the general standard of medical treatment to the public has deteriorated. The poor cannot afford to become sick. At public hospitals, such as the one at Suddie, Essequibo, patients have to pay before they can see a doctor. Many specialists find all kinds of ruses to treat patients privately but not to attend to patients at government hospitals.

There are serious shortages of drugs and equipment. Three of the 24 health centres built by the PPP government remain closed.

Only \$413,000 has been set aside for capital development. The building of a reference hospital has been postponed. There has been no mention of a new Georgetown Hospital (PHG). The 900 beds at PHG are inadequate as large numbers in need of hospitalisation are being turned away; 2500 beds are urgently needed to meet present requirements.

And only a small percentage of children are vaccinated against polio, diphtheria, tetanus, whooping cough and smallpox, as the government has no vaccination programme.

In the field of education, only 35,000 of the 140,000 children attending primary school get secondary education. Free secondary education in all-age schools has been reduced from the GCE to the College of Preceptors (CP) level. The plan for taking over private aided secondary schools has been shelved and children are forced to pay exorbitant fees. Less than a third of the primary school teachers are properly trained. Yet, in-service teaching training centres have been reduced from seven to two. And two of the three pre-service training centres have been closed. Thus, the Nunes plan to get all teachers trained by 1970 will not be achieved. The grant to the University of Guyana is also inadequate.

Thousands of Guyanese, particularly Amerindians, are not granted old-age pensions. And those who have been awarded are sometimes not paid for several months. Recently at the Waramuri Mission, it was disclosed that the additional \$2 agreed to by the National Assembly in January 1968 had not been paid.

The coalition has failed to tackle the problems of urban housing for the working class. It has not started in any significant way, through self-help or otherwise, to build the 40,000 houses needed by the working class. The highly publicised TUC housing scheme has turned out to be a scheme for the middle, and not the working class. Only those with a monthly income of \$170 and above can apply. The down-payment for the cheapest, a two-bedroom house, has jumped from \$475 in 1967 to \$1,546; and the monthly payment from \$44 to \$62. The original cash price was \$4,753; now it is \$7,409. For the three-bedroom house, the monthly payment will be \$77. Clearly, neither the government nor the TUC is really concerned with the plight of the working class.

Nor has the coalition brought about effective control over the rapacious landlords. Each year it promises to introduce a new rent control bill, but nothing is done.

Meanwhile tenants are at the mercy of the courts. Evictions are common-place. And search for accommodation has now become a daily routine for thousands of working-class families. So desperate has the position become that not too long ago one family dumped six of its children at Congress Place, PNC headquarters, and disappeared. And our shanty town is beginning to take shape.

### **More Slums**

Every Latin American country has its slums and shanty towns surrounding magnificent capitals with beautiful skyscrapers and modern architecture. This has resulted largely from inadequate low-rent housing and from a drift of the population from the countryside to the cities.

In these predominantly agricultural countries, agricultural production as in Guyana has not kept pace with the growing population. There has been declining agricultural production and increase of imports of foods from abroad.

With prices of provisions — cassava, eddoes, tannias, and plantains — now retailing at 14 to 20 cents per pound in Georgetown, as compared with prices of 2 to 6 cents per pound during the PPP regime, city, sugar estate, mine, quarry and forest workers will turn to cheaper foreign substitutes. This in turn will cause a loss of markets for local farmers, a further drop in agricultural production, and a drift from the countryside to the city.

With no employment and no money to pay increasing rentals, the slums will grow and shanty towns will develop as in Trinidad and Jamaica. In Jamaica, the government, maintaining that the slums were an

eyesore and were particularly bad for the tourist trade, on several occasions bulldozed different parts of the slum areas.

### **Balance of Payments Gap**

Almost every major capitalist country is today plagued with balance of payments problems. Jamaica's balance of payments difficulties have compounded in recent years due to the outflow of profits earned by foreign companies and debt repayments. These problems have been temporarily solved by income from a large tourist trade and savings sent to dependent relatives by Jamaicans who emigrated to Britain. These two factors, tourist income and savings, are unreliable and fickle factors which cannot be expected to continue forever to provide the necessary financial stability.

Guyana has neither of these favourable factors. Her overall balance of payments became unfavourable since the coalition parties assumed power. From a surplus of \$16 million in 1962, \$20 million in 1963, and \$7 million in 1964, it has declined to a deficit of \$7 million in 1965 and \$12 million in 1966. In 1967, the balance of payments was in surplus by \$6 million (overall surplus of \$14 million less \$8 million for disposal of foreign assets) because of a large inflow of private investments, particularly in the bauxite industry. However, from now on, with the investment programme of the major industries completed, the balance of payments will again become a deficit particularly in view of larger outflow of profits and debt repayments.

### **More Propaganda**

The worsening conditions of the Guyanese people have led to growing disillusionment, dissatisfaction and frustration.

Even "Lucian", a strong government supporter, in the *Sunday Graphic* of July 16, 1967, commented:

"Many people — Guyanese and non-Guyanese — are disgusted with the present state of affairs in this country. Some are packing up to leave out of sheer frustration, while others are dejected from unbearable disgust."

In the face of this disgust the coalition government has embarked on a big propaganda campaign. Propagandists are busy at home and abroad painting a rosy picture.

A Ministry of Information has been created to peddle lies and half-truths. Government's budgeted expenditure on propaganda and brainwashing operations has shown an increase of over 225 percent in 1968 as compared with 1964.

A US publicity firm has been engaged in the USA for propaganda work in North America. And a rabid anti-communist, associated with the Conservative Party, carries out publicity work in Britain. This explains why the Tory *Daily Telegraph* showered praise on the coalition government and recommended that Guyana's economic plan should be a model for Africa.

In an editorial in June 1967, the *Telegraph* stated:

"This Caribbean country in the first financial year of independence has increased its gross domestic product by eight percent and doubled private investments from abroad. Its Prime Minister, Mr. Forbes Burnham, has called for trade "not aid". . . African leaders could well learn something from Guyana. . . . The moral is that investments increase in measure as emergent states treat them sensibly and fairly."

And we have been attacked by the coalition for being prophets of gloom at home and abroad. Because we challenge and criticise, we have been dubbed anti-national and anti-patriotic. Actually, the facts prove that we are right, that Guyana is no model for Africa or anywhere else.

The 8 percent growth rate is largely fictitious. The *Bank of Guyana Report* for

1966 reduced this to a net figure of 3 percent after making a deduction of 5 percent — 2 percent for price increases and 3 percent for population increase. On page 10, it stated:

"The increase in Gross Domestic Product in 1966 was to a very small extent nominal; price increases contributed probably less than two per cent to the rate mentioned and real growth was about double the percentage increase in population. Real GDP per capita can therefore be estimated to have risen in 1966 by about 3 percent."

For 1967, the GDP figure was 6 percent. But with prices increasing by 4 percent, and population by 3 percent, the net growth rate was minus 1 percent.

Besides, the GDP figures are not indicative of real growth. They are high largely as a result of government expenditure in the unproductive infrastructure sector, the concentration of roads, sea defences,

airport, airstrips, and stelling. And since the GDP “was attributable largely to bauxite and the government”, the Bank Report concluded that “Guyana’s economic growth in 1966 was thus not as broadly based as might have been desirable.”

Actually, production of real material wealth has been negligible. On page 7 of the *Economic Survey of Guyana, 1966*, it is noted:

“In general the productive sectors, that is, those producing tangible goods, are expected in 1966 to provide an increase in net output of 4 percent. The services sector including construction would probably generate an increase in incomes of approximately 12 percent, while as it has already been noted in the previous paragraph, incomes arising from the current spending by Government — central and local will probably increase by 13 percent.”

And much of the real wealth has been produced in the bauxite sector, not in manufacturing and agriculture, the *Survey* on page 20 says: Thus with the failure of other productive sectors to achieve any substantial real growth, it was the mining sector, particularly bauxite mining and processing, that accounted for some 22 percent of the growth in the economy during 1966.”

The Guyana model of economic planning and development is based on Operation Bootstrap of Puerto Rico, which has certain distinct advantages over other so-called third world countries — US runaway capitalists have the advantage of low wages in Puerto Rico; goods produced in Puerto Rico enter duty free into the United States; Puerto Ricans can migrate without restrictions into the USA; millions of dollars collected from duties on rum are returned to Puerto Rico.

Yet, Puerto Rico is still plagued with poverty and unemployment and all the ills of a colonial society. Despite the ballyhoo and the US attempt to make Puerto Rico into a showpiece, the national income per head of population is lower than that of the poorest US State.

According to the UWI economist, Dr. Owen Jefferson:

“The Puerto Rican programme got underway in 1947. During the first 10 years, 446 new plants were established and 35,000 jobs were created. But despite this degree of success and the added factor of emigration of 500,000 persons to the United States, unemployment still amounted to 14 percent of the labour force at the end of the period.”

Other third world territories which have followed the Puerto Rican model at US dictation are also in deep trouble.

Jamaica, like Guyana, boasts of a wonderful performance of the economy — an increase in the gross domestic product between 1950 and 1965 at an annual rate of 7.2 percent. But for the three successive five-year periods, there was a progressive decline in per capita national income — 7 percent for 1950-55; 3.7 percent for 1955-60; 3 percent for 1960-65.

Jamaica and the other British Commonwealth countries which have adopted the Puerto Rican model of economic development are plagued with growing tensions and problems, chief among which are unemployment, inequality of income and balance of payments deficits.

Between 1950-1960, it was expected that the unemployment problem in the British Islands would be solved with the creation of 413,000 jobs. But this was not achieved. According to economist Lloyd Best, “the unemployment rate — even in the most successful cases of industrialisation — has been approaching 15 percent.”

In Jamaica at the last recorded count, unemployment was 19 percent in the urban areas, and 10 percent in the rural sector. And the problem is growing. Although the 149 factories built in 14 years up to 1966 under the various incentive laws provided about 9000 jobs, more than 10,000 jobs were lost in the sugar industry alone through mechanisation. At the same time, the labour force was growing by at least 20,000 annually.

