

Socialism As Way To Get Better Life For All

By JANET JAGAN

This series by the wife of the Premier and Minister of Home Affairs, was written before last month's London constitutional conference.

There are stories circulating that the Jagan Government plans to take away from people their land and their property. This is wholly untrue. This is vicious propaganda.

The whole aim of our Government is to ensure that standards of living improve steadily, that wealth is more evenly distributed and that more and more people have property of their own.

Let me say categorically, no property in British Guiana has been expropriated. The only property which has been acquired to date is the Electricity Company, a Canadian undertaking. This undertaking was bought out after discussion with its owners. Full and agreed compensation has been paid.

The people in the best position to know and to judge about the intentions of Government are the overseas companies who have been working here for years. The two largest overseas companies which have been at work in British Guiana are the Demerara Bauxite Company, a Canadian enterprise and the U.K. Booker Group of Companies.

Land Given

Both of these overseas enterprises have continued massive investment in the country and the expansion of their undertakings. Thus, when Sir Jock Campbell visited British Guiana in March this year, he announced that Bookers had decided to invest another six and a half million dollars in British Guiana.

No land has been taken away from anyone in British Guiana. On the contrary, since 1957, this Government has given out approximately 120,000 acres of land to individual farmers and to co-op farming groups — more lands given out than in any other comparable period in the history of the country.

This figure does not include the land which has been given to farmers in the Land Development Schemes such as Black Bush Polder, Mara and Land of Canaan.

Many persons have imputed some evil motive to Government because the lands in the Land Development Schemes have been leased rather than sold to farmers.

Old System

It is generally agreed, however, in all democratic countries that the leasehold system of land distribution is much to be preferred to the old freehold system which was subject to widespread abuse and major disadvantages. The great advantage of leasehold land is of course its small cost to farmers and therefore its availability to those who need it most.

The need to pay capital sums for land and then to incur further sums for development could result in a crushing burden. Moreover, as far as the public interest is concerned, leasehold tenure can provide an effective instrument of social control where by its terms land must

Expropriation is no part of this Government's programme. The provisions for the protection of fundamental rights written in our present constitution will provide adequate protection for private property.

By the terms of the constitution suggested by Government itself there is a guarantee that if it ever became necessary in the public interest to nationalise any private property there would be adequate and fair compensation to be decided by the Supreme Court in cases of dispute.

The economic aims of this Government are frankly socialist. We have never made any secret of this.

We aim to create a society in which there is a fair distribution of the wealth of the country. We cannot go on having big gaps between those at the top and those at the bottom.

Changes Needed

It is our aim to raise living standards and to give to the many the things now reserved for the privileged few. We realise that both of these objectives must march hand in hand and that it would not do merely to take away things from those who have and to give them to the have-nots.

There must be structural changes, balanced agricultural and industrial development and diversification. We must increase production, and we must do this rapidly.

We are convinced that rapid production and growth of the economy can only be achieved by adopting a system in which both state and private enterprise will play a part working together within the framework of a national development plan.

Guyana is a big country undeveloped and full of challenges. There is plenty of room for state and private enterprise to exist side by side. But private enterprise should not consider that it needs its old dominance over all aspects of society if it is to survive and thrive.

We cannot perpetuate a society and an industrial system dominated wholly by the urge for private profit and by individual greed. We wish, however, to make it plain that private enterprise has a role to play in the mixed economy which we envisage.

No Alternatives

Thus, it is the policy of Government to give protection where necessary to new undertakings in order to make them viable and competitive whether they are privately owned or not.

The opponents of socialism

a great deal about industrialisation and of the overseas capital waiting to come into British Guiana if my Government were removed from office.

The question which we wish to put to them is why such overseas capital did not come in the long years before the P.P.P. took office or during the period of the interim Government after the P.P.P. had been removed from office and the Colonial Office was anxious to demonstrate how well they were developing the country?

Real Reason

Of course, the real reason why overseas capital did not come then and does not come now is because it is not in the nature of colonialism and imperialism to industrialise dependent territories. And also because we have a very small market and we are, so to speak, at the end of the road for international transport facilities.

The Lord Rootes Trade and Industrial Mission which visited in March 1962, recognised this situation clearly. That's why the Mission agreed with our contention that if there is to be early industrial development, Government must enter quickly into the industrial sector either alone or in joint ventures with private enterprise.

The ideas outlined here were brought to focus in the Budget presented in February 1962. I have already quoted what the Commonwealth Commission had to say about the Budget. It is perhaps worth adding what Professor Newman, also writing after the events of February 1962, had to say about it.

"The first Budget of the new Jagan Government," Professor Newman wrote, "under the influence of the distinguished British Economist Nicholas Kaldor, seriously attempted to increase substantially the amount of locally provided funds, to a degree beyond that envisaged by the original plan.

Higher Rates

"A package consisting of higher rates for old taxes (e.g. import duties), new taxes (e.g. capital gains taxes), and a scheme for compulsory private saving was introduced. As we shall see, the timing of these admirable self-help proposals laid them open to misinterpretation.

"It is ironic that the grave riots in February of this year were sparked by the first serious attempt to make the Guianese responsible for their own economic development."

Those who opposed socialism and those intent on

this two days before the Opposition resorted to violence and arson.

