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**NONCAPITALIST DEVELOPMENT: THE SOCIAL, POLITICAL AND
ECONOMIC ANTECEDENTS OF THE NATIONALIZATION OF THE SUGAR
INDUSTRY IN GUYANA**

City University of New York

PH.D. 1982

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NONCAPITALIST DEVELOPMENT: THE SOCIAL,
POLITICAL AND ECONOMIC ANTECEDENTS
OF THE NATIONALIZATION OF THE
SUGAR INDUSTRY IN GUYANA

by

PAULETTE PIERCE

A dissertation submitted to the Graduate Faculty
in Sociology in partial fulfillment of the require-
ments for the degree of Doctor of Philosophy, The
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1982

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1982

This manuscript has been read and accepted for the Graduate Faculty in Sociology in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

May 3, 1982
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ABSTRACT

Noncapitalist Development: The Social, Political and Economic Antecedents of the Nationalization of the Sugar Industry in Guyana.

By Paulette Pierce

Adviser: Professor Bogdan Denitch

The topic of this dissertation is the radicalization of the development strategy of the postcolonial state in Guyana culminating in the nationalization of the property of Booker McConnell Limited, the country's largest expatriate owner. Our purpose is (1) to analyze the external and internal factors which facilitated this radicalization and (2) to determine if the takeover of sugar represented either part of a transition to socialism or a Third World variant of state capitalism. In the early 1950s, the PPP united East Indians and Blacks into Guyana's first, mass-based, independence movement under the banner of Marxism-Leninism. Naturally, the British and Americans opposed the party and helped a Black splinter group, the PNC, come to power in 1964. But the PNC's neocolonial development strategy failed and the party drifted toward the left. In 1970, Guyana became a Co-Operative Socialist Republic; in 1971, the Government nationalized Alcan's bauxite subsidiary after the company made a mockery of its request for joint-venture; in 1975, it took over Reynold's property for refusal to pay an export levy. The PPP, supported by the East Indian popula-

tion, gave its complete support to the PNC's radicalization.

Nevertheless, the PNC clung to its neocolonial allies, especially Bookers. Bookers was operating the most profitable sugar industry in the Caribbean and served as a convenient buffer between the Black ruling party and the GAWU, the PPP's unrecognized but powerful union in the industry. To take sugar, the PNC had to be willing to deal directly with its major opposition. Domestic economic crisis and a fantastic increase in sugar prices, set the stage for a rapprochement. In 1976, the PNC and the PPP joined together to resist imperialism and to celebrate Bookers' nationalization. The unity and euphoria were short-lived. Today the working class remains divided along racial lines. Marxism-Leninism is reduced to an empty rhetoric and the PNC maintains its rule through repression, corruption and racial ploys. The state owns eighty percent of an economy plagued by a politically induced productivity crisis and rapidly expanding foreign debt.

ACKNOWLEDGEMENTS

This dissertation represents the culmination of many years of hard work. During this period of time, I have received support from so many people that I fear some oversight is inevitable as I gratefully acknowledge my debts. Therefore, let me begin with an umbrella statement. I thank God for the richness of our world and the commandment to love one another. I have found abundant evidence of both as I have worked here and abroad to complete this task.

The idea to study the struggle for socialism in an underdeveloped and racially divided society took form many years ago in a class on developing societies taught by the late Professor Hugh Smythe. As would a parent, Professor Smythe encouraged me to think globally and to reach for important goals. Death possessed this wonderful teacher too soon; but, I was blessed to have another mentor of equal stature. Professor Hylan Lewis has been and remains a powerful, motivating force in my life. Whenever I was disheartened and/or ready to settle for less than my best, Professor Lewis exhorted me. While working on my dissertation, I had many occasions to smile and say, "Professor Lewis taught me how to do this."

More immediately, I received constant support from the members of my committee: Professors Bogdan Denitch, Frank Bonilla and Ray Franklin. Like all graduate students, I had

heard frightening tales about indifferent or hostile dissertation committees. Fortunately, my relationship with each of my advisers has been very positive. My chapters were read quickly; the critical comments were helpful and encouragement was always the bottomline. Moreover, I was encouraged to join with them and others in collective work to achieve the mutual goal of radical social change. This is the most precious achievement to have come out of this rite of passage for me. Previously, I had thought and worked alone. Now, I experience the exhilaration of working with others for shared goals. I also want to thank Profesor Stanley Aronowitz, my outside reader, for the serious attention he gave to this manuscript. I am flattered that he considers it of high merit and wants to help me to develop it further for publication.

Most of the data for this research was collected abroad. I had to stay in countries where I had no prior connections but I was amazed by the supportiveness of so many people. I arrived in London with only the assurance of one interview with the Company Secretary of Booker McConnell Limited. By the time I left, I had been granted interviews with almost a score of the company's current and former executives, gained access to important company records and spent many enjoyable hours socializing with members of Bookers' management. This experience showed me that my sinister image of the international corporate elite was a caricature. Desirable human characteristics are to be found on both sides of the class and racial barricades.

The political repression and economic hardship in Guyana made it potentially more difficult to establish a base there. Fortunately, Professor Aubrey Bonnett, a Guyanese-American, gave generously of his time and resources. Our long conversations about the years of intense political turmoil through which he lived nurtured an insider's perspective in me. Our frequent and heated debates over the correct interpretation of these and more recent events in Guyana helped to sharpen my analytic skills and to clarify my class perspective. My first contacts in Guyana were friends of Professor Bonnett. From then on it was a snowball effect. I cannot name many of the Guyanese who helped me collect my data for fear of jeopardizing their security; but, I gratefully acknowledge that this work would not have been possible without their help.

While immersed in this academic endeavor, I did not cease to be involved in a network of personal relationships--although at points both family and friends may have had their doubts. Some relationships did not weather the storms of the past two years. New friendships took root. Both the good and the bad times provided the foundation upon which I built my dissertation. In particular, my mother and sisters came to appreciate my separate path of development and encouraged me to pursue it. For this great gift, I thank them. My Grandmother died two months ago but her love, confidence and faith in Jesus Christ will always be a lamp unto my feet.

Included among my new friends is Matthew Malok to whom I owe special thanks. Matthew gladly undertook the formidable task of transforming rough hand and typewritten drafts into the attractive manuscript you hold in your hands. It was a relief and pleasure to work with someone so near and trustworthy during those final hectic weeks. I also thank Ms. Cecelia Casey who helped with the word processing so that a tight deadline could be met.

Credit for the strengths of the following analysis are to be shared with all those mentioned above. The limitations I reserve for myself.

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Overview of the Problem

In May 1976, Guyana celebrated its tenth anniversary of independence by nationalizing the property of Booker McConnell, Ltd., a British expatriate firm which owned the country's sugar industry. This dramatic event symbolized the culmination of the radicalization of the development strategy of the Black ruling party. In 1970, the Peoples' National Congress resurrected its socialist image and declared Guyana the world's first Co-operative Socialist Republic. In 1971, the Government nationalized the majority of the country's bauxite mining industry. In 1975, it took over the remainder. Thus sugar, the first major impetus to Guyana's colonial exploitation, stood out more sharply than ever as a challenge to the PNC's commitment to implement its policy of complete ownership and control of local resources. This was the last major step in the removal of the symbols of foreign exploitation, and it was the hardest to take. On the one hand, sugar workers are the most exploited segment of the Guyanese work force and personify the peoples' history of enslavement, indentureship and super-exploitation as wage laborers. If the Government really meant to lead the nation in a socialist revolution, this glaring reminder of expatriate control would have to go. On the other hand, sugar workers are overwhelmingly East Indian and loyal supporters of the Peoples' Progressive Party, the largest opposition party in the country. To take sugar the PNC had to be willing to walk into the lion's den.

Guyana like most postcolonial societies, has a history of deep, racial divisions. Within its small population of under a million people, six racial groups--East Indian, Black, Chinese, Portuguese, Amerindian and "colored"--are represented. Their respective positions in the color-class hierarchy reflect the circumstances of their introduction into the territory by the colonial power. Blacks were brought in as slaves to work in the sugar fields and primitive cane grinding factories. After the abolition of slavery, the planters first tried Chinese and Portuguese workers as substitutes and finally settled upon the large-scale importation of indentured East Indian labor. Blacks subsequently migrated to the urban areas and provided a source of cheap, unskilled labor. The Chinese and Portuguese moved into the retail business with the help of the British colonizers. The Amerindians, the indigenous population once used as slave catchers, remained in the hinterland completely outside of the colonial class structure. In this artificially created society, racial suspicions and hostilities constantly brewed and, when it was to their advantage, the British would stir the pot. Thus when the Peoples' Progressive Party, the first, mass-based independence party was formed, the British applied pressure to its weakest link. Submerged conflicts within its East Indian and Black leadership were expertly manipulated and the party shortly split in two. Cheddi Jagan, an East Indian and a Marxist-Leninist, maintained the support of the East Indian popula-

tion--particularly those who were members of GAWU, the powerful union in the sugar industry. Forbes Burnham, a temporizing socialist and Black leader, drew the support of the Black population and formed a rival party, the Peoples' National Congress. In order to gain political power, Burnham moved his new party steadily to the right until he eventually formed an alliance with the United Force, an ultra-right wing party representing bourgeois interests in general and the Portuguese in particular.

With this bitter legacy of racial and class conflict in mind, the PNC's recent Marxist-Leninist conversion and decision to nationalize sugar called for careful analysis. Indeed it provides the material for a case study of the struggle to achieve socialism in a racially torn society. As we will discuss below, the role of racial and class conflict in social change in Third World countries has bedevilled mainstream and Marxist scholars alike.

