

## SOUTH AMERICA

# Jagan fears for Guyana's future.

Chedi Jagan was Guyana's premier until he was overthrown with CIA help. Now he is critically supporting his successor, Forbes Burnham. But he charges Burnham is making Guyana into another Mexico.

By Jim Cockcroft

**D**r. Cheddi Jagan, leader of the People's Progressive Party (PPP) and Premier of Guyana when that country was still a British colony, recently completed a little-publicized but significant tour of Eastern cities with a plea to friends and progressives to organize solidarity committees for the defense of democracy in Guyana.

What most Americans know about Guyana (population 800,000, bordered by Surinam, Brazil, Venezuela, and the Caribbean) is that in the early '60s the CIA, with AFL-CIO help helped bring down Jagan's government and thereby stall the PPP's national liberation movement. Few realize that a principal political figure in that CIA campaign, Forbes Burnham, leader of the People's National Congress (PNC), is today Premier.

Politically nurtured in the culture of anti-communism, Burnham now calls himself a "Marxist-Leninist." He regularly denounces "foreign destabilization campaigns" and "imperialism."

Under the sustained pressure of the workers, peasants, PPP, and a small left wing of his own party, Burnham has nationalized the two main industries—bauxite and sugar—as well as much of the rest of the economy. And he has improved relations with Cuba, Czechoslovakia, the Soviet Union, the GDR, and China.

These measures have been tolerated by foreign capital, which views Burnham's party in power as preferable to the PPP.

"The imperialists are not fooled by the line that there is no difference between the PPP and the PNC, that both are socialist—a falsehood intended to get backing for the PNC regime," Jagan claimed during his tour. And he added: "That is why the *Rockefeller Report on the Americas* defends the PNC status quo and warns against a 'Communist victory' in Guyana."

As evidence of the better treatment PNC offers foreign capital than would be so under the PPP program for socialism, Jagan pointed to the more than \$100 million paid in compensation to the foreign aluminum and sugar enterprises and to the lucrative bauxite-sales contracts granted Philipp Bros., the American subsidiary of the giant South African Anglo-American Corporation.

Jagan asserted that the PNC is establishing "a military-bureaucratic one-party state, not unlike Mexico. With the two-thirds majority in the National Assembly that it stole by extensive fraud and army seizure of the ballot boxes in 1973, it proposes to amend the Constitution to destroy the fundamental rights of the people." But Jagan told his American audiences that the PPP lends "critical support" to the Burnham government, backing its progressive steps but criticizing its concessions to foreign capital and its slow, "top-down" approach to economic and social reform.

With Burnham in poor health, Jagan was particularly concerned that the Premier might step down allowing the majority in the PNC to swing the party



Chedi Jagan

Betty Millard

## Forbes Burnham brushes aside Jagan's call for united front

On the eve of last month's People's National Congress (PNC) biennial conference the leader of the opposition People's Progressive Party (PPP), Cheddi Jagan, issued a call for a "national patriotic front government" in the interests of national unity and socialism. The call comes just two years after Jagan declared that he was ready to extend "critical support" to the PNC and 15 months after the PPP ended its three-year boycott in protest against the rigging of the 1973 general election and reappeared in parliament.

Last year prime minister Forbes Burnham welcomed the PPP's return to the parliamentary fold, and a number of meetings were held between him and Jagan. It was evident that both the Cubans and the Russians (who last year opened an embassy in Georgetown) were encouraging these moves towards an understanding; the Communist parties of both countries send fraternal representatives to the congresses of both the PNC and the PPP.

Behind the socialist rhetoric of both parties lies the continuing problem of racial disunity. This was one of the reasons for last month's appeal by Jagan, and explains why Burnham has been consoli-

dating his power by the increasing militarization of the country. Many observers are worried that the pledge of loyalty given to the PNC at last month's congress by the almost totally black Guyana Defense Force can only hinder any moves towards understanding between the predominantly black ruling party and the mainly Indian PPP.

Burnham turned down the proposals without further ado. The PNC, he declared to the party congress, was not interested in "a coalition." He called such an idea "superficially attractive" but claimed that the PNC "as a vanguard party" wanted to "achieve national unity in the socialist sense . . . If the Bolsheviks had sought unity with the Mensheviks, the history of the Soviet Union would have been differently written."

The reaction of the Russian delegates to this sweeping equation is not known. However, knowledgeable sources feel that the Soviet Union is driving a hard bargain for increased aid to the crisis-hit Guyanese economy, a bargain that could include a demand that the pro-Moscow PPP be given a share in government.

—Latin American Political Report

and the country to the right. He cited the historical parallel of Egypt after Nasser's death.

Rumors of actions to destabilize or otherwise move Guyana rightward are already as common as the "comrade" form of greeting one encounters in Georgetown's streets. Jagan told *In These Times* that the CIA is fomenting trouble, mainly through a rightwing, racist group that attacks Jagan for "betraying the East Indians," the majority race in Guyana (Jagan is Indo-Guyanese, Burnham is Afro-Guyanese).