Commenting on the grave unemployment situation in Trinidad, the Trinidad *Guardian* on August 9, 1967, wrote:

“One hundred jobs in Canada. The possibility of three hundred in Puerto Rico. A steady trickle of domestics to North America. A fairly large flow of skilled and professional people to Canada. These are the avenues being used or explored in a society where the rate of unemployment may not be the worst in the world, but is nonetheless unbearable.”

Disgust and frustration in Guyana are manifested in various forms:

1. Emigration: Gyanese have emigrated, and are emigrating, in numbers larger than even in the worst days of the CIA-financed and fomented disturbances and racial clashes.

2. Crime and delinquency: Crime, mainly in the form of choke-and-rob, has reached the point where there is fear of walking the streets of Georgetown. It has become so rampant and violent that many, including members of the judiciary, without looking at root causes, are calling for more severe methods of punishment. And praedial larceny has grown so prevalent in the countryside, that many farmers are abandoning their provision farms or converting them to rice and sugarcane.

3. Increasing number of strikes: Strikes reached a record number of 146 in 1965. This record was broken with 172 strikes in 1966 and 170 in 1967.

### **Changes in the Labour Movement**

The militancy of the working class in defence of living standards has led to a qualitative change in the labour movement during the past three and a half years. There is a growing divorcement between the interests of the trade union bureaucrats and those of the workers.

In the majority of strikes, it is the workers who are taking the initiative, who are giving the lead. In some cases, the trade union bosses are forced, in order to maintain their position, to rubber-stamp the decisions of the rank-and-file.

But, in other cases, the leadership dampens the ardour and militancy of the workers. The sawmill workers' wildcat strike in Georgetown was called off by the Guyana Labour Union. In July 1968, the MEU urged the Federation of Unions of Government Employees (FUGE) to drop its claim for an interim payment relief in view of the Venezuelan threat of aggression.

The contradiction between the rank-and-file and the collaborationist leadership exploded when in 1967 the Bookers waterfront workers declared that they wanted the Clerical and Commercial Workers Union (CCWU), and not the Guyana Labour Union (GLU) to represent them.

A special sub-committee appointed by the TUC to resolve this jurisdictional dispute declared by a 2 to 1 majority in favour of the CCWU. This created confusion in the TUC leadership as the top brass, which was backing the GLU, refused to implement the decision.

The most significant development in this fracas was the rank-and-file pressure on the secretary of the CCWU. Normally, De Peana is pro-PNC and pro-USA. Yet pressure from the workers forced him to stand up against Burnham and the GLU.

Similarly, the NUPSE, which was the base of the CIA agent, Howard MacCabe, during the 80-day strike in 1963, is standing up to the government for a \$5 minimum wage and against retrenchment. This led to an unsuccessful attempt by an AIFLD adviser to the union, Mr. Hackshaw, to unseat the President, Egbert Bolton. Bolton himself was strongly anti-PPP, and a candidate of the United Force at the 1964 election.

The rift between the rank-and-file and the collaborationist section of the TUC leadership will widen further with the government's introduction of anti-strike legislation in the form of compulsory arbitration and of the fraudulent wages and incomes policy.

### **Political Excuses**

With the growing dissatisfaction and discontent of the masses, the PNC and the UF have resorted to sniping at each other. Each one blames the other for failures and lack of accomplishment.

Peter D'Aguiar early in 1967 charged that \$1.5 million was illegally spent on the East Coast road, that the Director of Audit had questioned the expenditure. Later in 1967 he resigned as Minister of Finance, giving the impression that he was dissatisfied with the squandermania and the conduct of government affairs.

His resignation did not, however, follow a principled course; his other ministers continued in the coalition government until they were virtually kicked out.

This being-out and being-in position is clearly opportunistic. The United Force wants to "eat its cake and have it too". This was shown up in the 1968 budget debate. Both D'Aguiar personally and the Executive Committee of the United Force declared that they were opposed to the budget proposals. But at the time of voting in the National Assembly, D'Aguiar abstained, and the UF ministers voted with the government.

Peter D'Aguiar's dual, schizophrenic political personality and behaviour is a reflection of the antagonism between the UF leadership and the rank-and-file.

The leadership is representative of the local big business "comprador" capitalist class which is closely associated with imperialism. That explains, firstly, why the UF has not broken with the coalition and, secondly, why John Jardim, managing director of J.P. Santos, had in an open letter in early 1968 urged D'Aguiar to wind up the UF and join the PNC. Jardim has now joined the PNC. This is in sharp contrast to a speech made by him in 1965 as past president of the powerful Georgetown Chamber of Commerce in which he said that local



businessmen were watching, waiting and “holding their hands” until the course of the government was clearly determined.

The tax and other concessions made since 1965 to big business, foreign and local, have assured those of the ilk of John Jardim that they have nothing to fear from a Burnham-led government, as Burnham’s “socialism” and “nationalism” are born of the same demagoguery as Hitler’s and Mussolini’s national socialism.

D’Aguiar’s opposition to the PNC-led coalition government is not to its overall domestic and foreign policies, but to its personnel practices. With the employment machinery from the top to the bottom firmly under the control of the PNC, and the PNC overtly and covertly pursuing corruption, nepotism, favouritism and discrimination, the UF rank-and-file are bypassed and discriminated against.

Peter D’Aguiar’s resignation as Minister of Finance was unprincipled political manoeuvring. D’Aguiar’s resignation and the UF charges and suggestions of squandermania, bribery and corruption are intended to create the impression that there are deep-seated ideological and policy differences between the PNC and UF. Actually, there are no real differences on questions of principle, policy and programme. There are only differences on methods.

The small-time pilfering and jobs-for-the-boys, resorted to by the PNC and criticised by the UF, cannot be condoned. But this holier-than-thou attitude of the UF must not be taken to mean that UF hands are clean. They get richer not by petty pilfering but by high-class legal thievery. By laws and regulations, millions of dollars are filched and amassed annually.

What is crucial for the Guyanese people to understand is that even with a complete UF government, the position of the people would be no better; fiscal, trade, monetary, industrial, agricultural and foreign policies would be the same as under the PNC-UF coalition.

What about the PNC? Here again, a growing antagonism is developing between the elitist leadership and the rank-and-file. The PNC’s capitalist and landlord elements, as represented by Eugene Correia, Deoroo Maraj, Mohammed Kassim, etc., are satisfied with the coalition’s economic policies. Its middle class intelligentsia have been bribed into conformism and silence through a huge bureaucracy with big salaries and big allowances. Part of the rank-and-file is being bribed and kept quiet by a policy of discrimination in employment practices.

But to majority, which have been hard hit and are under increasing pressure from inflation, unemployment, and underemployment, are being told that their lot would have been better had it not been for the UF, which has been a drag on the PNC. Had the PNC not been held back by UF reactionary policies, so the PNC propaganda line argues, the PNC would have been free to implement its progressive policies! Thus the PNC electoral line — give us a majority; let us be rid of the obstruction of the UF!

It is true that the PNC in its 1964 election manifesto declared in favour of socialism and non-alignment. But as events have proved, the PNC ruling elite is neither ideologically nor psychologically committed to anti-imperialism, without which there can be no non-aligned, socialist course.

The majority of the PNC elite — Rudy Kendall, John Carter, Lionel Luckhoo, Claude Merriman, Llewlyn John, Robert Jordan — are neither socialist nor capitalist (some are on the way of becoming capitalists and landlords). Up to 1957 when they were allied with Big Business in the National Democratic Party (NDP) and the United Democratic Party (UDP), they were dubbed by Burnham as traitors.

They are capitalist-bureaucrats, who as ministers and legislators manage the political system at lucrative salaries and allowances for the imperialists and capitalists just as a few—Winifred Gaskin, P. Reid, Martin Carter, Henry Thomas — as directors managed business, finance, publicity and propaganda for Bookers. They have not changed side — the side of the capitalist class for the working class. They have only changed to positions which are more prestigious and lucrative.

### **PNC-USA Deal**

The PNC elite are also psychologically committed to imperialism. They are among those who wrongly subscribe to the fatalistic theory that the USA is invincible, that anyone or any movement in the Western Hemisphere opposing the USA will be crushed.

Burnham as long as 1955, when “licks were sharing like peas” with imprisonment, restrictions, detention and victimisation, decided to renounce struggle, and to collaborate with imperialism. That is why the British described Burnham as an opportunist, racist and demagogue, as is noted by Arthur Schlesinger, Jr., Special Assistant to the late President J.F. Kennedy, in his book, *A Thousand Days - John F. Kennedy in the White House*, after Burnham’s visit to Washington in May 1962. On page 668, Schlesinger wrote:

“Thus far our policy had been based on the assumption that Forbes Burnham was, as the British described him, an opportunist, racist and demagogue intent only on personal power”.

Actually, majority or no majority, the PNC cannot depart from pro-imperialist policies. As Burnham once said, politics is the art of deals. And the PNC made a deal with imperialist USA.

Arthur Schlesinger Jr., continued:

“Burnham’s visit left the feeling, as I reported to the President, that ‘an independent British Guiana under Burnham (if Burnham will commit himself to a multi-racial policy) would cause us many fewer problems than an independent British Guiana under Jagan.’ And the way was open to bring it about, because Jagan’s parliamentary strength was larger than his popular strength: he had won 57 per cent of the seats on the basis of 42.7 per cent of the vote. An obvious solution would be to establish a system of proportional representation.”

It was the PNC-USA deal which led to:

1. Pressure on the British government by the US government and the renegeing by the British government on undertakings given at the 1960 Constitutional Conference in London. That Conference, in rejecting the PNC demand for proportional representation (PR) and the PPP demand for independence, had made it clear that the victors of the 1961 election would lead the country to independence.
2. CIA-fomented and -financed strike and racial strife in Guyana. Racial clashes became necessary to provide the excuse to the British to go back on their 1960 promises.
3. The signing of the Geneva Agreement by the Venezuelan, British and Guyana (coalition) government and the appointment of a Mixed Guyana-Venezuelan Commission to investigate the claim. This was in sharp contrast to the position during our regime when the Guyana and British governments held the view that the issue had long ago been signed, settled and closed. Between 1958 and 1960, all the Venezuelan political parties assured me that they would neither renounce nor raise the claim on Guyana’s territory. The claim was raised in the United Nations only after the Venezuelan government in late 1960 had, under US pressure, reversed its previous pro-Cuba policy to an anti-Cuba policy.