Significance in Relation to Social Science Literature

Since the end of World War II, but to a lesser extent today, mainstream social science has tried to explain the patterns of social structure and change characteristic of "developing societies." The most recognized and controversial achievement in this regard has been the model of a "plural society" which provided the theoretical framework for much of the anthropological and sociological research on Third World countries during the 1960s. The concept was

first developed by a British colonial officer reflecting upon his experience in the Far East.

. . . In Burma, as in Java, probably the first thing that strikes the visitor is the medley of peoples--European, Chinese, Indian, and native. It is in the strictest sense a medley, for they mix but do not combine. Each group holds by its own religion, its own culture and language, its own ideas and ways. As individuals they meet, but only in the marketplace, in buying and selling. There is a plural society, with different sections, of the community living side by side, but separately, within the same political unit. Even in the economic sphere, there is a division of labor along racial lines.¹

Furnivall's ideas were picked up by many scholars, particularly those like M.G. Smith, Leo Despres, Harry Hoetnik, Neville Layne and others who were interested in the Caribbean.² According to these theorists and researchers, the key determinant of social structure and social change in West Indian societies is the existence of racially and/or culturally distinct and competing segments within the population. Societal integration and social peace is only maintained to the extent that one segment, previously the white colonial group, has a monopoly of coercive force and economic sanctions. The introduction of significant social or economic changes will, the plural model predicts, unleash the forces of pluralism and lead to inter-communal conflict often to the point of bloodshed.

The picture presented is grim and, we suspect, subtly racist. Without the supervision of a benign colonial master, it was implied that the local populations would inevitably dissipate their energies in primordial warfare.

Therefore, after two years of racial bloodletting and imperial intervention, Guyana was held up as an ideal-typical plural society. Conspicuously absent from these interpretations of the Guyanese and other postcolonial situations were (1) the determinative role of economic and political forces based in the metropolitan countries and (2) the nature and dynamic of the local class structure. Following independence, the activities of imperial forces mysteriously vanished from theoretical consideration of those utilizing the plural model. Stratification within these ethnic or racial groups was ignored so that the plural segments could be depicted as monolithic blocs.

Starting in the late sixties however, adherents of the plural model began to modify their position to acknowledge the increasingly apparent elite group manipulation of ethnic sentiments. Backing away from Clifford Greetz's assumption of the inevitability of primordial conflict, scholars such as Crawford Young began to talk about the situational character of ethnic identification and mobilization. The theoretical development did not go far enough; no serious attempt was made to account for the role of external and internal class-rooted factors. The short-circuited character of this revised approach is exemplified in the conclusion reached by Katherine West ". . . whatever their origins, once aroused, ethnic hostilities assume a life of their own" ³ Leo Despres, an anthropologist who has done extensive research on Guyana utilizing the plural

model, arrives at a similar conclusion. Although he recognizes the impact of international political forces, he nonetheless does not integrate these observations into his theoretical considerations.

It is precisely this failure of the plural model to address the external political environment and the local class structure which troubles R. T. Smith in his critique of its application to Guyana. No one familiar with the Guyanese situation would try to discount the significance of racial and cultural symbols, but, Despres' attempt to reduce the country's political struggles to simple, racial chauvinism is, in Smith's opinion, "bizarre."

If the basis of political conflict in Guyana is simple racial and cultural communalism, then the ideological posture of political parties and leaders would be of little account since it would simply be a mask behind which hides the real face of ethnic sectionalism. Yet we know that ideological posture has been, and presumably still is, of the greatest importance to those who decide which Caribbean governments are "acceptable" to the interests of the United States of America.⁴

Furthermore, Smith notes that it is curious that racial sentiments were strongest in the culturally homogenized middle class communities of Georgetown since, according to the plural model, ethnic identification is supposed to be strongest within groups most dissimilar. With decolonization on the horizon, Guyana's middle class factions did grasp at the symbols of racial solidarity in their competition for upward mobility but this was not the whole story. The two major political leaders to emerge out of the independence struggle came to represent antagonistic class

interests. Thus when the communist Jagan and the moderate Burnham met with Kennedy and Schlesinger in Washington during 1961 the latter was chosen. Such external manipulation of the course of social development is not, Smith concludes, unusual in "these poor, small, and weak ex-colonial territories"⁵ and our theoretical models must take this into account.

On the other side of the ideological spectrum, Marxists have almost exclusively focused upon external factors, such as how the operation of world capitalist markets and the activities of imperialist states ensure the reproduction of underdevelopment in the Third World. It is only in recent years that Marxists have undertaken the difficult task of working out a theory of underdevelopment based on an analysis of the local class structure, the interpenetration of class and racial divisions and the role of the local state in social development. In large measure the delay was due to enormous popularity enjoyed by Dependency Theory throughout the sixties and the first half of the seventies. According to Andre Gunder Frank, colonial analysis which "centers on and emerges from the metropolis-satellite structure of the capitalist system" is the foundation of Dependency Theory.⁶ Class analysis which centers on the examination of the national class structure and the role of the state in maintaining a particular system of exploitation receives only perfunctory mention.

The basic tenets of Dependency Theory can be summarized as follows: (1) The world capitalist system is com-

posed of two opposing parts--the wealthy core (metropolis) and the poor, exploited periphery (satellites). (2) The core and the periphery are inseparably linked and therefore can only be understood in terms of their relation to each other. (3) Capitalist expansion is inherently contradictory, simultaneously creating development in the core and underdevelopment in the periphery. (4) The principal contradiction within the world capitalist system is no longer located within the advanced industrial nations. Today, the fate of capitalism depends upon the outcome of struggles between imperialism and anti-imperialist forces located in underdeveloped countries (UDCs). (5) And finally, revolution and the destruction of the world capitalist system are the only route to development for the countries of the Third World.⁷

Clearly, dependency theorists see the capitalist systems as based upon exploitation. Its departure from more traditional marxist analysis is due to the unusual manner in which this exploitative relationship is conceptualized. For Andre Gunder Frank, regions and entire nations take the place of social classes in explaining the process of capital accumulation. The metropolis exploits its satellites and the core regions within underdeveloped countries exploit their own backward regions.

This contradictory metropolitan center-peripheral satellite relationship, like the process of surplus expropriation/appropriation, runs through the entire world capitalist system in chain-like fashion from its uppermost metropolitan world center, through

each of the various national, regional, local, and enterprise centers.⁸

The inevitable consequence of this geographically conceived pattern of exploitation is deepening underdevelopment and increasing dependency for the periphery.

Thus the metropolis expropriates economic surplus from its satellites and appropriates it for its own economic development. The satellites remain underdeveloped for lack of access to their own surplus and as a consequence of the same polarization and exploitative contradictions which the metropolis introduces and maintains in the satellites' domestic economic structure.⁹

Unfortunately, Frank fails to analyze this internal structure which he notes "the metropolis introduces and maintains" in order to ensure imperialist control of the global process of capital accumulation. Instead, he and other dependency theorists have concentrated on external factors--the international division of labor, the world market, private foreign investments, the IMF, aid programs and private financial markets. Much of the work has been excellent.¹⁰ The continuous drain of surplus from the impoverished periphery to the increasingly wealthy core nations has been revealed in stark detail. However, the ways in which this system of exploitation is changing and how it is to be overcome are not addressed. This, as Frank is well aware, would require a detailed analysis of the development of Third World economies and their class structures. Because he instead chose to concentrate on the colonial structure his essays ". . . cannot, nor are they

intended to, serve as an adequate instrument to examine the class struggle as a whole and to devise the necessary popular strategy and tactics for its development, for the destruction of the capitalist system, and thereby for the development of the underdeveloped countries."¹¹

From the start, Dependency Theory aroused criticism among those who objected to its unorthodox approach to the issue of exploitation. Cabral Bowling and a group of Mexican critics challenged Frank's analysis precisely on this point: "We believe that exploitation is a social phenomenon too complex to be explained exclusively in terms of the metropolis-satellite structure. . . . Would it not be more accurate to state the relations of exploitation in terms of social classes?"¹² To this, Frank replied yes and that his work was indeed intended as a guide to such an analysis. In response, Theotonio dos Santos denied the compatibility of the two modes of analysis and more importantly concluded that Frank's methodology is at bottom static.

The colonial pattern which Frank outlines cannot be combined with class analysis, as he seeks to do As for changes in the system, it is not enough to demonstrate the persistence of the colonial structure. It is necessary to explain how the forms of dependence have changed, in spite of its persistence. For these changes have produced the profound contemporary crisis, which both requires and facilitates a socialist solution.¹³

Despite these early and perceptive criticisms and the resulting efforts to infuse Dependency Theory with class analysis, little substantial progress was made until the

late 1970s.¹⁴

An essay by James Petras and Kent Trachte entitled "Liberal, Structural, and Radical Approaches to Political Economy: An Assessment and Alternative" is probably the best attempt to date to integrate a world system perspective with a more traditional Marxist approach to the problem of exploitation.¹⁵ According to Petras and Trachte, Dependency Theory and the more recent world system approaches make the fatal mistake of defining the problem as dependency versus exploitation. Moreover, by selecting the world capitalist system as the primary unit of analysis and using analytic concepts "which obscure the real historical actors," those approaches make it impossible to understand the historical transformation of that system.