### Strikes "counterrevolutionary"

The Burnham government may face its stiffest challenge from the labor movement. In December 1976, the Guyana Mine Workers Union, on which Burnham has relief for his political base, walked out, 5000 strong, to protest the lack of free elections in the union.

Burnham declared all such strikes "counter-revolutionary." Riot police teargassed the strikers, and the leadership was arrested. Questioning the bauxite workers' patriotism, the Premier sent the people's militia to scab on the strike.

The miners eventually returned to work, in order to carry on the struggle on a broader, more national basis in the months ahead. Some of their leaders now come from The Working People's Alliance, formed by left dissidents from the PNC and PPP.

Much of labor's struggle has shifted to the Trades Union Council. Until recently, the TUC has been an exclusive organization serving PNC interests. Only in December 1975 was the nation's largest union allowed to enter the TUC, its elections certified by the government. The Guyana Agricultural Workers Union (GAWU), long a PPP stronghold, garnered 98 percent of the sugar workers' vote. The GAWU, the Clerical and Commercial Workers Union, the academic community workers' union, and the sugar industry's clerical workers now constitute 40 percent of TUC membership firmly on the side of the PPP and advocating completion of national liberation from imperialism and genuine workers' democracy.

To these pressures from below have been added failures in economic planning. Although insisting it is "voluntary," Burnham has had to introduce a 10 percent wage-deduction to buoy the nation's drained foreign reserves (which help compensate the bauxite countries) and meet the national debt. The impression is widespread that the PNC will not be able to win an unrigged election in 1978.

### Increased security measures.

The PNC has continued to respond to strikes and protests with arrests and firings. In early September ten representatives of striking sugar workers were arrested. Interior Minister Vibert Mingo has also introduced new security measures in Parliament, including a curfew.

PPP militants have been falsely accused of "murder" and other crimes. Internationally renowned black marxist scholar Dr. Walter Rodney had his appointment as head of the University of Guyana's History Department revoked by the Board of Governors (packed with PNC supporters, including Burnham's wife).

Most Americans following Caribbean developments think of Jamaica, Puerto Rico, or Cuba as the next hot spot, but it is probably Guyana that will be.

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# Bert Lance



Ken Firestone

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than income distribution.

By the late '60s, however, such techniques were no longer working. Defense expenditures for Vietnam had damaged the American economy, seemingly beyond repair. At home economic stability had been undermined by stagflation—simultaneous increases in both inflation and unemployment—which was contrary to all the Keynesian models. The next Democratic president would have to find some new techniques, a post-Keynesian solution to holding the Democratic party together and keeping it in power.

Just as Jimmy Carter has tried to balance the cold warriors and the peaceniks within his own party by proclaiming both of their goals, he has been walking a narrow line in domestic economic policy as well.

When he filled his key economic positions, he appointed representatives of a variety of different views. Charles Schultze, chairman of the Council of Economic Advisors, had begun to question the Keynesian solution by arguing that more government functions should be subject to the market. Michael Blumenthal, Secretary of the Treasury, together with experts in international economics like Richard Cooper and J. Fred Bergsten, argued that traditional Keynesian tactics were irrelevant because they were based on the actions of the nation state, while the economy had be-

come transnational.

With these important positions filled by men who no longer believed in traditional, business-oriented government spending, it was essential for Carter to find someone who did. Bert Lance became that man.

## Voice of caution.

In the choreography of economic policy making, Lance has been the key soloist. It was Lance who argued down Schultze's notion of a tax rebate in order to stimulate spending. Such an action preserved the money to balance the budget, a goal close to the hearts of businessmen. Similarly it has been Lance who has acted as a check on some of the visionary ideas of the free traders and one worlders, reminding them that American profits and American jobs are at stake. Lance's voice has always been one of caution. (Caution, in this case, does not fit a model of left and right. Both Schultze and Blumenthal, for example, while critics of the policies of the past, cannot be viewed as progressive; Schultze has moved toward laissez-faire at home and Blumenthal toward laissez-faire abroad. Both sides are arguing about how to manage the system, not how to change it.)

Carter will be unable to govern (and unable to run again), unless he can keep the Democratic party united. This means that he must please both sides in the fall-out over Keynesian tactics.

On the one hand Carter has business interests to placate, and here Lance—the only “Republican” in his administration, as the *Wall Street Journal* has noted—played a key role. On the other hand Carter must seek out new techniques for managing the economy or face continued economic disaster, which makes Schultze and Blumenthal essential.

In this context, Carter had little choice but to go to the wall in his defense of Lance. Losing the man was inevitable, but his defense of Lance prepared the way for the appointment of someone else with similar views.

Carter's performance in sticking by his old buddy as long as he could did not grow from a close friendship or the need

to have a crony in high places; Washington does not permit friendships to stand in the way of the exercise of power. Carter's defense of Lance was extremely political. He was reminding business that he understands their needs, hoping thereby to preserve those delicate conditions that allow the Democrats to continue as the majority party.

In the end Lance's gall will be long remembered. The substance of the charges against him make him out to be a man who fails even the most minimum standards of ethical propriety. Much talk is being heard in Washington about standards for public office being too high. In Lance's case this is bunk. He demeaned his office and deserved his fate. The public that forced him out should be

congratulated for refusing to surrender its demand that men of high office obey the rules that apply to everyone else.