The Geneva Agreement was signed because US imperialism wanted to keep the border question open and alive, to be used conveniently for diversionary and intimidatory purposes, not only against a PPP government, but any government, which might pursue anti-imperialist policies.

In July, when civil servants, teachers, policemen and government subordinate workers were demanding interim relief and threatening to go on a general strike, the Venezuelan Decree was proclaimed threatening aggression. The Medical Employees Union (MEU) immediately called on the Federation of Unions of Government Employees (FUGE) to withdraw its claim for interim relief. And overnight, the Guyana Patriotic Committee was constituted, and it toured the country rallying support for the government.

Threat from Surinam served a similar diversionary role in January 1968, when the coalition government was under attack for devaluation and an anti-working class budget.

As a diversionary measure, the border issues have also been helpful to the colonialist and neo-colonialist regimes in Suriname and Venezuela. The Venezuelan leading party, Accion Democratica, which dropped in popular support from 47 percent of the votes in the 1958 to 33 percent in the 1963 election, and is further split by the resignation of its chairman for the December 1968 general election, needs the jingoistic emotionalism of the land claim to rally support.

The land claim is used also as psychological aggression against the Guyanese people. The message the imperialists want to put across is this — if you elect the PPP, there will be trouble; if you want to avoid war, bloodshed, loss of property, etc., let Burnham and the PNC continue in the government.

This is the explanation for the fact that the Guyana government has failed to take the occupation of Ankoko and the threat of aggression by the Venezuelan Decree to the UN Security Council. US imperialism not only does not want the border issue to be settled. It also does not want to be forced to take a public stand. Its Ambassadors in Caracas and Georgetown stated that the USA would be neutral. A showdown at the United Nations would find the USA not wanting to oppose and vote against Venezuela because of her huge investments in that country.

### **Militarization of Politics**

The conspiracy between the United States, Great Britain, Venezuela and Guyana also serve the purpose of militarising our politics. This is the general pattern in Latin America. As the imperialist puppets become more and more unpopular, they resort to electoral fraud. And when even fraud does not suffice, they resort to force, to the “Big Stick”. There were 8 military coups in Latin America between 1961 and 1963.

In Guyana, military and police officers not considered 100 percent loyal to the Guyana government have been purged.

A military Youth Corps is drawn largely from PNC supporters. And the government has decided to take the opportunity to train volunteers at Atkinson Field. No doubt the trainees, as in the case of the Youth Corps and the previous Volunteer Force, will be drawn chiefly from PNC activists and supporters.

We must recognise these manoeuvres. We must also not be fooled by the latest offer of friendship and support from Brazil.

The Brazilian regime is a dictatorship, established and supported by the USA, which has banned all political parties and democratic political life. It is doing for the USA what the USA cannot publicly do; that is, criticise and restrain Venezuela, and later, if necessary land Brazilian troops, as in the Dominican Republic, to prevent the so-called “Cubanisation” of the country.

An Associated Press (AP) dispatch on November 21, 1968, quoted Alfredo Tarro Murzi, chairman of the Foreign Affairs Committee of the Chamber of Deputies, as saying that the promised highway from Boa Vista to Georgetown “will be a road of political, economic, technical, cultural and military penetration into the heart of Guyana” which will be “enormously useful” to Brazil’s “aspiration of domination and control over the northeast flank of the South American continent”.

For the time being, the Suriname and Venezuela border issues have been de-escalated. This is how the imperialists and their puppets want it. But escalation and de-escalation will be like a recurring decimal in our affairs. We must adjust ourselves to them, recognise them for the conspiracies that they are, and prepare ourselves for a many-sided struggle for national liberation.

### **Ideological Aggression**

To prevent the widening rift and alienation between the ruling elite and the masses, the imperialists and their puppets are resorting to ideological aggression on the working class. Through the CIA-controlled and -financed Critchlow Labour College, trade unionists are trained to divorce the trade union movement from political struggles. Like the AFL-CIO, which supports capitalism in the USA, and the CIA-backed American Institute for Free Labour Development (AIFLD) which train pro-imperialist foreign trade unionists, the Critchlow Labour College peddles the line that trade unionists must concentrate on bread and butter issues (wages and working conditions) and not concern themselves with political ideology — imperialism, neo-colonialism, capitalism and socialism.

Of course, by refusing to democratise the trade union movement, and by bribing and corrupting the top trade union leadership, the imperialists ensure that there is no effective struggle for better wages and improved working conditions.

We must counter this ideology. We must make the workers understand that their standard of living depends as much upon fighting the bosses for improved wages and working conditions as upon rejecting the government’s fiscal, trade, monetary and foreign policies. We must remind the workers of Critchlow’s famous dictum: “whether you like it or not, politics dey with you from the cradle to the grave.”

But ideological aggression is mounted not only on the trade union front. On every other front — academic, cultural, religious, economic, political — the people are bombarded daily with half-truths and lies. The intention is to perpetuate the *status quo* by confusion, and to project blame for failure away from the government to others.

The people are dubbed lazy. Thus Burnham’s slogan — eat less, sleep less, and work harder. Quite a sharp contrast from the 1961 electioneering promise — when the PNC assumed power, no one would go to bed hungry and there would be free distribution of milk and cassava.

The people are told that they lack skills, that they are inefficient and unproductive. Thus Burnham’s dubbing of 1968 as “Efficiency Year”. Sir Arthur Lewis, the Chancellor of the University of Guyana, in his inaugural address, declared that the underdeveloped countries are poor because they do not have as many skilled people as in the developed countries! According to Sir Arthur, who has sold the Puerto Rican model of economic development to the British Caribbean, poverty and backwardness have nothing to do with foreign ownership and control of our economy and country!

Little wonder that a university circular nearly went out stating that if the University of Guyana was to attract money from imperialist foundations abroad, its image must be changed.

The circular was withdrawn, but the same objective was achieved by administrative action. Stuart Bowes was relieved of his post in the Sociology department. And Professor Horace Davis, with a doctorate degree (PhD) from Harvard University, was removed as dean of the Social Sciences Faculty, and eventually “smoked out” of his job as head of the Department of Economics.

The University of Guyana, our high schools and ministries are all today infiltrated with CIA spies, who pose as advisers and experts, and Peace Corps personnel. Their purpose is to sell the American way of life, the American free enterprise or capitalist system, to gather intelligence, and to attack the PPP and socialism.

Meanwhile, Guyana is having an ever-increasing stream of American evangelist crusaders, no doubt also financed by the CIA, like Billy Graham's Latin American Crusade. The main enemy, these Christian crusaders declare, is communism. Now and then, for good measure they will attack some of the ills of capitalism — not the system itself. All systems are bad, they add. Politics and politicians cannot help the people — all the politicians have failed the people; only Jesus Christ, they say, can save the people. No wonder Karl Marx declared that religion in the hands of these "Sunday Christians" was made into an opiate for the people — an opiate to withdraw them from the path of struggle.

The objective of the imperialists are threefold: to cast blame on the working class for the failure of the ruling capitalist class; to dangle fresh "carrots"; to extend US hegemony — political economic and military — over territories where Britain and other European competitors once held sway.

The vehicle by which these objectives are to be attained is the Organisation of American States (OAS) and Caribbean unity — a Caribbean Free Trade Area (CARIFTA) or a Common Market.

Entry into the OAS is touted as a means of cashing in on aid from the Alliance for Progress and the Inter-American Development Bank. Caribbean unity is held out as the only hope for viability and progress.

### **Caribbean Unity**

Unity and integration are essential if the purpose is to break with imperialism and neo-colonialism. But this is not the kind of unity contemplated. What is projected is the strengthening of the position of foreign capital, particularly US capital.

The big drive for common markets and free trade areas in different parts of the world is motivated mainly by the desire of US big business to gain world economic hegemony. This is to be achieved by surmounting tariff walls of nation-states.

Note the candid observation of Mr. George Ball, former Undersecretary of State and Chairman of the big investment banking firm, Lehman Bros. International Ltd., and now US Ambassador to the United Nations. Addressing the New York Chamber of Commerce, he said:

"The multi-national US corporation is ahead of, and in conflict with, existing world political organisations represented by the nation-state. Major obstacles to the multinational corporation are evident in Western Europe, Canada and a good part of the developing world."

Observe this comment about the European Common Market from a newsletter circulated by the private West German banks, Merck, Fink and Co. and Waldthausen:

"When Britain becomes a member of the EEC, several thousand US companies which are already established with their own British subsidiaries in the UK will also enjoy the benefits of this continental market. They will be able to mesh and synchronise their investments and operations in Britain and on the continent so as to quickly develop an all-European plan for their production and sales. In view of the size of their direct investment . . . generally speaking the Americans are in a better position than their British or European competitors immediately to exploit the advantage of an expanded Common Market".

US multinational corporations will like not only to take over Europe, but also to cement the chains of neo-colonialism in the Caribbean and at the same time to displace their British, French and Dutch competitors.

That no fundamental change is intended in the Caribbean was clearly pointed out by the Incorporated Commonwealth Chambers of Industry and Commerce after their delegation met the Trinidad Prime Minister and other experts and advisors. Throwing in the red herring of communism, the delegation wrote:

"Communist infiltration. It was felt that the danger of communist infiltration in the area should not be regarded lightly and the earlier situation in Guyana was referred to. The delegation was asked to bear the problem in mind and to emphasise in their talks the importance of preserving the traditional system of free enterprise".

Neither the kind of Caribbean unity contemplated nor the OAS (the US ministry of colonies) and the Alliance for Progress will cure the ills of Caribbean society or bring salvation to the people of this region.