Dependency and World System theorists have turned the problem on its head:

It is not the world system that begets change in social relations, but rather social forces that emerge and extend their activities that produce the world market. The transformations wrought within societies by their insertion in the world market must be seen as an ongoing reciprocal relationship: between the forces and relations of production within a social formation and those that operate through the world market. From the perspective of international political economy, a comprehensive analytical framework must focus on the structural variations and transformations within the capitalist mode of production.¹⁶

The capitalist mode of production is first and foremost a system of labor exploitation based on the extraction of surplus value. Therefore, Petras and Trachte argue

that we must focus on the creation, reproduction and expansion of the capital relation within both the core capitalist countries and the dependent satellites rather than concentrate on the abstract external mechanisms which link the two. For our purpose we can conclude that as capitalist production expands within a particular country it transforms the local class structure, the potential for different forms of social conflict and the structure of the state. As the strength, position, and number of classes change, old alliances will be modified or completely abandoned. All of this goes on within the context of the world market; but, the market is not the fetish that early dependency theorists portrayed it to be. "The world market operates through the class-directed institutions that impose the exploitative class relationship throughout the world."¹⁷

Consequently, the class structure and the class character of the state in underdeveloped countries (UDCs) are not a secondary concern as implied by dependency theory.

In understanding the processes of world historic change it is not as important to know that Zaire and Mozambique are peripheral societies as it is to recognize the profound class transformations that affect one and not the other . . . their participation in the world capitalist market is informed by a different set of class interests which act decisively to effect the character and shape of the development of the productive forces within society and to contribute to undermining the organizing principles of the world capitalist system in the larger historical perspective.¹⁸

Therefore if core capital is to retain its control of the global accumulation process, imperialist states must

prevent the emergence of class alliances and state policy in UDCs which would block access to the surplus value produced in the periphery. A static conception of metropolis-satellite exploitation and an analysis of unequal exchange, cannot explain this ongoing struggle: "Insofar as imperialist forces act, they operate within the class formation and cannot be conceptualized as the impersonal forces of the market . . . they must be marked as a part of the internal class alignments."¹⁹ The process is further complicated by the dynamic character of the internal class alignments in both core and peripheral societies. The structure of imperialism and underdevelopment is therefore constantly changing as dominant capital seeks to respond to domestic and foreign crises and national capital within UDCs struggle to prevent its complete subordination and absorption.

The state plays a crucial role in the process of capital accumulation. In advanced capitalist societies the state both reflects and shapes the class structure as it acts to ensure the fundamental capital/labor relation and economic expansion. However, in UDCs the principal determinant of the structure and development of the state is not the imperatives of local accumulation but its relationship to the imperialist states. For Petras and Trachte this imperialist imperative to control state policy in the periphery is self-evident. "The state is the critical unit in the process of converting class alliances into development

strategies . . . [it is] . . . the crucial instrumentality in this process of reversing regimes, reconcentrating income, and reopening economic channels"20

Prior to decolonization, the extraction of surplus value was "relatively direct." The colonial classes were directly exploited by foreign capitalists. The local state was merely an extension of the imperial state. However since independence, the process of exploitation has been complicated by the rapid growth of a local intermediary stratum which for the most part is propertyless and dependent on the state for its wealth, power and prestige. This group now stands between imperial capital and the local labor force creating new contradictions and disguising old ones.²¹

The key to Petras and Trachte's conception of the process of underdevelopment is the idea that peripheral exploitation can be maintained by at least three types of class alliances and their corresponding development strategies. In the neocolonial model the national bourgeoisie, the petty bourgeois state and imperial capital form an alliance to increase the exploitation of local labor. The state's development plan includes handsome investment incentives, and the promise of a large, disciplined and cheap labor force. "Whatever the specifics, the foreign component is clearly dominant in internal, as well as external, relations."²²

In the second strategy, called the national bourgeois

developmental approach, the state seeks to gain control of local accumulation in the interests of the private and/or state bourgeoisie. Under a nationalist or socialist cover, the state moves against foreign capital. The new development policy may include sharp tax increases on foreign firms, restrictions on profit repatriation or investment and even nationalization. Nonetheless, the anti-imperialism of the regime does not extend to include an alliance with the working classes, "while squeezing the foreign sector, [it] also shares with the foreign sector and interest in maximizing exploitation of the labor force: maintenance of production, labor discipline, and popular demobilization."²³

The third strategy, the national-populist alliance, is a frequent occurrence but the least stable of the three. Herein the working class and the peasantry join the bourgeoisie and the petty bourgeoisie in an anti-imperialist alliance. At first there is general agreement that foreign exploitation should be eliminated but, the alliance quickly falls apart over the question of which social class should now control the accumulation process. Without its foreign allies, the bourgeoisie has no alternative but to push for expansion at the expense of the working class. The working class naturally resists any attempt to freeze or reduce its standard of living. If the state sides with the bourgeoisie, the alliance turns into a national developmental approach which is characterized by extensive repression--as

is the neocolonial model. And in all probability, this alliance will again be changed to include foreign capital once the local bourgeoisie demonstrates its inability to develop the economy. If, however, the state takes the less likely course and moves further to the left by attacking local as well as foreign capital, it "alienates the bourgeoisie and leads to an alternative non-capitalist model of capital accumulation."²⁴

The three types of alliances and the resulting patterns of exploitation are not mutually exclusive. And, as Petras and Trachte are well aware, any one "is difficult to identify as a pure type."²⁵ In fact, we do no damage to their analysis by thinking of the alliances as recurring phases in the process of capitalist exploitation of the periphery. It is the success of a neo-colonial strategy which strengthens the very social forces (the working class and petty bourgeoisie) which push for the formation of a popular alliance.

Needless to say, "imperialist relations are central in sustaining or destabilizing the two polar types of social regimes."²⁶ In the case of the neocolonial alliance, the imperialist state engages in "state-building" functions. For example, local bureaucrats and especially members of the military and the police receive Western training. Western experts are on hand to advise the local political elite. Friendly governments receive generous grants and aid and

lines of credit. Should however the government turn towards a national development approach or a national popular alliance, the imperialist state moves quickly to "disaggregate" the state utilizing local social and political forces or external mechanisms such as military intervention or a credit squeeze. Through these two processes, state-formation or disaggregation, imperialism imposes its exploitative class relations on the periphery. But as Petras' and Trachte's analysis makes clear, it is not the formal structure or rhetoric of the postcolonial state which is of concern but rather "access to the internally generated surplus and the creation of class relations which facilitate access."²⁷

Can a popular alliance of all nationalist forces led by the petty bourgeoisie bring an end to peripheral exploitation? Petras and Trachte are not optimistic. Although capitalist expansion leads to the development of class forces favoring a leftist alliance and a noncapitalist model of capital accumulation, the imperialist state works to abort this kind of revolutionary development. Reflecting on Petras' and Trachte's analysis we are left with a gloomy impression of the postcolonial state vacillating between neocolonial and popularist alliances with the center of gravity favoring the neocolonial model.

Theories of Noncapitalist Development

Conversely, the proponents of the Theory of Noncapitalist Development are quite sanguine.²⁸ Whereas Petras and

Trachte stress imperialist domination of the state in Third World societies and the susceptibility of petty bourgeois leadership to counter-revolutionary attack, the Theory of Noncapitalist Development draws attention to the unusually high degree of autonomy enjoyed by the post-colonial state and hence the revolutionary potential of a petty bourgeois leadership armed with state power. The notion of a third path of social development--neither capitalist nor socialist--was first introduced by Lenin in 1920 but it was not further developed until the global anti-colonial movement was in full swing. In 1960 at a world conference of Communist and Workers Parties convened in Moscow, Soviet scholars put forth an elaborated thesis of noncapitalist development. By the late 1970s it was the center of a hot debate which raged at a conference on socialism and developing countries held in Yugoslavia. The theory has held particular fascination for Caribbean politicians and leftist scholars.

John Ohiorhenuan summaries the position as follows: "Under certain circumstances, the post-colonial state, led by an alliance of progressive forces and supported fully by the socialist countries, can fulfill the 'historic' role of a capitalist class (viz., accumulation), and in so doing, can create the conditions for a socialist transition."²⁹ The Soviet message was full of hope. Without armed struggle or developed industrial capacity, backward countries could

begin what is called "the transition to the transition to socialism." Between national independence and the creation of a socialist society there stands the necessary phase of noncapitalist development or national democracy. This phase can be readily reached by declaring an anti-imperialist, anti-capitalist and anti-feudal policy.

According to the Theory of Noncapitalist Development such daring policy reversals are possible because the postcolonial state is relatively free from the usual class constraints which limit the action of the state in advanced capitalist societies. This is part of the janus-faced legacy of colonialism. Because of underdevelopment there are no powerful domestic classes with firm roots in the productive forces of the society capable of dictating state policy. The peasantry is generally large but unorganized and apolitical. The working class is small and fragmented. The state therefore emerges as the decisive force in social development once the control of the exploiting colonial classes is shaken by independence. In the absence of the type of class politics characteristic of the developed countries, the state can form a national patriotic alliance to defeat imperialism, develop the economy and mobilize the masses. In short, the state can be the principal institution for constructing a socialist society. This needless to say, is a fascinating reversal of the traditional marxian view which holds that the state is the quintessential expression of capitalist exploitation which must be smashed

by the revolutionary forces.

