

# LDC's - a colony within a semi-colony

this is costly, involves less improvement of living standards, and implies the sacrifice of habits, prejudices and routines."

## SOCIALISM

The public has been made to believe that the basic stumbling block to Caribbean development and progress is lack of unity; that the Less Developed Countries (LDC's) have been too insular and are demanding too many concessions from the More Developed Countries (MDC's). A spirit of compromise is called for.

The position is much more complex. Because of deepseated contradictions compromise alone will not help. Only a revolutionary approach will resolve the contradictions.

In their advocacy of a Caribbean Common Market and a Caribbean Community, some refer to the European Economic Community as an example of strength through unity. But this is an oversimplification.

Two main factors have influenced the formation of EEC. Firstly, at the economic level, the acceleration of scientific

and technical progress, the introduction of mass production methods, automation and cybernetics necessitate a huge expansion of markets, intensify the trend towards internationalisation of economic life and internal specialisation of production.

For political reasons, according to the Paris Combat: "Europe must unite in order to become a political and military force second to none, even if

Socialism has become an attractive force; the socialist world has been growing rapidly. Between 1950 and 1968 industrial output in the CMEA (Council for Mutual Economic Aid) socialist countries increased by 585% as compared with 251% in the developed capitalist states. And annual growth rates averaged 10.5% and 5.5% respectively.

The Comecon countries have 10 per cent of world population but account for nearly one-

---

## STRAIGHT TALK #1

by CHEDDI IACAN

---



third of world industrial output.

In other words, "integration" through the EEC is the monopoly-capitalist answer to the orbit of imperialism.

V.I. Lenin had forewarned that the amalgamation of monopolies but also of agreements between entire states. "Of course," Lenin wrote, "temporary agreements between capitalists and between the powers are possible. In this sense a United States of European capitalists . . . But what for? Only for the purpose of jointly suppressing socialism in Europe, of jointly . . . protecting colonial booty . . ."

CONTRADICTIONS

But other adverse developments have taken place. Contradiction have developed within the imperialist camp.

The USA, which at first wanted an EEC as a formidable lever for "the containment of communism", is now concerned about a powerful Europe particularly Germany, as a competitor (the other centre of competition in the capitalist world is Japan).

The conflict has also sharpened not only between the monopoly capitalists and the working class, but also between the monopoly-capitalists and the petty and middle capitalists of the town and countryside.

The monopolies have grown through a concentration and centralisation of capital. West German companies with assets of 100 millions marks each accounted for 34 per cent of all stock capital in 1954; by 1961, they accounted for 52 per cent.

In France, 310 mergers were registered in 1946-56; 931 in 1959 and 1,000 in 1961.

In France, 20 per cent of the small textile factories closed

down in the first four years of the European Common Market; the number of small trading businesses has shrunk by 27 per cent, while the big merchant companies' share of domestic trade has risen by 50 per cent. In West Germany the number of handicraft establishments dropped in 1957-60 by more than 20,000.

AGRICULTURE

And the "modernisation" and "reorganisation" of agriculture has led to the ruination of small and middle-sized peasant farms. In Germany, not less than 100,000 people annually have been going out of agriculture. In 1956-57 the number of West German farms of up to 10 hectares decreased by 28,000 in each year, and in 1960-61 by 64,000. In France the ruling element meant to get rid in the next few years of 800,000 peasant farms.

Sicco Man-hott, Vice-President of the European Economic Commission and author of the plan for the "integration" of West-European agriculture, has admitted that in the years ahead 8 million peasants in the Common Market countries will be ruined.

But the rich have been getting richer. The net profits of the 35 biggest trust in the EEC countries rose by 170 per cent between 1957 and 1961.

CARIFTA

In the Caribbean there are not only MDC's and LDC's in the equation. Over and above them are foreign ownership and control by multi-national corporations, working in joint ventures with the "compradore" capitalists and collaborationist governments under the new imperi-

alist strategy of "partnership".

Turn to Page 10

# LDC's - a colony without a semi-colony

From Page 8

#2 Foreign economic domination facilitated by free trade under Carifta, exploits the whole region, both MDC's and LDC's. But the LDC's like the black people of the USA suffer a double dose of exploitation.

The black people are exploited by the capitalists; firstly, because like white people, they belong to the working class; secondly, because of their race (black people are the first to be fired and the last to be

hired).

The LDC's are doubly exploited because they are collectively a "colony" of the Carifta "neo-colony."

Because industries are not located in the LDC's even the incidental benefits (employment, income and other taxes, etc.) which derive from industrialisation do not accrue to them. Instead, they are subjected to paying generally dearer prices for inferior goods.

## INDUSTRIALISATION

The location of industries is

determined by subjective and objective considerations.

Subjectively politicians and businessmen want location in their own countries — the politicians largely because they are sitting on a powder keg of unemployment and under-employment; the businessmen, be-

cause of convenience, partnership, subcontracting, etc.

Objectively, the foreign investors are interested not only in a larger market which CARIFTA provides them. In locating factories, they take into consideration other factors — roads, ports, telephone communications, electricity, availability and skill of labour, tax and other concessions, a docile unorganised labour movement, anti-labour legislation, freedom to take out profits, etc.

Harmonisation of incentives cannot resolve the problem. Nor will a multi-national company with limited funds.

The LDC's would also suffer in the agricultural sector. They will not be able to compete against cheaper mass-subsidized imports, particularly of foods from the USA. PL 480 food aid, grants and loans and investment capital will be used as levers by the USA to force tariff concessions for the entry of foods. During the first 3 yrs. of Carifta, US food export to the Carifta Region doubled

from US\$500 to \$1,000 million.

Another contradiction facing the Carifta countries is which of the two capitalist giants the USA or the EEC, to associate with. EEC is the market for the region's agricultural products; USA is the market for minerals, investment capital and aid. The USA has already moved into the Caribbean market with her capital and goods, and has warned about any concessions to EEC like the cut in 1962 of duties by 30% on imports from the EEC countries by the West African Associated States. Manoeuvring between imperialisms will not help. What is needed is a complete break with imperialism.

So far as Guyana is concerned, the role of agricultural appendage to the foreign-owned and-controlled industrialised MDC's has been assigned to it by the PNC regime. For this betrayal and surrender of Guyana's sovereignty, the PNC has no mandate.