### **Alliance for Progress**

Latin American countries which are members of the OAS and the Alliance for Progress and the Inter-American Bank are in continuous trouble.



As long ago as 1961, at the Punta del Este conference, when the Alliance for Progress was inaugurated, the objective was to eradicate poverty, illiteracy and backwardness. An economic growth rate of 2.6 percent was projected at a time when the average figure for Western Europe was 3 to 5 percent and for the socialist bloc 7 to 9 percent.

But even the limited expectations have not materialised. 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.

Little wonder that Archbishop Dom Holder Camera said some time ago that the Alliance was dead.

Even in the fields of housing, health and education in which the Alliance was supposed to concentrate, there has been failure. In 1961, the housing deficiency was estimated to be 15 million houses. According to the Inter-American Development Bank, the need in 1966 was 19 million houses, four million more than at the start of the plan.

There are also balance of payments problems, runaway inflation and devaluation of currency. In 1961, in Argentina, 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. The currency of Uruguay lost 90 per cent of its value during 1965 and 1966.

US aid alone is not the answer. South American countries received \$500 million in 1962 under the Alliance, but lost exactly the same amount in that year because of falling prices.

More capital flows out of than comes into South America. According to figures of the Economic Commission for Latin America (ECLA), for every dollar invested by North Americans in the period 1946 to 1956, there was an outflow of \$3.17. Between 1950 and 1965, there was a net drain of US\$7.5 billion from US investment in Latin America.

In Guyana, profits of \$50 to \$60 million are made annually by foreign investors. For Jamaica, net outgoing profits for 1964 were \$52 million (WI) while new investments were a mere \$22 million; for 1965, the outflow increased to about \$80 million. And in Trinidad foreign companies earned an average of \$118 million (WI) annually for the three-year period, 1964 to 1966.

And we know from our own experience that more than 80 cents out of every dollar of US aid is tied to purchases of goods and services from the USA.

This kind of conditional aid also has other strings. Recipient countries are forced to tailor their monetary, fiscal and exchange policies to suit the US Treasury and the International Monetary Fund (IMF).

For instance, under an Agreement signed in November 1965, the US Treasury and the IMF had what amounted to virtual control of Columbia's policies. Even the pro-imperialist President, Carlos Lloras Restrepo, when asked to renew the agreement, to repeal the recently imposed exchange restrictions and to devalue the peso, refused charging that the IMF's demands "overstepped the limits of national sovereignty".

Countries like Guyana receiving US aid are also forced to concentrate on development of infrastructure. About three-quarters of Guyana's \$300 million D-Plan is allocated for construction of roads, sea defences, airport, airstrips, stellingen, dredging of rivers, etc. This in time leads to crushing debt burdens.

The answer to the economic ills facing Guyana, the Commonwealth Caribbean territories, Latin America and other "third world" countries is not to chase after rainbows.

The OAS must be recognised for what it is — a Cold War military alliance, founded in 1948 and based upon the economic foreign policy objectives of the Truman Doctrine of 1947.

This doctrine aimed not only at the destruction of socialism, but at the maintenance of the economic *status quo* of colonialism and neo-colonialism. It opposed planned economies and government control of foreign trade, and equated democracy and freedom with the free enterprise capitalist system, the "American way of life", which could "survive in America only if it became a world system".

Under this doctrine, and its predecessors from the time of the Munroe Doctrine, the Latin American economy has been placed in a straitjacket. Its economy is in imbalance with a deformed type of capitalism and a backward agrarian structure. US strategy is to maintain Latin America as a raw material producer with dependence on one crop or one mineral.

What is needed in Guyana, Latin America and other "third world" countries is the ending of foreign political, military and economic domination and the restructuring of the economy in the interests of the people.

## Revolutionary Changes Necessary

To expose the imperialists and to counter their ideological aggression, we must arm the Guyanese people with the facts. We must let them become aware of the progress in the camp of socialism. We must compare the social and economic progress of Cuba with other Latin American countries; of China with India and other south-east Asian countries; and of Uzbekistan with Afghanistan and Iran.

As against the progressive decline in Latin America, Cuba is moving ahead. As long ago as December 31, 1963, the *New York Times* commented:

“The Castro regime is certainly strong and possibly stronger than ever. . . . There is no apparent weakening of Premier Castro’s appeal inside Cuba or of his stature as a world figure. . . . All children are getting some education; the great bulk are being well fed and taken care of, however poor their parents. The Negro and mulatto population is getting genuine equality. The Government leaders are untainted by any fiscal scandals. . . . To have survived five years was a remarkable feat whose explanation is far more complicated than attributing it solely to Soviet-bloc help”.

More recently, David Smithers, writing for the Trinidad *Guardian* of October 18, 1967, said of Cuba:

“Seldom has any country tried to lift itself by its own bootlaces with such uninhibited enthusiasm. Fantastic achievements mark the eight years of Fidel Castro’s Government. Already Cuba has over 7,000,000 head of cattle — almost as many cows as people. The artificial insemination centre will serve 1.7 million cows this year. Egg production has been boosted to 10,000,000 a week. The sugar crop, just reaped, netted 6,000,000 tons — the world’s largest. Few doubt that it will reach the target set by Castro of 10,000,000 tons a year by 1970”.

Free services in education, health and social assistance provided to 484,400 Cubans in 1965 will increase to the 890,370 in 1968. As against 158,000 tons of fertilisers imported in 1957, 726,000 tons were bought in 1966 for agricultural advancement. From 1966 to 1967, 29,478 tractors were imported.

Those who propound the view that inefficiency, low level of technical skill, shortage of capital, “population explosions”, and small size of population and territory are the main factors responsible for backwardness and poverty, have evidently not examined China and India.

India became politically free in 1947; the Chinese Communist Party assumed power in 1949. The “population explosion” in both countries is about the same. In terms of geography and size of population, both are huge. Both started out with about the same level of technical skill. In fact, at the outset, it could be said that India was technologically ahead. She had a sound university system and a good administrative machine. China from 1927 to 1949 was rent by internal disorder — civil war and Japanese occupation.

Yet India, which received more foreign aid than China, is today on the verge of starvation and bankruptcy; hundreds of thousands of people will die from hunger. The devaluation of the Indian rupee by 33.3 percent has not helped the situation. So desperate has the financial position become that India was unable to meet her debt payments of US\$400 million which fell due in 1967, a position long ago reached by Latin American countries.

The Bank of Baroda in its *Weekly Review* of August 21, 1967, wrote:

“Indian economy has now been passing through a very critical period. While the agricultural sector is in a perilous state thanks to two successive droughts, industrial economy is afflicted with recession on a scale unknown hitherto.

“The declaration of the growth of industrial production in the last two years may be termed as stagnation. Recession, on the other hand, is a recent phenomenon which represents a climate of chronic stagnation in the past few years and has proved to be more far-reaching in terms of its undesirable economic consequences.”

China, on the other hand, despite her internal political turmoil, has been making rapid strides. Little wonder that the *Washington Post*, editorialising on July 3, 1967, on the Congressional Joint Economic Committee’s special study of the Chinese economy, stated:

“Far from being the land of total chaos and conflict, China is . . . a country which has made considerable progress in the past and which continues to tackle major economic concerns.

“The Committee’s study is the most comprehensive and timely one available. Its central conclusion summarised in Chairman Prexmire’s report, are that China is a ‘reasonably satisfactory food situation with no indication of stringency’; that ‘remarkable gains’ in education is limited not by its economic resources but by its technical know-how (itself ‘not inconsiderable and expanding’). China’s recent explosion of its thermonuclear bomb underscores this assessment of its nuclear progress”.

Kurt Mendelssohn, F.R.S., a reader in physics at Oxford University declared in a BBC broadcast:

“I am fully conscious of having used the word ‘prosperous’ because it is the only way in which I can describe the truly miraculous economic advance which China has made in only seventeen years. The progress in agriculture and, above all, in industry which I have seen since my first visit to China early in 1960 is hardly believable. Then, people were struggling with the beginning of industrialisation; now, there is practically nothing which the West can produce and China cannot; from merchant ships to motor-cars, from computers to electron microscopes, and from high-grade metal alloys to synthetic insulin. And here, incidentally, is a case where they outpaced us.”

The reason for China’s advance is rooted in the basic fact that the Chinese Communist Party in capturing state power in 1949 expelled the foreign exploiters, nationalised the mines, factories, plantations, banks, insurance companies and trade firms owned by the imperialists and their Chinese collaborators, the “comprador” capitalists, and took away the land from the warlords and big, unpatriotic landlords and gave them to the exploited landless peasants.

India, on the other hand, although carrying out domestic and foreign politics more forward-looking than those of Guyana, the Caribbean and Latin America, suffered a decline. This was because, from the time of independence up to this day, not only the big foreign exploiters, but also the big local capitalists, *zamindars* and *taluhdars* reigned supreme. Besides, she carried on her back a huge burden of defence, a legacy of the Cold War and partition.

Note the following comparison of development under socialism and capitalism. Professors W.K. Hedlin and W.M. Cave, writing in the *Comparative Education Review*, published by Teacher’s College of Columbia University, for October 1964, declared:

“The transition of Uzbekistan from an overwhelmingly agrarian, technologically undeveloped society to a rapidly industrialising one with dynamic programmes for change must be classified as a major achievement of the Soviet system. To gain some perspective on the enormity of this accomplishment, one need look no further than those countries contiguous to the Uzbek Republic, Afghanistan and Iran. While they cannot be compared uncritically with Uzbek society, both have a great deal in common with Uzbekistan, particularly with regard to religious ideology, ethnic composition, and cultural history. Yet, for the most part, they remain comparatively backward societies with a high percentage of illiteracy and a persistent philosophical orientation toward the past. Conventional explanations such as lack of economic investment and technical assistance, etc., do not suffice, for both Iran and Afghanistan have been the recipients of huge sums of foreign capital. Still, pastoral economies and traditional social structure persist.”

