

CAPITALISM IN DEEP CRISIS

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Comrades, Chairman and fellow delegates,
We are living in trying times. The moribund world capitalist system is in a deep and ongoing general, structural and cyclical crisis. Dependent capitalism of the third world is in a deeper and more profound crisis.

The highly developed, industrialised Western states are faced with growing contradictions. They have been and are, trying to solve their crisis by exporting it to the underdeveloped countries of Asia, Africa, Latin America and the Caribbean.

The third world is caught in the price scissors of unequal international trade—buying dear and selling cheap—high interest rates, an escalating debt repayment problem and protectionism. It is the net exporter of brains and capital.

The plunder of the underdeveloped countries is over 200 billion US dollars annually. In the 1982-85 period, the net transfer of profits, principal and interest from Latin America and the Caribbean was 106 billion US dollars; the annual average for 1981-85 was 36 billion US dollars.

This plunder not only fuels the arms race, which threatens mankind and civilisation. It is also used to create tension spots around the globe.

Part of this plunder is used to bribe and corrupt, to divide and rule. This results in increasing pauperisation and dependency.

In 1980, in Latin America and the Caribbean, 10 per cent of the super-rich appropriated 40 per cent of the national income; 40 per cent of the poor at the bottom got only 8 per cent of goods and services produced.

A decade ago, a Caricom Summit noted that the region faced "unprecedented difficulties" including a 25 per cent inflation rate, a "scandalous" food importation bill of one billion dollars and the need for tens of thousands of jobs for full employment. A few years ago, the "Group of Wise Men" pointed to the growing and explosive unemployment and under-employment problems.

Today, the Caribbean economy rests precariously on a fragile and restricted base. In Guyana, under the crisis-riddled and bankrupt economy, the rich are getting richer in the face of mass pauperisation.

What are the prospects for the southern part of our hemisphere? According to the UN Economic Commission for Latin America and the Caribbean, the 130 million who were living in conditions of total poverty or critical poverty in 1980 will rise to 170 million by the year 2000; the 80 million who were unemployed and under-employed in 1980 will reach 112 million in 1995. The foreign debt of 360 billion dollars (US) in 1985 will grow to nearly 700 billion in 1995.

The huge foreign debt has become an unbearable burden. It is simultaneously the cause and effect or a concentrated expression of the international crisis. The debt repayment crisis is ticking away like a time bomb, threatening the collapse of the whole world capitalist financial system.

In Guyana, like so many other dependent capitalist states, the local dominant ruling petty-bourgeois and bourgeois groups, in collaboration with the imperialist-controlled International Monetary Fund (IMF) and World Bank are trying to solve the financial crisis at the expense of the working people. They resort to a wage freeze or restraint policy, cuts in subsidies on basic essentials, cuts in social services and dismissal of workers. Successive devaluations have led to inflation and a sharp reduction in living standards.

The working people's struggles in defence of their living standards are met by bureaucratic/administrative and police/military methods. Since the 135-day sugar workers strike in 1977, all major strikes are deemed political to provide the excuse for intervention by the military and para-military forces.

The minority, undemocratic PNC regime in 1984 used its stolen majority in the National Assembly to enact the Labour Amendment Act, which upset a Supreme Court decision in favour of the workers, legalised the non-payment of a \$14-a-day minimum wage in 1979 and practically denied the right to collective bargaining. All public sector wage negotiations are carried out through the Guyana Trades Union Congress (GTUC), which the ruling party controls through undemocratic practices and manipulation. The GTUC is thus reduced to the status of "collective company unionism."

The ruling party which maintains power through fear, force and fraud, is taking all the steps needed to return to "IMF eligibility". This includes cuts in social services, a massive 127 per cent devaluation and privatisation.

The late President Forbes Burnham, was astute enough to recognise in the 1982-85 period that IMF proposals, which included removal of subsidies, price controls and import restrictions; further devaluation; and privatisation and denationalisation, in keeping with President Reagan's capitalist "freedom of the market place" philosophy, were economically and politically destabilising. Consequently, he launched an anti-IMF and anti-USA campaign.

Under pressure, the Hoyte administration is reverting to the policies pursued in the 1978-81 period. A deal is being struck between the rising PNC bourgeoisie and the traditional oligarchy. The latter had been removed from political power in 1968 and from economic power through nationalisation, particularly of foreign trade.

Everything is being done to influence a change from the existing crisis-ridden bureaucratic/state and parasitic capitalism to the already bankrupt free enterprise dependent capitalism.

In the given situation of retrogression and national betrayal, the working people are being squeezed. This year the government plans to pay 1516 million dollars (Guyana) in debt servicing, (200 million dollars more than current revenue) —nearly 900 million dollars more than in 1986. But it refused to pay 350 million dollars based on a minimum wage of 30 Guyana dollars a day, what should have been paid since 1981, according to the rise in the official cost of living index figures. (One US dollar is 10 Guyana dollars at the official exchange rate).

Incidentally between 1977 and 1986, real wages declined by 48 per cent!

In the face of devaluation and rampant inflation, the Guyana government continuously refuses to agree to the indexation of wages to cost of living. To the workers' demand for an adequate minimum wage, the government's constant reply is: "tell us where to get the money from".

In this situation, we see the need not only to strengthen trade union unity and anti-imperialist and anti-oligarchic solidarity. It is necessary also to move away from the narrow ambit of economism—concern merely

with wages and working conditions.

A revolutionary-democratic approach is required, especially on the debt problem. We say: suspend the debt payments or pay only a part, and use the savings to raise wages and salaries, increase pensions, restore subsidies and improve social services. **The crisis can be solved only with the people, not against them.**

Above all, we must fight for a broad-based revolutionary-democratic government with the workers, peasants and radical intelligentsia playing the leading and guiding role. Without democracy and the people's fullest involvement at all levels, there can be no social progress.

We must couple the struggle for democracy and working people's power with the fight for peace and disarmament. Peace, disarmament and development are interlinked. The Soviet initiatives on disarmament must be fully supported.

Our call for a New International Economic and Information Order must be associated with a call for detente and peaceful coexistence. We must not permit the imperialists and their lackeys to split the working people with their cold war anti-communist hysteria.

We salute the 50th Anniversary of Trade Unionism in Trinidad and Tobago. New vistas are opening up for the working masses. In the same way that working class and trade union struggles heightened after the first serious crisis of world capitalism—the Great Depression of 1929—so today, with capitalism's deep-seated malaise and imperialism's inability to solve problems with IMF prescriptions and CBI palliatives, prospects are bright for revolutionary trade unionism and working people's power.

Long live Trade Union unity!

Long live the Caribbean Trade Union Movement!

Long Live Proletarian Internationalism!

Forward ever, backward never!