The Lance affair was a business that nobody in government really wanted. Both the Senate and the White House were undoubtedly damaged. Nor did the press come out of it smelling wholesome. In the long run the most significant impact of the entire business may have been the contribution it made to public disrespect for the existing economic and political system.

Every president since Kennedy has wound up enormously unpopular. The Lance affair may be the start of that process for Jimmy Carter.

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## Carter/Third World

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What the OECD put on the table in Paris was a version of a deal Kissinger had presented in 1975: a “Development Security Facility” within the IMF to offer more generous terms of credit and trade for the Third World, in return for assurances from OPEC that the oil would keep flowing at reasonable prices. This time around, the producer nations were handed:

- a truncated commodity stabilization program, confined to a few products and operating out of the World Bank;
- limited “second window” financing, to be provided by the usual assortment of multinational banks, Western governments and international lending institutions;
- to sweeten the pot, a \$1 billion “special action” fund to help the least developed nations pay their import bills.

## World Bank in control.

If accepted by the Third World bloc in Paris, this program would have effectively short-circuited the 2nd UNCTAD Common Fund Conference, scheduled for Geneva in November. Conference delegates would have found their mandates reduced to merely rubber-stamping the Paris accord. One American goal, then, would have been achieved: turning the UN into a simple talking shop as far as international commodity trade matters are concerned.

More importantly, perhaps, acceptance of the OECD proposals would tighten the links of developing country dependence by shunting commodity stabilization programming into the World Bank, where the U.S. and its allies rule the roost. And it would compound the already staggering indebtedness of the less developed nations through a fresh shower of aid and loans. The corollary to this was the OECD refusal to go along with a moratorium on Third World debts, which now total some \$180 billion, of which around \$75 billion is owed to the big Western banks.

To close their deal, the OECD countries turned to yet another set of “Trojan Horses” within the Third World camp itself.

In June, Colombia, Guatemala and Nicaragua backed the American stand against intervention in the world cotton market; in a fine display of willful self-destructiveness this spring, Chile and Zaire joined the U.S. in pooh-poohing the efficacy of buffer stocking in firming up copper prices. And, Brazil and Mexico confounded their Third World allies at the “North-South” parley by coming out against the debt moratorium, on the grounds that such a move might damage their own international credit ratings.

## Saudi role.

In Paris, the front-line “Trojan Horse” was Saudi Arabia. Already a trusty ally of American policy in Africa and the Middle East, the Saudis got the nod to put the OECD package to the Third World bloc. And, armed with the \$1 billion gift to the least developed nations (the most vociferous proponents of the Common Fund), Sheik Yamani did his best.

It wasn't good enough. The OECD thrust was parried by an unlikely foe,

the Imperial Government of Iran. A geopolitical and economic rival of the Saudi Arabian Kingdom in the Gulf region, (the Shah likes to refer to Riyadh's chief oil negotiator as “that fellow Yamani”), Iran accused the Saudis of “selling out” the Third World cause and trying to sabotage the recent OPEC agreement to jack up oil prices. Result: though the OECD has decided to push on unilaterally with its “special action” fund, the rest of its negotiating package goes on the shelf until “dialoguing” resumes in Paris.

The Third World bloc left the French capital on June 1 in visible disarray. The acrimony between the poorer and richer countries within its ranks, already evident in Geneva last March, has been sharpened by Yamani's maneuvering in Paris. Considerable fence-mending will be required if the developing nations are to put together a united front for the next round of Common Fund talks this winter.

## Economic warfare.

More recent developments seem to bear out this sombre conclusion.

In August OECD-OPEC decided to create a special \$10 billion IMF loaning fund to aid the “poorer” nations. OPEC also decided to offer \$148.7 million in long-term, interest-free loans to Third World nations hit by oil price rises. While the purpose of these credits, to help borrowers improve essential services, is laudable enough, the overall result of such programs is to blunt the poorest nations' drive for economic self-reliance.

More threatening was the Carter Administration's pledge during the Paris talks to ask Congress for a 30 percent boost in American foreign aid during the coming fiscal year (the 1976 American foreign aid bill was \$4.3 billion). For this assistance (like the American chunk of the proposed “special action” fund) is to be doled out on a bi-lateral basis, government-to-government, with all the political arm-twisting and cushy deals for American exporters and multinationals such an arrangement implies.

After 18 months of negotiations, the Third World has made little headway toward its goal of a more egalitarian commodity trading structure. Its ranks split along lines of wealth and power, the developing country bloc forged in the wake of the 1973 oil embargo has proven itself an uncertain instrument for achieving a “New International Economic Order.” This lack of progress has fallen unevenly upon the members of the less developed camp. The more affluent will get along, with a little help from their friends. No matter how consistently Mobutu runs Zaire's economy into the ground, he knows that his country's cache of strategic raw materials will guarantee him Western financial support. Most of the rest of the Third World countries, however, stand to lose considerably through reinforced dependence and continued unfavorable terms of trade, with the least developed being the hardest-hit.

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