The challenge to traditional marxism has not gone unnoticed. Jay Mandle points out that in Jamaica and Guyana the same governments which pursued strictly capitalist development plans abandoned these and adopted socialist development strategies. This, in Mandle's view, throws into question the idea that the structure and personnel of the state must be radically changed if not completely abolished in the process of socialist revolution. Mandle concludes that in the case of Jamaica and Guyana "the shift to the noncapitalist path was essentially an administrative action. This does not trouble him. For Mandle, "essentially, the question is whether this process can be reversed and whether the non-capitalist path will result in a social organization in which political leaders are responsive to the population generally and the working class in particular rather than vice versa. In short, what are the prospects that the non-capitalist path will lead to socialism?"³⁰

Not surprisingly, this assumption that revolutionary change can be instituted by administrative directive has disturbed many involved in the struggle for socialist transformation. According to Charles Bettelheim, a revolutionary party must refrain from imposing orders on the masses because this will eventually lead to authoritarian rule, not to socialism. "A proletarian party cannot claim to 'act in place of' the masses. For the masses must transform themselves while transforming the objective world

and they can transform themselves only through their own experience of victories and defeats. This is the only way in which the masses can achieve a collective consciousness, a collective will, and a collective capacity, i.e., their freedom as a class."³¹ Ohiorhenuan reflects this same discomfort when he warns that ". . . the non-capitalist thesis has down-played the necessity for the independent development of the working class movements . . . greater attention must be paid not only to the origins of any government declaring itself socialist, but also to the conditions of the working class and its relative strength in the alliance."³² In the context of postcolonial societies, many have taken these conclusions one step further and argued that the existing form of the state inherited from the colonial ruler must be completely abolished.

Its structures were designed to maintain colonial dependency and they cannot now miraculously spearhead the movement for independent economic development. Amilcar Cabral personified this view:

We are not interested in the preservation of any of the structures of the colonial state. It is our opinion that it is necessary to totally destroy, to break, to reduce to ash all aspects of the colonial state in our country in order to make everything possible for our people. The masses realize that this is true, in order to convince everyone that we are really finished with colonial domination in our country.³³

The petty bourgeois leadership of the masses must, Cabral insisted, be ready to commit class suicide. They must cease to represent the interests of the petty bourgeoisie and

completely identify with the working classes. This is not simple. It ordinarily takes very difficult circumstances to foster this type of unity. Without romanticizing the role of violent struggle, we can appreciate the unique opportunities it presents to the political elite and the masses in the Third World. In the case of the former, it forces a petty bourgeois leadership into a dependent relationship with the working class and peasants which social position and cultural breeding have previously separated them from. In the case of the latter, it forces the masses to organize and make their own decisions outside the boundaries of traditional or imperial authority. As Harry Magdoff observes, violent struggle does not guarantee that the transition to socialism will be successful but ". . . where the colonial or neocolonial state has been smashed and . . . there has truly been a transfer of power to the most oppressed, and if the masses have been mobilized to exercise this power, there is a good chance that it will."³⁴

In his critique of Non-Capitalist Development Theory, Harry Magdoff argues that most of the recent attempts by Third World governments to radicalize their development strategies will fail. This is because they are trying to develop the economy within the context of the existing class structure. A few bureaucratic changes and the pronouncement of a socialist ideology will not do the trick. The oppressive and exploitative class relationships of the country will continue to choke off productivity and the chronic

foreign exchange crises will force the rebellious governments back into the imperialist fold. Despite the promises of African, Arab and Cooperative Socialism, "the contradictions and constraints which characterize this kind of society are such that the result is likely to be not a noncapitalist road to socialism, but a new variant of capitalism that in the final analysis remains dependent on the imperialist centers."³⁵

Theories of Bourgeois Revolution and State Capitalist Development

Ian Roxborough's perspective on the recent trend of political and economic radicalization in the Third World is also opposed to that of the Theory of Noncapitalist Development. Roxborough strongly objects to viewing these developments as the precursors to a socialist revolution or as the "transition to the transition." On the contrary, the aggressive policies of Third World states are, in Roxborough's opinion, a new phase in the bourgeois revolution which has never been completely accomplished in the periphery. The inability to accomplish the historic task of the bourgeois revolution--a viable nation-state and autonomous capital accumulation--is what characterizes and perpetuates underdevelopment. Whereas this transition to the capitalist mode of production occurred in an "abbreviated space of historical time" in the West it has spread over centuries in the underdeveloped world. Moreover, the economic and

political achievements have been provisory and "constantly subject to interruption and historical retrogression." New forms of dependency and exploitation are always on the horizon.³⁶

As a consequence of the uneven nature of capitalist development in the periphery an "exceptional" state form has developed in most Third World countries. The precapitalist social formation has been undermined, but, the two key classes of capitalist society (the bourgeoisie and the working class) remain frozen in an embryonic stage. This distorted pattern of development has ". . . enabled the elite which come to occupy state power to transform themselves into new dominant classes."³⁷ The most recent spate of attacks on foreign capital is simply the latest in a series of efforts to complete a bourgeois revolution in the periphery. The confrontation with capital can often become quite intense and vitriolic. This fact, however, and the tendency of the political and bureaucratic elite to defend their actions in terms of Marxism-Leninism does not, in Roxborough's opinion, make for a bona fide socialist revolution. The anti-imperialism of the regimes and the vastly expanded role of the state in the economy are strategies aimed at winning a better position within the world capitalist system. Furthermore as with previous attempts to consolidate an independent bourgeois class in the periphery, it will, Roxborough predicts, most likely fail and degenerate into a form of neo-dependency. This is not said to

preclude the possibly progressive and/or popular character of these developments. Sometimes they are both. Roxborough does, however, insist that we use the concepts of socialism and proletarian revolution with greater precision.

In many current versions of Marxism, "proletarian revolution" has lost its original meaning of a revolution carried out by the proletariat to establish socialism, and has come to mean simply a process which results in the creation of a state committed to some form of economic planning, state ownership and economic growth. When these are features of nearly all forms of contemporary economic systems it is hardly surprising that "socialism" is so widespread. The class nature of these regimes needs, however, to be examined with more care³⁸

This confusion of state ownership, centralization, national planning and growth with socialism stems from the transmutation of Marxism in historical practice. During the consolidation of the Russian Revolution, Marxism ceased to be the revolutionary theory of the industrial working class for its self-liberation against the forces of capital. In Stalin's hands, it became the recipe for rapid economic growth through the liberation of the forces of production and the ideological justification for an emerging dominant stratum Djilas has dubbed the "new class." In complete contradiction to their original intent, Marxian principles were interpreted to prescribe greater labor discipline imposed by the party and the labor bureaucracy under its control. Mao's subsequent interpretations of Marxism completed the dissociation of Marxism from an analysis based on the social structure of advanced industrialized societies. According to Mao, the peasants of the underdeveloped

world would be the gravediggers of capitalism. From bitter experience he had lost his faith in the revolutionary potential of the working class. The ambiguous role of the working class in the Cuban revolution and vanguard position of the petty bourgeoisie, pushed the original meaning of Marxism further into the background of practical revolutionary theory. "The word [proletariat] changed its meaning; it no longer referred in any way to a special social class; rather it identified a particular constellation of ideological themes."³⁹

Consequently, in countries where the industrial working class is virtually nonexistent or where it is small and/or divided we hear claims of the victory of the socialist revolution. Roxborough relying upon an orthodox interpretation of Marxist theory, argues that this cannot be the case. The challenge is therefore to specify the class character of these regimes which claim to be socialist. Roxborough's assessment is extremely alarming:

The socialism which exists in many countries of the Third World is indeed a lumpen-socialism. What exists is a form of class rule in which the historical task of capital accumulation (abdicated by the bourgeoisie) is performed by a bureaucratic elite drawn from diverse petty bourgeois sectors. This elite retains state power through the most varied forms of corruption, nepotism and repression while it attempts to consolidate itself into a new capitalist class . . . Thus it is that a lumpentheory of lumpendevelopment produces in its turn a lumpensozialism. The confusions stem from the analysis of social classes from the assimilation of the social relations internal to the social formations of dependent societies to the model of colonial relations.⁴⁰

Thus, according to Roxborough, the best which could emerge from the recent trend of radicalization in the Third World would be the success of a bourgeois revolution and the consolidation of a new capitalist class dominant in the domestic economy and unquestionably in control of the national state. The worst which could emerge would be a perverted form of socialist development leading to new forms of dependency on the imperialist centers and the repression and demoralization of the local population.

James Petras in an article entitled "State Capitalism and the World Third" draws conclusions similar to Roxborough.⁴¹ State Capitalism is the unique development strategy of the "new intermediary stratum" (state sector employees) in the Third World today. It represents the final attempt at national capitalist development in the periphery--"the nationalist state remains the last barrier to total subordination and fragmentation in the new international division of labor."⁴² In the previously discussed article written with Trachte, Petras identified three strategies of capitalist accumulation in the periphery (the neo-colonial, national bourgeoisie developmental approach and the popular alliance), now he identifies what could best be considered a fourth. When both the national bourgeoisie and the popular classes are too weak to form the ruling alliance and the neocolonial model has failed to lead to an integrated industrial development, the bureaucratic elite

will strike out on its own to capitalize the national economy. In Petras' words "it is possible to conceive of a class-conscious stratum vertically and horizontally linked functioning as an independent class (apart from workers and bourgeois) with its own political-economic project."⁴³

Although this state sector elite adopts socialist forms, i.e., Marxist-Leninist ideology, the one party state, mass organizations, state ownership and centralized planning, its objective is to tie "the expansion of capitalist market relations to the expansion of the state."⁴⁴ The goal of research should be to understand how the social structural position of this new stratum shapes its vision of the new social order. For instance, Petras points out the close relationship between the bureaucratic milieu of this ruling stratum and its fondness for state capitalist solutions to the crisis of accumulation. "Hierarchical order and functional interdependence, the two characteristics of the bureaucratic order, lend themselves to a political ideology that embraces collectivism without redistribution."⁴⁵

The next question pertains to the international context which facilitates the emergence of the state capitalist strategy of accumulation. We have already noted the weaknesses within the internal class structure which allows the intermediary stratum to function as an independent class but this alone does not lead to the rejection of the neocolonial path of development. The state elite has to be able to see

openings within the world capitalist system, that is, the chance to successfully renegotiate the existing pattern of exploitative relations set in place in the post-W.W. II period. The increasingly evident decline in the hegemony of the United States has, Petras believes, signalled this opportunity. The decline in American power and the resulting increase in inter-imperialist rivalry has meant that Third World states can buck the usual terms of neocolonial alliance and escape or minimize the most severe forms of U.S. retaliation, i.e., economic blockade, military invasion, or a credit squeeze. To the extent that the U.S. can no longer dictate the foreign policy of other advanced capitalist countries, there are alternative sources of trade, capital, technology and aid available to the rebellious state in the periphery.