### **New Development Strategy Needed**

There is an obvious need for an agonising reappraisal of our development plan and strategy. If Guyana is to make social and economic progress, there must be a scientific approach to economic planning and the adoption of a revolutionary policy and programme, which should include:

- 1) Nationalisation of the commanding heights of the economy — all imperialist and local “comprador” capitalist-owned factories, mines, plantations, banks and telegraph, insurance and foreign trade companies;
- 2) Drastic land reform;
- 3) Rigid system of exchange, rent and price controls;
- 4) Simultaneous expansion of industry and agriculture chiefly in the public and cooperative sectors;
- 5) Trade with, and aid from, all countries, both East and West;
- 6) Genuine democracy and involvement of the masses at all levels.

Socialist countries, with centrally planned economies which have carried out such a programme, have shown higher rates of growth than developed countries with the free enterprise, capitalist system. Compare the following figures for the average annual percentage increase in industrial production between 1958 and 1968:

East		West	
Bulgaria	13.7	Austria	5.3
Hungary	8.3	Britain	3.6
German Democratic Republic	6.8	Belgium	5.2
Poland	8.8	Italy	8.8
Romania	13.6	France	5.2
USSR	9.1	Federal German Republic	6.1
Czechoslovakia	7.1	Sweden	4.9

Incidentally, these statistics debunk the propaganda about Soviet imperialism! The US satellites in Latin America would have been happy to have developed as the so-called Soviet satellites in Eastern Europe.

Of course, “third world” countries which embark on a radical course will be opposed by the imperialists and neo-colonialists who are wedded to the free enterprise system, to the Truman Doctrine of “containment”, and to the Johnson Doctrine of “liberation” and “massive intervention”.

Whenever the free enterprise, capitalist system is threatened, the US government will use the chosen instrument of its foreign policy, the Central Intelligence Agency (CIA), for covert subversion and violence. And when it becomes necessary, marines will overtly land as in the Dominican Republic and Vietnam.

To the American ruling class and the industrial-military complex, political science has been reduced from ballots to bullets, to simple gangsterism. Between January 1961 and November 1963, eight military coups were staged against governments of representative democracy or regimes of bourgeois semi-legality in Latin America alone. Later, the non-aligned progressive regimes of Mrs. Bandaranaike in Ceylon, Dr. Nkrumah of Ghana, Dr. Sukarno of Indonesia, Joao Goulart of Brazil, and Juan Bosch of Dominican Republic, to mention a few, were overthrown.

### **Propaganda and the Big Lie**

In this atmosphere of counter-revolutionary successes, the big lie is sedulously fostered that the USA and its puppets are invincible; that they cannot be defeated.

In the face of these developments, some comrades tend to despair. They see the future as hopeless. But this is no time for despair. This is only a temporary phase. We must not allow our vision to be blurred, to see only failures and not successes.

History, like the tide, moves in waves, ebbing and flowing. Actually, over the past 25 years, socialism and national liberation have made overall net gains.

From 1938 to 1943, imperialism-turned-fascism seemed invincible. The fascist dictator, Franco, destroyed democracy in Spain in 1936. Hitler overran Europe within a few years. But the revolutionary movement came out on top. From one country, the USSR, socialism spread to the whole of Eastern Europe.

This revolutionary tide was stemmed in the late 1940s and early 1950s by the Churchill-Truman Axis, the Truman Doctrine of “containment of communism”, McCarthyist red witch-hunting in the USA, and imprisonment in the colonial territories — the jailing of Nkrumah, Banda, Kenyatta, Makarios and, not forgetting, the suspension of our constitution, and the jailing of our leaders.

But the revolutionary tide could not be stopped. By 1947, India, Burma and Ceylon became free. The Indonesian revolutionaries succeeded in expelling the Dutch from Indonesia. China was liberated by the Chinese Communist Party in 1949. The corrupt King Farouk was dethroned in 1952, and the British military base in the Suez Canal Zone was terminated. The Chinese and North Koreans turned back the Americans and the Sygman Rhee military clique to the 18th parallel. The Vietnamese disastrously defeated the French at Dien-Bien-Phu in 1954. The Ango-French-Israeli attack on Egypt was repulsed in 1956. Sekou Toure opted out of the French community in 1958. And in the Iraq revolution of 1958, the hated US puppet dictator, Nures-Said was murdered. The Castro revolution in Cuba removed the ruthless dictator, Batista. France conceded defeat in Algeria in 1961.

This revolutionary tide clearly put into shambles the policy of containment of communism — socialist influence was now felt in Africa, Asia and Latin America. The Anglo-French imperialists adopting new tactics hastily conceded independence, with the hope as in India of preserving their spoils, and at the same time of preventing American subversion and penetration.

Today the USA is the bastion of imperialism. But those who say that the US is invincible are misreading reality. Today, imperialism, in general, and US imperialism, in particular, are in serious crisis.



## Unemployment and Automation

Unemployment, the Achilles heel of imperialism, is growing. New Zealand, according to *Time* magazine (July 28, 1967), “the most complete welfare state in the more or less capitalistic world is having economic trouble. Protest marchers with banners (“We Demand Guaranteed Employment”) were out demonstrating in cities and towns throughout New Zealand last week. So far, only some 6,600 people (out of labour base of 1,000,000) are looking for work, but to New Zealanders, who had known to employment for decades, this was matter for deep concern. Union leaders darkly predicted that there would be 20,000 jobless before long”.

The position is growing worse in Europe also. In Britain, there were 496,000 unemployed in July 1967, the highest in 27 years. In France, the number of unemployed in early 1967 was about 370,000, of whom about 90,000 were below the age of 25. It is expected that by 1970 France’s unemployed population will be about 600,000. In Holland, there are more than 100,000 unemployed. In Belgium, unemployment is becoming particularly marked in the mines and in the steel industry. In Western Germany, nearly one million workers are unemployed or on short time. The metal workers’ automation expert, Dr. Gunther Fredericks, estimated that even if overall production rose by 40 percent between 1963 and 1975, there would then be two million people unemployed. In Italy, the number of those unemployed or on short time runs into millions.

The situation in Italy, Spain, Portugal and Greece is particularly aggravated because workers from these countries usually emigrate to the more advanced Western European countries. With economic recession in the latter countries, this free movement is stopped and the safety valve shut off.

The position in the United States of America is by no means different. Senator Robert Kennedy recently said: “Unemployment was one of the gravest problems”, particularly among Negroes, and “its solution demands a joint effort on the part of the government and business . . . . While since 1960 the average family income in America has gone up 14 percent, in the Los Angeles ghetto of Watts it has gone down 8 percent. . . .”

The dilemma of America is that it is an imperialist state and imperialism is not concerned with solving the problems of the people. Profit is the dynamo of the imperialist system. And under the law of capitalist development, rationalisation, mechanisation and automation are inevitable regardless of how many are thrown into the streets. It is to be noted, for instance, that as a result of rationalisation and automation in the railways of the United States, the labour force has been cut over the past 40 years from two million to a little over 600,000 workers, despite an increase in traffic of some 70 percent.

In 1955, the output of cars per worker was 10.3; in 1962, it was 13.9. Between 1955 and 1962, half-a-million more cars were produced with 162,000 less workers.

Little wonder that even George Meany, the lover of capitalism and the defender of US imperialist foreign policy, at the 1963 convention of the AFL/CIO declared:

“There is no element of blessing in it. It is rapidly becoming a real curse of this society. When you study what’s happening you realise that there is a real threat. This could bring us a national catastrophe. Every big corporation in America is in a mad race to produce more and more with less and less labour without any feelings as to what it may mean to the whole national economy”.

### Big Fish Eat Small Fish

While automation is continually operating to create job insecurity, state-monopoly capitalism is leading to greater and greater monopolisation and concentration. The bigger capitalists wallow up or cause to go bankrupt the smaller capitalists. There are more and more takeovers or mergers and small business failures and bankruptcies.

In Japan, 1,172 firms went bankrupt in 1960, representing a 65,000 million yen turnover. In 1964, there were 4,212, amounting to 463,100 million yen turnover; that is, three-and-a-half times more. At the end of October, the number of bankrupt firms had reached 5,021 and their total turnover amounted to 475,600 million yen (1,013 yen = £1).

The total value of takeovers and amalgamations in Britain for 1968 is likely to be around £3,000 million as compared with about £100 million in 1967, £535 million in 1966 and £121 million in 1958.

In the USA, there were 2,361 mergers in 1963. By 1967, they reached 2,975 “the biggest, wildest merger year ever”, according to *Fortune* magazine’s annual Special Reports issue (June). Along with mergers, the tendency of corporations is to conglomeration — to diversify into entirely new lines of business, which helps capital working intensely.

“Total net income for the 500 (top industrial corporations) dropped from an all-time record high of \$22,078,800,000 posted in 1966 to \$21,400,445,000” which is still the second highest in history.

Of the total profits of the approximately 200,000 industrial corporations in the US, the 500 largest accounted for 72.8 percent in 1967, up from 70.5 percent in 1961. More than half of the profits of the 500 were earned by the top 50 companies and almost 15 percent of the top fifty's profits, in turn, were provided by General Motors".

Gardner Ackley, Chairman of the US President's Council of Economic Advisers, told businessmen that the main reason for some of the tension in the USA was the increasing profits gained from the working class by the monopoly capitalists. Profits after taxes jumped 88 percent between early 1961 and late 1965. The 1965 net profits of US monopolies aggregated US\$45 billion, about four times as much as the annual average during the Second World War. Second-quarter earnings in 1966 set new records. The *Wall Street Journal* reported the earnings of 498 companies as 10.9 percent above the same period in 1965. Ackley warned: "It is time to ask whether a further rise in the share of profits in the national income is in the interest of business itself". He said that in the last five years of the US boom profits had climbed twice as fast as the gross national product, personal income and wages, and they should not continue to do so. "I think prices have been raised more than cost, or prices have not been reduced where costs have fallen", he said, and warned that if businessmen continued to raise prices to increase their profit margin, labour would make demands and inflation would take off unfettered.