The Budget was eventually passed and today we have in British Guiana for the first time the beginnings of a tax system which consciously and deliberately sets out to redistribute the wealth of the country.

The 1962 Budget introduced among other things three new taxes, a tax on capital gains, an annual tax on net property and a tax on gifts. A capital gains tax forms part of the tax system of the U.S.A. and is too well known to need further explanation.

The property tax is found in the democratic and progressive countries of Scandinavia. The property tax only applies if the value of the property owned, less the debts of the owner, is more than \$50,000 and the tax is very small.

On net property of \$100,000 the tax liability amounts to \$250 per year. Companies pay property tax at the flat rate of half per cent of their net assets (written down but excluding initial allowances).

The gift tax is really an extension of the death duty tax and is intended to prevent the avoidance of the payment

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The need to pay capital sums for land and then to incur further sums for development could result in a crushing burden. Moreover, as far as the public interest is concerned, leasehold tenure can provide an effective instrument of social control where by its terms land must be used not only for the benefit of the holder but in the national interest.

The leases are valid for 25 years, and at the end of each term, if the conditions specified in the lease are observed — and all good farmers will have no difficulty observing these conditions — then renewal of the lease is guaranteed. The farmer has nothing to fear.

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Thus, it is the policy of Government to give protection where necessary to new undertakings in order to make them viable and competitive whether they are privately owned or not.

The opponents of socialism in British Guiana, while they criticise our Government's programme, never go on to explain what they want to put in its place. The reason I suspect is that even they are dimly aware that there is no alternative to what we propose and that there is a persisting built-in tendency, so to speak, to socialism in British Guiana.

Opposition elements speak

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Those who opposed socialism and those intent on maintaining their positions of privilege organised themselves with international assistance and tried to prevent the passage of the Budget and to destroy the Government.

In view of representations made after the Budget had been presented, our Government amended certain of the proposed taxes and announced

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of that tax by the distribution of wealth before death. Gifts are only taxable if they are more in money or money's worth than \$2,000 in any one year.

The rate of tax on any part of a gift in excess of \$2,000 is very small. On a gift of \$3,000 the tax amounts to \$5.

The Budget also introduced a National Development Savings Levy which the opponents of the Government persist in calling the Compulsory Savings Scheme.

Under this scheme anyone earning more than three hundred dollars is asked to contribute five per cent of that part of his income above \$300 to the National Savings Scheme. Thus a person working for \$350 a month contributes \$2.50 per month to the Scheme.

SAVING BONDS

At the end of each year he will get a savings bond for the sum he has saved. The savings bond will bear interest at the rate of 4 per cent per annum. This interest which is tax free can be collected at the end of each year.

At the end of seven years, the contributor will get back the entire amount saved during the first year of Levy which in the case of the man who is paying \$2.50 a month amounts to \$30. But of course the Levy goes on from year to year.

So the man will get back his second year savings at the end of the eighth year and his third year savings at the end of the ninth year and so on. This scheme not only applies to individuals; it also applies to all Companies. Companies will contribute 10 per cent of their income before tax.

I have dealt at some length with the main features of the Budget so as to enable you to see, as the Commonwealth Commission found, that there was nothing "deeply vicious or destructive of economic security" in the Budget.

ALL TOO CLEAR

It should now be all too clear that the Budget of 1962 and the Labour Relations Bill 1963 were not the cause of war, as one prominent opposition figure once put it, but the occasion for war — the excuse used by opposition members and the Trades Union Council and dissident factions to get rid of the elected Government which had defeated them in three successive general elections.

The main object of the new taxes and the National Development Savings Levy was to mobilise money for economic development, especially in the urban areas.

In view of the destruction

wreaked last year by violence and arson, we finished the year with a budget deficit. A prolonged and unnecessary general strike will see to it that there is a worse situation this year. There is now little money for development, to create the jobs to solve our rapidly growing unemployment problem.

UNEMPLOYMENT

The Opposition and the leaders of the T.U.C. have tried to lay responsibility for unemployment at the door of the Government. At the same time their mischievous policies and actions have effectively prevented up to now the internal mobilisation of resources for development which can alone solve the unemployment problem.

But they have gone further. The campaign of abuse, lies and propaganda waged abroad by them has ensured that little international aid has come to the country.

There can be no doubt whatever that the unsympathetic attitude of the U.S. Government on aid is due mainly to the campaign waged by opposition in the U.S.A. against this Government. Both leaders of the Opposition have stated during visits to the U.S. that no assistance should be given to the British Guiana Government.

Senator Jardim of the United Force went to the U.S.A. to whip up, with the aid of forged documents, mass hysteria against this Government. In view of these facts one wonders whether the Opposition and the T.U.C. are really interested in solving the unemployment problem and in the welfare of the ordinary man.

SINKING THE SHIP

It seems clear that they are pursuing a policy which means in effect that they are prepared to sink the ship with all its passengers in order to get rid of the captain.

Let me make it plain, however, that in spite of these misrepresentations, in spite of subversion both local and international, we are dedicated to the creation of a socialist society in British Guiana in which all men will be free and will have the opportunity to develop themselves to the full.

We realise that we need in carrying out this programme the friendship and understanding of other peoples and massive international aid. We will continue to seek such aid, and we will accept aid gratefully from any source provided it is not given on conditions which limit the freedom and sovereignty of our people.

(TO BE CONTINUED).