Nonetheless, Petras does not believe that the state capitalist strategy of accumulation will succeed in developing the economy or enable the state to legitimate its rule. Instead the regime will become more and more isolated. Its strategy of alternately placating one class while attacking another eventually loses its effectiveness as it becomes increasingly clear to the national bourgeoisie and the working classes that the bureaucracy seeks to "impose its own imprint on society." Mutual suspicion and hostility between the national bourgeoisie and the state will grow more intense despite the fact that the private sector is rarely eliminated as such. The efforts on the part of

the working classes to increase their share of the surplus will be ruthlessly crushed. The opportunities afforded by inter-imperialist rivalry are never as great as are hoped for. "The effort to create a political base independent of imperialism on the one hand, and 'above' the working/peasant masses on the other, leads to a vulnerable political situation, one in which divisions within the junta can easily lead to reversion to a pro-imperial regime."⁴⁶

Unlike Roxborough, Petras does not foresee the possible consolidation of a new ruling class. This presupposes a process extending over decades and leading to the development of a new productive forces and relations. In state capitalist society "the sharp contradictions emerge from the very inception of the regime"⁴⁷ and shortly threaten government's continued capacity to rule. In response the state bourgeoisie will oftentimes turn to racial and ethnic ploys to mobilize a constituency which transcends class boundaries to defend its hegemony. For the victimized ethnic/racial group the country can become a "prison."⁴⁸ Interestingly, enough, this pernicious manipulation of racial and ethnic divisions does not daunt Petras' optimism. He simply dismisses the significance of these factors by predicting an imminent victory of socialist consciousness over divisive, racialist forms of thought. In fact, Petras believes that state capitalism has actually hastened the arrival of the day when a revolutionary alliance will seize state power by heightening the contradictions inherent in

the capitalist mode of production. We fear that Petras has let his revolutionary fervor substitute for an analysis of the objective trends and has fallen victim to the common marxist fallacy of underestimating the power and persistence of racial and ethnic variables in the process of social development.

While John Saul would agree with Petras that racial and ethnic conflicts are most often manipulated by internally and externally dominant classes, he does not believe that it is heuristically valuable to dismiss them as epiphenomena. In an article entitled "The Dialectic of Class and Tribe,"⁴⁹ Saul observes that "Marxist and other progressive writers on Africa generally approach the issue of 'tribalism' as one would approach a mine-field" ⁵⁰ The hesitancy is understandable but Saul rhetorically asks ". . . can anyone doubt that Marxists have barely begun the kind of analysis of ethnicity which is required?" ⁵¹ With a detailed knowledge of events in Eastern and Southern Africa in the postcolonial era, Saul fully appreciates that tribalism is a very real factor shaping political processes on the continent. Other marxists such as Archie Mafeje and Richard Sklar, have seen this too but have resorted to "class-reductionist approaches." They argue that the politicization of ethnicity is a simple manifestation of the competitive maneuvering of local, dominant classes. This is a useful insight but the explanation is too pat. As Saul points out, it does not deal with why these ethnic variables are so

readily available for manipulation by the local political elite nor does it explain the obvious relationship between imperialism and politicized ethnicity.

To understand the availability of ethnic variables Saul turns to the nature of capitalism's uneven development in peripheral societies. In countries such as Kenya, Uganda, Tanzania, and Mozambique the economy is based on what Saul refers to as the "articulation of modes of production." Pre-capitalist and capitalist modes of production exist side-by-side. Indeed, the underdeveloped character of capitalist expansion reinforces the persistence of traditional subsistence economy. The impoverished tribal communities depend upon the wages sent home by workers in the cities and the semi-proletarian workers depend upon the service provided by their kinship group in times of unemployment, sickness and old age. South Africa has taken the relationship to a monstrous extreme and given formal recognition to the system of super-exploitation in its policy of separate development. A worker's participation in the modern industrial economy and urban community is fixed by law to the period of his or her profitable employment. As soon as this has ended, he or she is shipped back to the "homeland." Needless to say, tribal identification remains strong. This does not mean that its content is primarily traditional or politically regressive.

New institutions and symbols of ethnicity are continu-

ously being created in response to new challenges. Sometimes these can be quite progressive and, in special circumstances, downright revolutionary. Ethnicity, because of its relationship to the productive structure, can be used to express (1) class conflicts and/or (2) center-periphery contradictions. In short, marxists should not, Saul advises, turn their heads in disgust everytime they hear the tribal drums beating. Saul appreciates the difficulty of the problem, but marxists must explore the link between tribalism and demands for social justice even if the probability is high that politicized ethnicity will lead to a blind, often bloody alley.

Politicized ethnicity is not Saul concludes inherently negative ". . . as, by definition, primordial and/or reactionary. There is the very real possibility of ethnic assertions being integrated into a radical project in such a way as to permit the release of their energies and their anti-imperialist content onto a broader terrain of struggle, a terrain where it can overlap positively with both class and national interpellations."⁵² Yet it would be unfair to imply that Saul is overly optimistic. In most cases the activation of tribal sentiment is what he calls "the politics of the petty bourgeoisie" representing "the lowest common denominator of petty-bourgeois aspirations."⁵³

In the following chapters we will describe and analyze

the transformation of the development strategy of the postcolonial state in Guyana. In particular, we will analyze the process of radicalization which began in the late sixties and culminated in the nationalization of the property of Booker McConnell, Ltd., the oldest and largest expatriate company in the country. The ruling party, the PNC, has declared that the recent and dramatic policy shifts are due to the socialist revolution it has chosen to lead. Rather than rest with this official interpretation of events, we prefer to pursue the lines of inquiry, suggested by the various theoretical positions reviewed above.

In chapter two, a la dependency theory and the more traditional marxist approaches to capitalist exploitation, we analyze the international context within which the PNC's radicalization occurred, the resulting changes in the Government's development strategy and the nature of the shifting class alliances this represented.

The true test of a party's commitment to socialist revolution can be made by examining its policy towards labor. This point was made by Jay Mandle, a proponent of Non-Capitalist Development Theory when he said that the fate of the radicalization project will ultimately be determined by whether the government is responsive to the working class or vice versa. Clive Thomas, a critic of the Theory, makes the same point more forcefully:

This study shows that the period of so-called non-capitalist development can mask-- and frequently has masked-- anti-national and anti-democratic

developments. Unless, therefore, we keep as our principal focus the stages of the class struggle, unless we pay close attention to the scope and extent of development of working class institutions and the independent roads available for the working class to come to power, we cannot deal with the problem posed at the beginning, i.e., can socialism be built at this stage of Guyana's development?⁵⁴

In chapter three we follow Thomas' advice and examine the history and development of the Guyanese trade union movement (TUM). First, we describe the framework of industrial relations created by the colonial authorities. Then, we analyze the relationship which developed between the original independence and socialist party (the PPP) and the TUM. Finally, we explore the relationship between the labor movement and the PNC. What was the trade union policy of the PNC before gaining power in 1964? What was the policy of the PNC Government prior to its leftist departure? How did the radicalization of the ruling party influence the Government's policy towards the labor movement? In sum, is the PNC grooming the working class for its hegemonic role in a socialist society?

Chapter four is devoted to a detailed analysis of the Government's policy in the sugar industry. This, as we pointed out in the beginning of this chapter, is of vital significance since developments in the sugar industry are so closely linked to the over-all pattern of economic, political and racial dynamics in the country. If relationships in the sugar belt are characterized by exploitation, repression and the manipulation of racial hostility, then life in

Georgetown, New Amsterdam and Linden are similarly degraded. Socialism cannot be built if the working class remains divided along racial lines and the two major leftist parties stay at each other's throats. Therefore, we need to find out if the Government's decision to nationalize the sugar industry (the stronghold of East Indian resistance) represented a renewal of the long severed partnership between the PNC and the PPP in pursuit of a socialist revolution. In order to make this determination, we describe and analyze the Government's sugar policy between 1964 and 1977. We deliberately extend our analysis beyond the date of nationalization so that we might see how state ownership and control have effected the structure of the industry, particularly, the relationship between the PPP's powerful union in the industry and the Government. In sum, is the sugar industry now a site of socialist reconstruction or does it remain a fiery cauldron of racial, political and class conflicts?

Chapter 1 - Footnotes

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Chapter 2

The purpose of this chapter is to examine the transformation of the development strategy pursued by the postcolonial state in Guyana. The focus of the analysis will be on (1) the nature of the shifts in the state's changing developmental policy, (2) the related changes in governing alliance including the structure of the ruling party and (3) the role of external factors in shaping the state's development strategy. During the decade of the 1970s the development strategy of the Guyanese state went full circle. Starting from a neo-colonial orientation, the Government adopted an indigenous brand of socialism, nationalized eighty per cent of the economy, embraced Marxism-Leninism, and declared the paramountcy of the ruling party but ultimately returned to a neo-colonial development strategy represented by its New Investment Code. Our goal is to uncover the external and internal factors which determined this sudden radicalization of development policy and its subsequent devolution into neo-dependency.