### **Class Struggle Sharpens**

High profits and inflation have resulted in a lowering of the standard of living of the working class. On May 2, 1966, the US Department of Labor produced figures showing a decline in the workers standard of living. A worker with three dependents in the New York-New Jersey Metropolitan Area took home \$84.26 per week during March in terms of 1957-59 dollars. A year before his pay was \$84.67. The Department of Labor attributed wage losses to "higher social security tax and 3.2 percent increase in area and consumer prices".

Poverty is now a serious question that is plaguing the US policy makers. Even *Time* magazine in its issue of May 13, 1966, devoted space to what it calls "Poverty – A War Within A War". It stated:

"More than 7,500,000 Americans live in rat-infested tenements or tumbledown shacks that are officially and euphemistically classified as dilapidated; 1,500 US citizens still die yearly from disease caused by malnutrition; 6,000,000 subsist on free Government surpluses. In today's society, the nation's 11 million functional illiterates are relegated for life to the precarious ranks of the poor. Paradoxically, it is the neediest who are helped least by the welfare state. The majority of the poor reap no benefits from the social security, unemployment insurance, or the right to unionize. Farm subsidies mostly enrich the prosperous; the poorest farmers, with 40 percent of the working spreads in the US, account for a scant 7 percent of farm income. Public housing has brought the poor more eviction notices than new apartments and slum dwellers scornfully refer to urban renewal as urban removal. While Washington lavishes \$18 billion a year on a galaxy of welfare programmes – to which the state and local governments and private philanthropies add another \$15 billion – only the crumbs reach the bottom of the heap."

According to another authority, Michael Harrington, the estimated 32 million Americans who live in poverty "exist beyond history, beyond progress, sunk in a paralysing, maiming routine".

Job insecurity and lowering living standards have brought about a sharpening of the class struggle. As in Guyana, there have been an increasing number of strikes. The average number of strikes in the developed capitalist countries rose from 11,484 during the period 1946-52 to 12,855 between 1953-58, and 13,900 between 1959-64. In Canada, during the first six months of 1966, there were 359 strikes with 1,505,200 man-days lost. In July 1966 alone, there were 93,000 dissatisfied Canadians on strike. On July 27, close to three hundred farmers stormed the Queen's Park Parliament Building in Toronto, Province of Ontario, to put their grievances to Premier John Roberts and Agriculture Minister William Stewart. This was the culmination of a farmers' campaign of demonstrations and roadblocks with tractors.

Henry Ford II, in a speech in the National Association of Purchasing Agents in Detroit, in early 1966, gloomily surveying the situation in the USA, said: "**I am troubled by the growth of violence, by the riots, vandalism, irresponsible demonstrations, the tendency toward rebellion for its own sake**".

### **Black Rebellion**

People like Henry Ford will never understand. Take the ease of the Black people of America, who have suffered from nearly three centuries of abuse, humiliation, discrimination and segregation. They are in open revolt. The ghettos and slums are exploding and going up in flames.

Blacks are in revolt because they are the most oppressed of the US working class, with about half their numbers living in poverty, in overcrowded, rat infested slums and ghettos. Although they are only 10 percent of total US population, their children constitute 44 percent of those in receipt of welfare relief.

Some moderate Black leaders have called for crash programmes. A Phillip Randolph proposed two years ago a "Freedom Budget" of US\$185 billion over a ten-year period for wiping out the ghettos, a

guaranteed annual income, increased spending on education, housing, vocational training and health services. Whitney Young called for a “Domestic Marshall Plan” of \$145 billion over ten years.

But Congress is in no mood to “reward the rioters”. Indeed it seems bent on a course of revenge and retaliation. The House of Representatives has passed a bill providing \$300 million to aid cities to improve riot-control techniques. And a new measure aimed at the Black militants has been enacted, making incitement to violence a crime punishable by both a 5-year jail sentence, and a \$10,000 fine. Meanwhile, the Senate has voted to reduce the appropriation for the Teachers Corps from \$33 million to \$18 million.

What moderate leaders like Randolph and Young must realise is that slums, ghettos, unemployment, illiteracy, ignorance, crime, etc. are part of the system of monopoly capitalism (imperialism), that the imperialist power-elite can no more eradicate them, than they can refrain from aggressive limited wars as in Vietnam in defence of vested interests. (US investments in the Far East have grown from \$309 million in 1960 to \$2,000 million in 1965).

US imperialism will find less and less for butter and more and more for guns and subversion.

In order to solve its growing financial and economic problems, to conduct its so-called War Against Poverty” at home, to finance the vast military expenditure in Vietnam of about thirty thousand million dollars [\$30 billion] annually, to prop up US puppets elsewhere, the USA has taken action which has aggravated the difficulties of its allies.

In order to re-finance part of the national debt (\$3,200 billion), the Treasury Department offered to the public \$8,000 million worth of notes at 5.25 percent, the highest interest rate since 1921. This, of course, will be an additional burden on US taxpayers later.

Increase of the bank rate in the USA meant to prevent the flow of capital abroad, has put pressure on the pound sterling. Bank rates had to be raised also in the United Kingdom. And making money dear and tight is affecting investments and employment. Indeed, unemployment looms as one of the biggest problems facing the Labour government in its “policy of restraints” – wages and incomes freeze.

Faced with balance of payments deficits, the US administration has also issued guidelines to Big Business to get US subsidiaries abroad to repatriate liquid assets and to purchase supplies, know-how, etc. from parent companies in the USA.

This is part of the explanation for sale by the Demerara Tobacco Company, a subsidiary of the giant British-American Tobacco Company Ltd., of 300,000 of its \$1 shares for \$1.75 each. The sale of \$1 million of shares by another lucrative foreign subsidiary company, Diamond Liquors, must be viewed against the background of Britain’s balance of payments difficulties.

These measures have resulted in difficulties for countries such as Switzerland, France, Britain, West Germany, Japan and Canada where US investments and influence have been increasing since the war.

During 1946-1961, US capital abroad amounted to \$32,895 million. Investments of US companies between 1959-64 amounted to 52 percent of investments in West European capitalist countries. In 1965 alone, US investments abroad stood at \$7,400 million.

US private investments in the UK jumped from £300 million in 1950 to £2,500 million in 1968. These investments comprise one-fifth of all US investments abroad, and are utilised for purchasing direct ownership of former British-owned companies or to establish US branch concerns.

Britain is also increasingly dependent on US loans. This amounted to \$1,639 million — (70 percent of all foreign loans to the UK) – in 1953 and to £1,462 million (81 percent) in 1964. Consequently, Britain is tending to become increasingly an appendage of the USA.

US private capital amounted in 1964 to 45 percent of all investments in France (\$2,250 million out of a total of \$5,000 million) and in 1963 to about 34 percent in West Germany. In Canada, US investments amounted to nearly \$25 billion with control of industry ranging from over 50 percent to 90 percent as follows:

Auto	97%
Electrical	66%
Chemicals	54%
Farm Equipment	52%
Total manufacturing	Over 50%
Oil and Gas	60%
Mining and Smelting	52%
Food canning	90%

Canada's economy is coming increasingly under US control. In 1965, there were 90 percent sales of Canadian-owned companies to foreign investors. The year before, there were only thirty such takeovers. More recently, the Canadian government had to enact a Bank Act in order to prevent the takeover of Canadian by US banks. The latter have been growing at an alarming rate overseas. In 1964, it was 26; in 1965 it was 38. (Chase Manhattan Bank has broken into monopoly of Barclays Bank and the Royal Bank of Canada in Guyana).

Faced with increasing difficulties in recent times, particularly with balance of payments deficits, Canadians are voicing criticism about US domination of their economy. Formerly, the campaign was led by communists, socialists and radicals. Now, even liberals and conservatives have joined.

Eric Kierans, the Liberal Quebec Minister of Health, speaking in February 1966 to the Toronto Society of Financial Analysts, openly attacked US dictation in economic matters:

"Canada has passed in the last decades out of inherited political colonialism into a new economic colonialism, and we are . . . the only developed nation in the world, with no 'economic autonomy'. . . . The guidelines . . . will have the effect . . . of the US Government increasingly influencing various segments of capital development in Canada. They represent, in my opinion, a tightening of the American grip on our economy that threatens the attainment of our own economic objectives and are an infringement of our political sovereignty. The guidelines will accentuate the structural distortion in our economy, weaken further our competitive position and increase our deficits on current account."

Under these guidelines issued by President Johnson to US big business, Canadian subsidiaries are forced to buy from parent companies in the USA goods and services which are obtainable in Canada.

Another Canadian, Walter L. Gordon, until a year ago Minister of Finance in the Liberal government, in a recently published book, *A Choice For Canada*, wrote: "Canadians ask themselves whether they have become free of Britain's colonial influence only to fall under the spell of the US economic imperialism." More than half of the 500 corporations in Canada, with taxable incomes of at least \$1 million, are controlled by foreigners. And more than one-third are wholly-owned subsidiaries in which Canada has no financial interest whatsoever.

Gordon went on: "Too much of Canadian industry is controlled abroad. Foreigners, with the aid of Canadian friends and agents, wield far too great an influence on public policy in Canada."

In another section of the book, he quoted John Foster Dulles, the brinkmanship man of the Eisenhower cabinet, as saying: "There are two ways of conquering a foreign nation — one is to gain control of its economy by financial means."

Later, he pointed out: "There is, as you know, in Europe a growing fear of massive US investment, a growing determination, as one European official somewhat exaggeratedly put it to Bernard Nossitor of the *New Republic*, 'not to become another Canada with our economic destiny determined in Detroit, Chicago and New York'."

President de Gaulle attacked the encroachment of United States capital in the French economy. The French Minister of Finance said that France did not object to foreign investments, "but only to excessive investments in certain crucial sectors of the economy."

Professor Duverger, in an article in *Le Monde*, spoke even more forcibly. He said: "These investments are so many Trojan horses sent here by the United States and the outcome will be that the power of decision will be transferred to large American groups which today are more or less in control of the United States themselves."