The Formation of Guyana's Neo-Colonial Alliance

In 1966 Guyana was granted independence from England. The state was entrusted to a coalition Government formed by the Peoples' National Congress, a party with a mass base among poor Blacks, and the United Force, a conservative party popular among the small, local bourgeoisie. The PNC said it was a socialist party but the leadership carefully

avoided any clear statement concerning how it intended to move the country away from exploitative class relations and its peripheral position within the world capitalist system. The UF, on the contrary, was openly committed to a capitalist development strategy based on a close relationship with the former motherland and the United States. Peter D'Aguir was the leader of the UF and this was his view of the imperatives of economic development, "It would be unrealistic for the government to involve itself into excursions in private industry. That should be left to those who are experts. British Guiana has got to attract capital, but this will be impossible if the government involves itself in commercial affairs."¹ Mr. D'Aguir became the Minister of Finance in the independence Government and supervised the design and implementation of a classical, neo-colonial development strategy. Sir Arthur Lewis, the champion of the Puerto Rican Model in the British Caribbean, became the chief architect of the first, post-colonial development plan.

Economic policy reflected Minister D'Aguir's reliance upon private foreign and local capital to be the engine of economic development. The expatriate owned bauxite and sugar industries were given handsome incentives to increase their investments and expand production. Capital gains taxes were reduced, depreciation allowances were greatly increased, prestige advertisement by businesses was made tax deductible and most importantly, exchange controls were

lifted making for the free flow of capital and profits. Final assurance was given to private investors in the Independence Constitution which guaranteed that the government would pay prompt and adequate compensation for any property acquired by the state.²

Dr. Lewis' Development Plan for 1966-72 reflected the economic assumptions and strategies he had championed since the early 1940s. In brief, Dr. Lewis insisted that economic development in the West Indies was dependent upon the large infusion of foreign capital to be invested in light, labor intensive manufacturing operations producing for the export market. The domestic savings of Caribbean countries are insufficient to fuel this type of industrialization and the governments are not able to borrow all of the necessary amount. Thus, according to Lewis, pragmatic politicians would have to be willing to accept responsibility for "wooing and fawning" potential foreign investors. Lewis supported this argument by pointing to the following unpleasant considerations. First, few manufacturers are eager or even interested in investing in the Caribbean. Second, not even the low wages of Caribbean workers are sufficient to attract them. Therefore, governments must be ready to offer temporary monopolies, subsidies, tax holidays, tariffs protection, and other reasonable inducements. Dr. Lewis realized that such a policy would be unpalatable to many nationalist leaders but he warned that refusal to face the facts would "do a grave disservice" to the people of the

region.³ The PNC-UF Government was not difficult to persuade.

The 1966-72 Development Plan rested on the premises of Dr. Lewis' philosophy of Caribbean development. The G\$294 million Plan (only G\$50 million of which was to be internally generated) directed the bulk of public investment into infrastructural projects. Areas of productive investment were carefully left to private capital. The magic of the free market was trusted to beneficently guide the development process for the general welfare of society. In regard to the role of the private sector Kempe Hope noted that the Lewis Plan ". . . did not in any way project or quantify the expected contribution Private enterprise was expected to willingly help so that the economy would flourish and expand. No attempt was made to show what kind of help was required or desired from private enterprise in order that the goals of the Plan be realized." As to infrastructural projects, ". . . no consideration as given to the expected returns of such projects over the long run."⁴ Not even the Tudor monarchs had had such faith in unguided capitalist development. But the fate of a development plan is determined by its results. In accordance with the Plan, the Government spent millions of dollars developing the country's infrastructure and soliciting private investors. The promised infusion of large scale foreign investments did not occur. Nor did the local private sector make good use of the Government's incentives and diversify

the economy. The problems of unemployment, underemployment and inflation continue to grow worse. To further aggravate the situation from the perspective of the Government, national elections were scheduled for December 1968. The PNC feared that it would lose if free and fair balloting was allowed to occur. Instead the party chose to rig the elections,⁵ drop its coalition partner and jettison the 1966-72 Development Plan three years before it was due to expire.

The Radicalization of the PNC's Development Strategy

Thus began the PNC's transformation into the type of regime Juan Linz has characterized as authoritarian.⁸ Since the 1968 elections the ruling party has inexorably moved to limit the mobilization of opposition without however seeking to totally eliminate dissent. On the contrary, the PNC has quite creatively maintained institutions symbolic of genuine competitive politics while stripping them of their intended substance. Thus we find formally recognized political parties and a de facto one party state; constitutionally guaranteed elections and regular electoral rigging; an official revolutionary ideology and a pattern of rule reliant upon intimidation, apathy and mass mobilization manipulated from above. Linz emphasizes the fact that authoritarian regimes are generally committed to modernizing society and frequently profess some brand of revolutionary ideology. However, the ideas which guide these regimes are vague, emotional and non-systema-

tic. Thus although the authoritarian regime seeks to legitimate its rule on the basis of efficiency and economic progress, they are generally non-dynamic. The narrow political base of these regimes forces them to depoliticize the masses. In our view this is the fatal contradiction of the authoritarian regimes. Economic development of underdeveloped societies demands enormous commitments of energy and enthusiasm from the labor force and an equal commitment to restrict immediate consumption. This type of personal and collective investment will only take place when the mass of the population is actively in control of the development process and/or following a very popular leadership. Unfortunately, our analysis reveals that the PNC regime lacks either of these characteristics.

In a grand gesture the PNC renounced its alliance with the local bourgeoisie. The economic failure of the PNC-UF Government was blamed on the obdurate and capitalist nature of the UF. According to Forbes Burnham, the leader of the party, the PNC wanted to elevate the small man but the UF was determined to keep him down. The PNC wanted to break the ties with the colonial past and establish a republic, but the UF insisted on keeping the Queen of England as Head of State. Most importantly, the PNC wanted to start the journey along the socialist path of development and now freed from its distasteful but expedient partnership, the party would be faithful to its true socialist nature.⁷ The constellation of local class, racial and political

factors facilitated the radicalization of the PNC's development strategy. When the PNC decided to abandon the traditional neo-colonial strategy, the local bourgeoisie which had formed an important part of that alliance was virtually powerless to resist. As a despised racial minority (they are mainly Portuguese), the national bourgeoisie can not effectively act without local allies. Once the Black political leadership turned to the left, the UF had no other local resource. The East Indian majority remained loyal to Dr. Jagan's communist party, the Peoples' Progressive Party.

The PPP has historically represented Guyana's radical future. Dr. Jagan has not been able to bridge the racial division between Indians and Blacks which characterizes Guyana's political structure but the PPP has kept a communist critique and alternative to PNC policy before the public eye. The party's newspaper, The Mirror is popular among Blacks as well as East Indians. However, the PPP has seen it as a duty to support and encourage every leftist departure undertaken by the ruling party. In Guyana, it is the right and not the left which must justify its existent. The poverty stricken Indian and Black masses applaud every attack on pro-capitalist forces which they identify with the Portuguese, coloreds and imperialist powers. In sum, the internal structure of Guyanese society favors a non-capitalist development strategy. Needless to say, external

factors represented by the world capitalist market do not; and, as we will subsequently see have effectively checked the leftist aspirations of the PNC.

On February 23, 1970, the PNC proclaimed Guyana the world's first Cooperative Republic. Cooperativism is the PNC's brand of socialism. According to the party, it is an indigenously derived means for transforming the colonial economic structure based on exploitation and private property into a social system based on equality, justice and collective property. To buttress this claim, party ideologues have interpreted every previous anti-slavery and anti-colonial movement as evidence of the natural cooperativism of the Guyanese People.⁸ In addition, cooperativism is praised as a decentralized, voluntaristic and gradual approach to revolutionary change. The Soviet model advocated by the PPP opposition which is based on a high degree of centralization, bureaucracy and state planning of the economy is rejected. The PNC, which had so recently rigged the elections, said it favored a democratic socialist model! Citizens who had discovered that their names were mysteriously removed from voter rolls or that a proxy vote had been cast in their behalf must have been incredulous as the Prime Minister declared that " . . . the small man's economic power must be in direct proportion to his political power. Otherwise independence and republic status are meaningless The co-operative has been chosen because

structurally it lends itself to organizing the small man in groups for economic purposes. By definition also, it is democratic in that the principle of one man one vote, instead of one share one vote, ensures the value and importance of the man as distinct from those of mere coin."⁹ Despite the obvious contradiction between electoral fraud and the proclamation of a democratic socialist model, some of Guyana's most respected intellectuals argued for supportiveness and patience as the Government worked out the particulars of the policy they hoped would be "bold and imaginative." It was felt that the moderate socialist strategy advocated by the PNC had more chance of success than the radical approach of the PPP.¹⁰ A twist of irony was added to the situation when the pro-Soviet PPP denounced the program as fraudulent since socialism could not, it claimed, be built in a bureaucratized and increasingly repressive environment such as was rapidly unfolding in Guyana.¹¹

Clarification of the actual economic policies to be pursued were slow in coming while the symbolic changes came quickly and were emotionally satisfying to most Guyanese. Pictures of the British Royal Family were removed from the legislative chambers, honors and titles associated with the colonial motherland were replaced by a national system of merit recognition, judicial gowns and wigs were discarded and the tropically inspired "shirt-jac" became the fashion.

No similarly dramatic attempt was made to explain how the private, public and cooperative sectors would work together to ensure the socialist development of the economy. The dynamics of tri-sectoral development, especially how the fledgling cooperative sector would come to dominate the private and public sectors remained a mystery.

The cooperative movement was not new to Guyana. The colonial government had introduced cooperatives into the colony during World War II to compensate for disruptions of production and product distribution. A bureaucracy was created and co-operative officers were selected and trained according to standard civil service criteria. Despite the fact that the co-op officers emphasized the communal character of co-operative enterprise and taught the people cute little ditties about self-help, this was really a strategy whereby the Government mobilized the population to meet its needs. As soon as the war ended and shipments from England again became reliable, co-operatives were allowed to fade away. Those who had been involved in this co-operativism from above were frustrated and/or bitter. Mr. Dowden who had risen through the civil service ranks to become Chief Cooperative Officer by the time of the proclamation of the Co-operative Republic reflected this sordid history in the following observation. "Can Consumer Co-operatives succeed in Guyana? Up to the present time, it would take only those who have a great faith in the future to say 'yes.'"¹²

Strict hierarchical command and a strong civil service orientation determined the interaction and activities of co-operative officers. Indeed, the structure concentrated power to such a degree that many regarded the Commissioner of Co-operative Development as a dictator. It was within his authority to register or cancel a co-operative, to determine lending and borrowing policy, to regulate investment of funds, to approve the membership and even to call meetings. Dowden recognized that such a tightly centralized, bureaucratic structure would suffocate any genuine mass mobilization and he recommended the amendment of the law regulating co-operative development. It is extremely noteworthy that this appeal was ignored until 1976 and furthermore, that such changes as were made kept firm control within the bureaucratic structure and the person of the Chief Co-operative Officer and Minister of Economic Development. In short, the revised legislation extended the Government's control over the co-operative movement and imposed draconian penalties for non-repayment of loans. The opposition cynically noted that any small farmer or aspiring industrialist would be scared to death to utilize any of the co-operative financial institutions.¹³ The PNC of course has a different interpretation and believe ". . . that if they waited until the people themselves decided to work through the co-operative way, it may be too late . . . The Minister under whose portfolio co-operatives fall is the

policy maker. He, the Minister, discusses what plans he has in mind with his technicians, but the plan is his, and this he gives to the Chief Co-operative Officer for implementation."¹⁴

This failure to invigorate and transform the co-operative sector is particularly disturbing since the Government has said that the co-operative will be the foundation of socialism in Guyana. Two years after the adoption of co-operativism, the Government still had not specified which activities would be reserved for the sector; moreover, the National Co-operative Bank operated along the lines of an ordinary commercial bank.¹⁵ Dissatisfaction with the mixed signals emanating from the Government in regard to its new development strategy grew more intense. As one local newspaper observed, "This apparent absence of detailed planning is a factor that has characterized a number of government programs, especially in the past six months or so. As a result, many of them have foundered soon after birth, and will only be remembered by the slogans they bore, and which seem to be more important than the undertaking itself."¹⁶ Nor was the skepticism relieved by the long delayed publication of the 1972-76 Development Plan in late spring 1973. It was originally intended that this plan for tri-sectoral development would cover the 1971-80 period. In the after-glow of Republic status a rush of development planning activities commenced. Government planners were

sent to elicit grassroots inputs and to explain the Government's new initiative. Unfortunately, this attempt at grassroots democracy was brought to an abrupt halt in mid-1970 when the mass mobilization proved to be "politically explosive." The chief economic planner, Wilfred David, was run out of the country.¹⁷ Henceforth, a more modest approach and time frame were adopted.

The most common reaction to the Government's long awaited explanation of its new development thrust was incredulity. One reviewer after another questioned the plausibility of the plan which said it sought to make the co-operative the vanguard of the socialist revolution in Guyana while allotting it a mere 10 per cent of the projected capital expenditure.¹⁸ Even more disturbing was the Government's seemingly deliberate intention to blur the distinction between the co-operative and private sector. In a prepared address to the Georgetown Chamber of Commerce, the Minister of Economic Development and one of the key architects of the new plan explicitly stated that the private sector included the co-operative sector. Furthermore, when the Managing Director of the Guyana National Co-operative Bank was asked to comment on this apparent change of policy, he said that he welcomed the new definition since he could not envisage the co-operative as being distinct from the private sector. Shortly thereafter, however, the Government explained that this was not really

what the Minister had meant to say.¹⁹ Nonetheless, if Guyana still did have a third sector, no one could figure out how it would fit in. As one critic of the new plan noted it gave no indication of the types or size of co-operatives to be developed nor where the financial resources to cover the sector's projected 10% of planned expenditure would come from. Neither did it indicate where the managerial or technical expertise would be found to make the sector competitive with the public and private sectors. In a similar vein, another critic concluded that the proposed expenditure of G\$75.5M was small but nonetheless represented more than the fledging co-operative sector could possibly absorb in five years. In addition, the proposed plan offered no details concerning how workers would be included in the decision-making apparatus and thus ultimately control the economy in accordance with the PNC's professed socialist objectives.²⁰

The implausible and grandiose quality of the plan did not confine itself to the co-operative sector. The plan projected a total development expenditure of \$1,150M over a five year period. The Government was to find and invest \$650M and the private sector (including the co-operative) was to invest \$500M. During the previous five year period, government and the private sector had invested a total of \$527M and this covered the honeymoon period in the relationship between the Government, local and foreign capital and

the U.S. Government. Washington alone had supplied \$220M.²¹ With Nixon in the White House and local and foreign capital nervous over the meaning of the Government's policy shifts, a development budget of such magnitude was at best a "precipitous and over-ambitious acceleration of growth."²² The plan was filled with contradictions. While the "socialist" development plan called upon the private sector to double its previous level of investment, and relied upon increased inflows from the international capital and aid markets, it also proclaimed the goal of ending foreign dependency. The PNC Government said its policy was to utilize labor intensive technology and local resources in order to "Feed, Clothe and House the Nation" by 1976. Trade linkages were to be re-directed toward other Caribbean and Non-Aligned countries.²³ The ambiguity of the 1972-76 Co-operative Development Plan thus only served to confirm the fears of already leery capitalist investors.

On the international front, the Government was becoming an increasingly active member of the Non-Aligned Movement which was newly focused upon economic issues. In 1970 Guyana was the only country from the Western hemisphere to attend the Non-Aligned meeting which ratified the Lusaka Declaration calling for permanent sovereignty by developing countries over their natural resources.²⁴ In 1972 despite the heavy expense on an already overly strained budget, Guyana volunteered to host the Meeting of the Foreign Ministers of the Non-Aligned Movement. The Govern-

ment thereby took the initiative in drawing up the meeting's agenda and thus guided the deliberations which would culminate in the next year's Summit Meeting in Algiers. It was at Algiers that the Non-Aligned nations hammered out the proposal which would become the 1974 U.N. Declaration for a New International Economic Order. They demanded that patterns of trade, investment and aid established when most Third World countries were still colonized be made more equitable. The international monetary crisis, rapid inflation, global recession and, of course, OPEC success, gave a certain quality of inevitability and divine justice to their demands.

Guyana took up the leadership of the struggle to create the NIEO in the Caribbean. On April 26th 1970, Burnham disclosed that his Government would seek 51 per cent participation in major industry either directly or through co-operatives.²⁵ In July, he took a regional approach to the PNC's resurrected radicalism and proposed to Jamaica and Surinam the formation of a bauxite producers' association. Guyana's neighbors had not yet joined the North-South confrontation and the cartel proposal fell on deaf ears. Indeed, Caribbean governments feared that Burnham's pugnaciousness might cause foreign capital to see the region as a less desirable place to invest.²⁶ Nonetheless, the Government did receive encouragement in its new determination to nationalize control of the economy. It came from a most

unexpected source. In October 1970 the Canadian Cabinet indicated that it was sympathetic with the goal of Caribbean governments to gain a share in the equity and control of multinational corporations operating in their territories. The decision of the Canadian Government not to intervene in any struggle between a Canadian company and a foreign government over equity and/or control was underscored when Paul Martin, a Canadian legislator, visited Burnham in November.²⁷ Burnham lost no time, on November 30th he announced plans to seek controlling interest in Demba, a local subsidiary of Alcan Aluminium, Limited. The Government proposed to purchase 51 per cent of Demba's assets to be valued at written down book value and paid for out of future earnings. At the same time, the Government emphasized that it was trying to do no more than advanced countries such as Australia, Canada and Japan were doing.

Alcan was working from a different set of assumptions. Despite its government's advice to cooperate with requests for participation, the company preferred the American domino theory and countered Burnham's proposal with an outrageous set of conditions. Demba would sell 51 per cent of its shares to the government provided that (1) government agreed beforehand to the expansion of calcinated bauxite mining and raised \$50M from the World Bank for this purpose; (2) that all of Demba's assets (\$100M) be transferred to a new entity as debt carrying normal commercial interest rates to be paid

to Alcan; and (3) that the new company be completely exempt from all forms of taxation, royalties, imposts, everything. In brief, Alcan would gain ownership of 49 per cent of a new company worth \$150M without investing a dime and receive full compensation for its existing investment!²⁸ The feeling of national outrage was intensified when it was discovered during the negotiations for participation (which lasted just one week) that Alcan had no intention to increase alumina production or to build an aluminium smelter in the country even if cheap hydro-electric power were made available. Alcan had played Guyana for the fool. There was a public outcry for vindication which echoed into normally conservative chambers. Even the pro-capitalist United Force which still opposed nationalization, was forced to agree that ". . . no Government would accept the conditions as set out by Alcan. This is an insult to the integrity of a nation and nobody can tolerate that"29

Alcan had miscalculated. Its hardline approach left the Government no choice but to nationalize. Up to this nasty incident, the Government had insisted that participation versus complete ownership and control of the commanding heights of industry as advocated by the PPP was the answer to Guyana's economic woes. In fact, just a few weeks before, the Minister of Finance and General Secretary of the PNC had shouted across the legislative chambers at the PPP, "Nationalize? We have no need to nationalize. We will

never nationalize."³⁰ Now, however, the Government was forced to seek the support of its left opposition to obtain the two-thirds majority needed to change the constitutional clause guaranteeing prompt and adequate compensation in case of nationalization of property. The PPP was only too glad to support this erosion of capitalist rights. The party's enthusiasm was so great that Jagan accepted Burnham's verbal assurances in regard to the PPP's concerns for the protection of workers and local management rather than move to amend the bauxite nationalization bill. On the contrary, the PPP entreated the Government to go further and also take over Reynolds, the foreign owned sugar industry, the banks, insurance companies and foreign trade. Jagan argued that there could be no fence sitting on this. Either you were against capitalism and imperialism or for it. The indecisive would be crushed. Turning to Yugoslavia for advice, as Burnham had done, was not enough. If this was genuinely a declaration of war against foreign exploitation then the Government would need the support of the Soviet bloc.³¹ This of course was rhetorical posturing. Jagan knew that the PNC remained wedded to the Western camp but the PPP never foregoes an opportunity to extol the benefits of an Eastern alliance and the Soviet socialist system.