Why this fear and resentment? Because US monopoly companies make and take out fantastic profits and royalties. This was recently exposed in the case of the US monopoly Procter and Gamble. Writing about this monopoly in the magazine *Dimension* (March/April 1966), C.W. Gonick said:

"Its capital outflow from the US was \$11 million. Its income from subsidiaries over the same period was \$290 million. The bulk of this income came in the form of sales of raw materials and equipment and now products to the subsidiaries (\$243 million); only \$47 million was received in the form of dividends. And as the Chairman of Procter and Gamble, Neil McElroy, pointed out, net export of capital from the US comprised only a small portion of the investment of the foreign branch plants. The subsidiaries re-invested out of profits and borrowed from local financial institutions \$67 million. This is over six times the contribution made by capital exported by the parent company."



The British Minister of Technology at a recent Conference in Europe warned that unless serious attention was given to the development of science and technology in Europe it will soon become a technological colony of the United States. United States corporations collected about US\$1.5 billion yearly from West Europeans and other foreigners as royalties and fees for the use of American patents and know-how.

These contradictions are resulting in increasing rivalry between imperialist USA, the “colossus of the North”, and other smaller imperialist nations.

President Charles de Gaulle who came to power in France with the help of the rightist French Colons has become the “bad old man” of the West. He has recognised and established diplomatic relations with China and asked Latin Americans to follow a course of non-alignment and independence from the USA. He has caused NATO to pull out of France and has publicly urged the USA to withdraw from Vietnam. He has told French Canadians that they must struggle for their national status, free from second-class Canadian citizenship.

The West German so-called economic “miracle” has faded and the economic “wizard”, former Chancellor Erhard, has fallen. The West German coalition government hopefully looks for an economic growth rate of 2 percent in 1967 as compared with 7 percent previously. The expectation in non-government circles is a figure of minus 2 percent. Early this year, the new West German Chancellor had to postpone his official visit to the United States because of a budget crisis. Now there is increasing pressure in West Germany for the scaling down of military expenditure for its large standing army. However, the United States is against such a move.

The US position is the same for Britain. It opposes the cuts in the British “East and Suez” military apparatus in the Middle and Far East, which have come about because of growing balance of payments problems, unemployment, Labour back-bench opposition, and unrest.

Of the 80,000 military men and civilians in the Far East, about 10,000 were sent back in 1967. Another 20,000 are to leave by the end of 1968, and by the middle of the 1970s complete evacuation is planned. The Aden Base is also to be evacuated by 1968.

The British government has come around to the view, expressed by the British Communist Party for many years, that it would not be possible to maintain a healthy level of industrial growth or to pay for major social reforms without a massive cutback in defence. Britain no doubt has watched with envy France’s success after she had decided on the futility and costliness of colonial wars in Indo-China and Algeria and the NATO “defence” system.

In keeping with Britain’s national interests, even the Conservative government of Lord Hume did not succumb to US pressure not to trade buses with Cuba. Similarly, the Canadian government rejected US pressure not to trade wheat with Cuba and China. In keeping with this same mood of defiance, the Canadian Minister of Mines, Mr. George Wardrope, recently expressed satisfaction that less and less Canadian ores were being shipped abroad and more and more of them were being smelted and manufactured in Canada itself. He said that large iron ore mines were finding a market “within our own country.”

Incidentally, we must remind the Canadian minister and government that we too would like to smelt our bauxite in Guyana, and not have all of it shipped abroad. We are opposed to Canadian imperialist control of our bauxite industry, just as they are opposed to US imperialist economic domination of their country.

### **Third World Revolt**

In the “third world” countries, the most aggravated world front, living standards are deteriorating and the liberation and class struggle is sharpening. The US genocidal war in Vietnam has become the US graveyard. It is the first war which America has not been able to win, although it has committed about a half million men. High casualties are reaching the proportions of the Korean War. Losses, particularly in planes and pilots, have been extremely heavy. The *New York Times* last year reported that fighter and attack aircraft “losses had actually exceeded new production” in the fiscal year 1966-1967. And the cost of the war jumped from US\$2,000 million annually in the early 1960s to over \$2,000 million monthly.

The USA despite its vast resources cannot have a “guns” and “butter” policy at the same time. The war against poverty programme has been virtually scuttled. The head of the anti-poverty programme, Sargent Shriver, in early 1967 wailed: “We were just about to put the bottle in the baby’s mouth, and we find that there is damned little milk to give.”

The Vietnam war is making a huge dent in US public finance. The budget deficit for fiscal 1966-67 was \$9.9 billion. For 1967-68, President Johnson has proposed an increase in taxation amounting to 10 percent on company personnel income taxes. But this surcharge which is expected to bring in about \$6.3 billion will only reduce, according to *Time* magazine, “the national budget deficit from a crushing \$29 billion to between \$14 and \$18 billion.”

Another casualty is President Johnson popularity. From a landslide victory less than two years ago, Johnson’s rating in the latest public opinion polls has slumped to 43 percent.

But Vietnam is not the only US graveyard. In other “third world” countries, the US imperialists are faced with new dilemmas.

In Chile, President Eduardo Frei, who won the last presidential election with the help of US dollars and Castro’s renegade sister, is in deep trouble. As a result of the growing militancy of the Chilean people, the Congress was forced to pass a radical land reform measure which was for a long time opposed by many conservative landlords and many of Frei’s own Christian Democrats who are owners of big estates. The new land reform act, according to *Time* magazine (July 31, 1967), “authorizes the Chilean Agrarian Reform Corporation (CORA) to seize property from anyone who owns more than 200 acres in the fertile valley or an equivalent amount in drier lands. In compensation, the owner gets 10 percent of the value in cash, the rest in 30-year bonds. . . . And rebel left-wingers have won control of Frei’s own Christian Democratic Party. The Party’s national committee recently endorsed the formation of a new Chilean branch of Fidel Castro’s Latin American Solidarity Organization and further suggested that guerrilla warfare is a legitimate tool against arbitrary governments.”

In India, following the severe defeat of the Congress Party in the recent general election, the Party’s recent convention called for a swift movement to the left with nationalisation of banks, the non-payment of tribute to former princes and maharajahs, and drastic land reform.

### **Socialist Gains**

Meanwhile, in spite of the ideological division in the socialist camp, significant gains are being made. In the Soviet Union in the past seven years, gross industrial output rose 84 percent including, a 96 percent gain in producer goods, and 60 percent in consumer goods; gross agricultural output increased 14 percent (from 48,500 million roubles in 1958 to 55,300 million in 1965).

Social benefits to the Soviet working people increased. Benefits out of public consumption funds (free education, pensions, free and reduced-price accommodations in sanatoriums, holiday homes, etc.), increased from 23,800 million roubles in 1958 to 41,500 million in 1965.

New homes built from the time of the Revolution in 1918-1965 totalled 1,191 million square metres of which about half was built in the period 1959-1965. Twenty and one-quarter million new homes were built on collective farms.

The working day was reduced to seven hours, and for some brackets of workers to six hours. Soon there will be a five-day working week.

For the five-year period ahead, Soviet production is to increase significantly. The national incomes will go up by 47.5 percent and agriculture by 25 percent more than the average for the past five years. Real incomes will increase by 30 percent; that is, roughly 6 percent per year. This should be compared with the wages and income freeze in the UK, and with official advice in the USA to trade unions that the “guidepost” for wage increases should not be more than 3.2 percent, which does not exclude direct and indirect taxes and rising prices.

Greater wage and other benefits are to be given to the people in the countryside in the Soviet Union so as to bring about an equalisation in their cultural and material well-being with those in the towns. While salaries and wages will grow 20 percent, monetary incomes and incomes in kind received by collective farmers will grow by 34-40 percent (not including benefits and services — health, housing, education, pensions etc. — offered free by the government from public consumption funds). This is in marked contrast to the West where there is growing pauperisation in the countryside, a widening gap between town and country, and a population drift from country to town.

In order to produce more grains, livestock and other agricultural products and to bring about the necessary equalisation in standards of living between town and country, state capital investment in agriculture is to be doubled, amounting to £16,400 million.

These who are critical of Soviet agriculture should note that in 1954-1961, Soviet agricultural production increased at an annual rate higher than in the United States. The ultimate aim is to remove shortcomings and obstacles, technical and otherwise, and to raise it to 9-10 percent annually, the same as for industry.

Another objective in the 5-year plan is to aim at the abolition of the distinction between mental and physical labour. This is to be achieved in an all-round advance in culture and education. In the next five years, free universal secondary education will be completed. About 7 million specialists will be trained with a higher and specialised secondary education, about 65 percent more than in 1961-1965.

An important feature in the new plan is the distribution of production in such a way that the interests of the Republic, which were formerly “colonies” of Czarist Russia, would not be jeopardised. In marked contrast to the capitalist West and the politically dominated and subjugated countries of Asia, Africa and Latin

America, where the gap in living standards is widening, there is to be in the USSR a steep upsurge of the productive forces and a rise in the living standards of the people in all Union Republics.

For the people of the non-socialist world who are suffering from capitalist, imperialist, colonialist and neo-colonialist subjugation, exploitation and oppression, the Soviet Union is a shining example of what can be achieved when the system of capitalism — the exploitation and despoliation of man by man — is abolished.

Gunnar Myrdal, the famous Swedish economist, in his book, *The Challenge of Affluence*, writes:

“It is enough to take as established that the present rate of economic growth is considerably higher in the Soviet Union than in the United States — at least double or perhaps more . . . the magic of compound interest is such that if the United States should fail to overcome its relative stagnation very soon, the Soviet Union would within a not too distant future, approach, reach and eventually surpass the United States in important fields.”

Although US industrial production increased considerably, particularly, in 1964 and 1965, its growth rate of 32 percent between 1960 and 1965 was still far behind the USSR output of 51 percent in the same period. The British increase in the same period was about 17 percent. Soviet science research and technology have posted some remarkable achievements, including:

1. World's first atomic reactor.
2. World's first batch of jet airliners.
3. World's biggest synohroton.
4. World's first inter-continental ballistic missiles.
5. World's first atomic-powered ice-breaker.
6. First and second powered satellites.
7. First linking and de-linking of sputniks in space.
8. First supersonic commercial jet airliner.

The growing military and economic might of the socialist camp is a source of strength to the people of the world, particularly those in the colonies and semi-colonial territories. The defeat of the imperialist invasion of Egypt in 1956 and the subsequent resignation of the Eden government was primarily due to world democratic opinion particularly of Asia and Africa backed by the military might of the socialist bloc. This was a turning point in the history of imperialism — a supremacy of people's right against imperialist might. Imperialism can no longer win by naked brute force. This has become all too clear in Vietnam.

The economic strength of the Soviet Union and the socialist camp is also a source of concern to the camp of imperialism. As long ago as May 21, 1956, the then British Foreign Secretary Selwyn Lloyd, declared:

“The Russian steamroller of today is not likely to be a military one. It consists of a great mass of technicians, technologists, teachers, business and other experts, all intended to export communism at the same time as they export their goods and services”.

Similarly, the *Times* on June 4, 1956, wrote:

“If the expected rise in the Communist world's standard of living comes about it must have a vast impact elsewhere, both by direct example and by the additional opportunities it will give for aid to other countries. This is the formidable prospect which the West has to face.”

This accounts for the vicious counter-offensive of the past decade by imperialism. To contain and defeat national liberation and socialism, the USA deployed a vast worldwide subversive apparatus. A partial list of CIA-financed organisations exposed in 1967 include the American Federation of State, County and Municipal Employees, and its affiliates in Argentina, Peru, Guyana, Jamaica, Trinidad, and Tobago; Retail Clerks International Association; American Newspaper Guild; Communication Workers of America; Institute of International Research; International Labour Training Programme; World Confederation of Organisations of the Teaching Profession; International Confederation of Journalists; International Federation of Petroleum and Chemical Workers; Congress for Cultural Freedom; American Council for the International Commission of Jurists; African-American Institutes; American Friends of the Middle East; Institute of International Education; American Society of African Culture; Institute of Public Administration; Atwater Research Programme in North Africa; American National Student Association; International Development Foundation of New York; University of Pennsylvania; National Education Association; International Student Conference of Leyden; US Youth Council of New York; World Assembly of Youth, Brussels; International Market Institute; Independent Research Service; India Committee Trust; Asian Students Press Bureau; Council for International Programme for Youth Leaders and Social Workers; Crossroads Africa; Gambia National Youth Council; Guyana Assembly for Youth; International Union of Young Christian Democrats; International Youth Centre, New Delhi; National Newsmen Club Federation; National Student Press Council of India; North American Secretariat of Pax Romana; National Federation of Canadian University Students; Synod of Bishops of the Russian Church outside Russia; National Council of Churches; Billy Graham Spanish-American Crusade; Young Women's Christian Association; Radio Free Europe; Center for International Studies at the Massachusetts Institute of Technology; League of International and Social Development; etc.

These disclosures have put millions the world over on guard. They have also exposed the US power-elite as completely venal and immoral.

Those who are critical of the Warsaw Pact countries, and more particularly, the USSR, for intervention in Czechoslovakia must remember that it was the objective of imperialism under the Truman doctrine not only to “contain communism” but also to liberate the “captive States” of Eastern Europe. Under the Johnson Doctrine, the US ruling class assumed the “right” to intervene with military forces in any country of the Western Hemisphere to prevent “subversive activity”.

### **Combat Despair**

There is no reason, therefore, for despair. We must combat attitudes of defeatism, based on the invincibility of the USA. Those who propound the theory of fatalism, that in no circumstances will the USA, the dominant power in the Western Hemisphere, permit the PPP to win power, have failed to grasp recent events. The USA is becoming increasingly isolated. The revolutionary forces of the world are on the upsurge. Western imperialism is today beleaguered. It is definitely on the defensive.

But this does not mean that we must become over-confident. We must face realities. We must not live in a dream world and merely hope for the best. We must take it for granted that the puppets, having been put into office by force and fraud, will use the same means to perpetuate themselves in power. They will rig the general election by manipulating the voters list, by registering Guyanese abroad, and by many other corrupt means. We must be aware of this. We must also be aware of the definite possibility of a coup d’etat in case we win even a rigged election. Such consciousness and awareness will prepare us psychologically and otherwise for action in the future.

If the next election were fairly conducted, we can be confident of strong support and of winning. For not only are we already the largest single party in the country. Each day brings us new support. Each day, the government loses support.

We are taking every step to expose the rigging of the election. But we must not stop there. We must work relentlessly to frustrate their intentions.

At this point, let me sound a note of warning and advice. By and large, our supporters are too election-oriented. Many have little concept of what power means and involves. To many, power means elections and being in Parliament. As such, they do not involve themselves in day-to-day activities and struggles, but await voting day to show their support for the party. And after voting day, they lapse into lethargy.

To invigorate our increment, we must rejuvenate it and infuse it with new blood. While retaining those with experience, we must bring in youthful, new blood full of vigour, militancy and idealism. To facilitate this move, we must enlarge our General Council.

There must be struggle in parliament and out of parliament. We must engage in political work, in mass activity. We must involve the people day by day in activity, however small and apparently insignificant — strikes, demonstrations, rallies, marches, picketing, vigils, fasts, petitions, resolutions.

It must be realised that power does not mean only people in the countryside, but also in Georgetown and in strategic places, such as the civil service, police, army, waterfront, electricity, telephone and cable, airport, etc. Although we are numerically stronger, our opponents are strategically stronger. Our aim must be to win more support in these strategic areas.

We cannot hope to win power without achieving decisive shifts in political support. This is already taking place, as anyone can see. Our aim should be to win over a third of opposition support, to neutralise another third, and to leave with them the remaining third who are emotionally committed and bigoted.

### **Combat Racism**

We must combat racism. We must resolutely weed out from our ranks any one who consciously or unconsciously peddles racism. There are many in our ranks who in public take a non-racial stand, but who in private crawl into their racial skins.

Unity of the working class regardless of race is vital. If we are to move forward, the party must have the backing of the working class, the peasantry and the intelligentsia, not of one race, but of all races. Indeed, not only the following but also the leadership of the party must increasingly come from these sections — the intelligentsia who is armed with the theory and practice of Marxism-Leninism, other cadres who come from or work among the workers and farmers in trade union and farmers organisations.

And while we are talking about unity, we must not forget international unity and solidarity. We must strive for the unity of the international communist, working class movement. Disunity and wrangling among Chinese, Cubans, Russians have only served to embolden the camp of imperialism. We must see our struggle as part and parcel of the wider Latin American, continental struggle. We must view our “war” as a protracted



one, with not one but a series of battles. We must recognise the necessity for solidarity and coordination with the socialist states, with other liberation movements, and with the working class movements in the capitalist states.

We salute the heroic struggle of the Vietnamese people. We pledge our whole-hearted support for the Negro people in the United States who have decided not to crawl and beg, but to fight. We welcome the launching of guerrilla activities in Rhodesia against the fascist and racist Smith regime, and extend our solidarity with the Africans and others who have been forced to resort to armed struggle against the fascists in Portuguese African territories and elsewhere. The Portuguese Salazar regime has been forced to increase its allocation for the colonial war from US\$130 million in 1966 to \$180 million in 1967, nearly 40 percent of the whole Portuguese budget.

As the largest progressive movement in the Caribbean outside of Cuba, we must take the initiative to mobilise and unite the progressive forces throughout the Caribbean with the aim of realising the long cherished dream of the Caribbean peoples — to have a new social order, to be completely free.

It is necessary for all peoples in Guyana and other poor “third world” countries to realise that the cause of our poverty is national oppression by imperialism. We need to develop among the masses, our supporters and non-supporters alike, fuller understanding that it is necessary to have a Marxist, and not a racist, approach to our problems; to fight for a genuine democracy and an anti-imperialist programme based on the public ownership of the commanding heights of the economy.

### **Build Sound Party**

We need to develop understanding not only of the social and economic forces at play in our society, and the world at large, but also of strategy and tactics of counter-revolution. Recently in Africa and Asia, military *coups d'état* have taken place not only against progressive leftist leaders, but also against puppets. When the latter can no longer serve imperialism by holding the allegiance of the people, they are eliminated and replaced by other stooges.

Bribing the young intelligentsia through the creation of a large bureaucracy is another device. CIA-financed front organisations operating under the guise of religious, cultural and social activities will be set up to splinter our support and to prevent the discontented from joining our ranks.

And we must be on guard against imperialist agents who will be planted inside our movement. The US Federal Bureau of Investigation once admitted that a large part of the membership of the Communist Party of the USA was infiltrated with US agents. Agents will be planted not only for intelligence purposes, but to act as *agents provocateurs*, and to change the anti-imperialist line of our party.

Such all-round vigilance and understanding must come about by intensive study, work and struggle. We must concentrate on our ideological work at Accabre College, at constituency and regional seminars, at study groups and, whenever possible, studies abroad.

In the past, we concentrated on quantity. Now we must concentrate on quality. We must develop sufficient ideological understanding to withstand the wiles and machinations of the imperialists and their puppets. We must not only talk to the Guyanese people about their suffering. We must tell them why conditions are so bad and what needs to be done to get Guyana moving forward again.

We must build an ideologically sound and well disciplined party, and, constantly promote into leading positions comrades armed with the ideology, with the theory and practice of Marxism-Leninism.

We must at the same time guard against deviations to the right and the left. Both right opportunism and left adventurism must be combated. Any adventurism will only give an excuse to the puppet government to suppress our party. Equally disastrous will be any opportunistic right-wing deviationism which seeks to make an accommodation with imperialism. If we are to make an accommodation, it must be with the PNC, who still hold the allegiance of large sections of the working class and peasantry. But this accommodation must be made on the basis of principle, unity and struggle — unity with those progressive elements in the leadership and in the rank-and-file, and struggle against the pro-imperialist leadership which now dominates the party. Such unity and struggle must be based on a dynamic anti-imperialist programme.

Our slogan must be: Things were never so bad. Workers, unite! You have nothing to lose but your American chains. Forward with the PPP to Peace, Progress and Prosperity.

Down with imperialism! Long live national liberation! Long live socialism!