The PPP acted on the assumption that the Government's increasing control of the economy would heighten internal class contradictions and external contradictions with the

imperialist system to such a degree as to topple the regime. Their prediction was only partially correct. On the one hand, the takeover was finally accomplished in such a way as to minimize antagonism within the international financial community. On the other hand, although internal class conflict has increased so has the Government's capacity to intimidate and economically victimize the workers. Fear of demotion, unwanted transfer to the interior, firing or hopes for a promotion or raise have stifled protest and led even PPP supporters to submit to the discipline of the ruling party. Contrary to the PPP's doctrinaire reading of Marx and Lenin, every state takeover of industry is not a step toward socialism. Now by its own admission, the PPP must deal with the frightful consequences of having naively supported the mortgaging of the nation's resources to the international banking community:

. . . we cannot have an accurate idea of the extent and longevity of our debt to these nationalized corporations as we are not cognizant of the terms and conditions of these nationalization agreements. . . Whilst we unanimously support nationalization that support cannot be given blindly for what appears to be purchase agreements with foreign companies of which we know little. . . As a result of this reformist-capitalist form of nationalization our economy is more tied to the powerful financial monopolies. . . than it was when tied to the MNCs³²

The recognition came too late. When the Government needed the support of the PPP it was given uncritically for the opportunity to prove its radicalism. This is part of the reason why many Guyanese respond with contempt or amusement

to the PPP's claim to the vanguard role in the country's struggle for socialism.

Of course the PNC never intended that foreign and local investors should take its fiery speeches and sabre rattling seriously. While bearing its teeth for the crowd, the Government desperately sought to reassure its traditional sources of development capital. Arthur Goldberg, legal consul to the Reynolds Company and friend of Forbes Burnham, was asked to mediate the nationalization negotiations. Guyana, Goldberg pointed out, had to think about its reputation in the international capital and aid markets.³³ The Government decided to follow Goldberg's advice. Demba would be paid more than the written down book value for its assets and the payment would be insured against the Government's general revenues instead of future earnings. As to the future, Burnham promised that nationalization would only be undertaken if all discussion aimed at reasonable participation failed. To prevent any possible misunderstanding, the Foreign Minister was sent abroad to reiterate Guyana's commitment to seeking foreign private capital. On November 31, 1972, the New York Times quoted S. Ramphal as saying, "We have got to disabuse the investors' minds about Alcan. Enlightened businessmen should be more happy than fearful at what we are doing What we want are relationships on an agreed partnership. This is what provides security for the investors."³⁴ The Government's reassuring gestures

were not without effect. Even before the generous terms of compensation were announced on July 15, 1971, the Chase Bank agreed to loan the new state owned corporation \$8 million. This was quickly followed by a \$10 million loan from the U.S. dominated World Bank.³⁵ The U.S. did not approve the new leftist orientation of the PNC but the State Department did not make the mistake of seeing in Guyana another Cuba. On the contrary, throughout the 1970s when PNC radicalism reached its zenith, the U.S. remained convinced that the PPP, with membership in the world communist movement, represented the real threat to U.S. vital interests in the country.³⁶

Nonetheless, the balance of political forces within the PNC and the nation was slipping to the advantage of the leftist forces. The Young Socialist Movement (the youth branch of the PNC) had called for the nationalization of the sugar industry, trade with Cuba and increased diplomatic ties with the Socialist world as early as 1967. ASCRIA (the cultural arm of the PNC) had pushed for the nationalization of Demba because of its apartheid system of discrimination within the company and mining community. Radical intellectuals like those who belonged to the Ratoon Group published works which insisted that the only way to develop Guyana would be to end the stranglehold of foreign capital. In this context and in the face of mounting economic crises, the PNC was moving to the left. No amount of temporizing or

doubletalk could reverse this or remove the fears within the naturally skittish private sector. This point was underscored by the United Force.

You cannot change important principles of your Government overnight without exhausting every possible means of avoiding a shift in principles . . . people will turn around the next day and ask: what is the word of this Government worth, what is the word of the Prime Minister worth, what are these things I have in writing worth? Absolutely nothing!³⁷

Nationalization had been politically easy but this was precisely what was going to make it difficult to contain. The PPP's call for total nationalization of the economy no longer appeared so reckless in the light of the insulting response of Alcan to the PNC's reasonable approach. Indeed, as a consequence of this acrimonious experience, the PNC leadership privately decided to take complete control of existing foreign enterprises when it deemed such a move desirable and to let the 51 per cent policy apply to future foreign ventures.³⁸ In sum, radical alternatives had gained increased legitimacy and the private sector was less willing to risk investments.

Like Topsy, the state sector grew. It is only later events (i.e., the PNC's conversion to Marxism-Leninism) and the efforts of party ideologues to recast history which support the claim that there was a deliberate plan at work. Uncertainty, contradiction and vicissitudes were the principal architects of policy. For example, the Government nationalized Guyana Timbers Limited in March 1972 when the

private owners threatened to close it down due to heavy losses. In the words of the Minister of Works and Communication, "This Government, in order to protect the workers, acquired that enterprise and has turned it into a profitable and viable undertaking."³⁹ Minister Hoyte used the same rationale to explain the Government's acquisition of the Guyana Graphic Company, a daily newspaper, in 1974.⁴⁰ The Government still rejected the PPP's "tek dem all" policy despite the fact that many within the PNC supported a more radical approach to nationalization. Furthermore, through the offices of the Guyana Development Corporation and foreign embassies, the Government still courted foreign investment. This point bears emphasis. Let us quote Minister Hoyte more extensively.

. . . under the CARICOM arrangement, there is a common incentive applicable to all the countries that are called the more developed countries of CARICOM, Guyana, Barbados, Trinidad and Tobago and Jamaica. These incentives, sir, go into several years of income tax holidays, nine years, in fact, where those companies qualify by showing that they use local material and local labor. . . Up to the time this Government took office, five years tax holiday was offered, this Government has made it nine years.

When we took office, the duty on machinery was as high in some cases as 10 per cent. Today, it is no more than 2 or 3 per cent. As a matter of fact, invariably, any business firm coming up to purchase machines for extension or new installation can, and do in fact, import its machines free of duty

Let us look at other aspects. Let us look at the rate of interest which companies which want to produce are required to pay. In Guyana, the rate is one of the lowest in any part of the world. . .⁴¹

Firstly, these comments were made by a prominent Minister who was rapidly gaining a reputation for being one of the ideologues of the PNC's new Marxist-Leninist orientation.⁴² Secondly, this recitation of a capitalist development strategy was made in October 1974, just two months prior to the PNC's Declaration of Sophia which is regarded as the party's blueprint for socialist revolution in Guyana. We will return to this glaring inconsistency briefly but first let us examine the emergence of the Government's increasing control of foreign trade.

In July 1970, the External Trade Bureau was formed to attempt to deal with the country's deteriorating balance of payments position. The ETB took control of the importation of many items (particularly those which could be obtained cheaper from socialist countries) and distributed them to retailers who were only allowed a fixed mark up. The local bourgeoisie, almost totally concentrated in the distributive sector, saw the move as a declaration of class war.⁴³ Bookers, the foreign owner of the largest department store and supermarket in Guyana, saw the Government's foray into import and distribution as a minor irritant but an ominous limitation of its commercial freedom of action.⁴⁴ In order to save scarce foreign exchange, the ETB prohibited or restricted the import of hundreds of items which were deemed luxuries, non-essentials or products for which local substitutes could be found. Many more items could be imported

only under license. Imported consumer favorites such as raisins, sardines, onions, garlic, white potatoes and canned juices disappeared from the shelves only to be found on the exorbitant black market. The middle classes found it almost impossible to buy new cars, stereos, refrigerators or other fancy appliances.

Despite the howls of protest from all quarters, the Government's policy was not a deliberate attack aimed at anyone's class interests. According to Fred Sukdeo, a Guyanese economist, the policy reflected a series of ad hoc decisions.⁴⁵ The policy immediately suffered from the absence of sufficient and qualified staff. The goal was not to strangle the private sector. Additional restrictions on imports, foreign travel, etc., were imposed only as required by an increasing foreign exchange crisis. Likewise, the acceleration of trade with the Sino-Soviet bloc was mostly symbolic. In 1973, only 3.4% of Guyana's foreign trade was with the Socialist countries.⁴⁶ The ETB did not become self-supporting until 1972. Nevertheless, private investors responded by drawing in their purse strings.

Repeated shocks emanating from the world capitalist market drained the Guyanese economy of its limited vitality. Three years after the decision to nationalize Demba, Burnham used the same occasion, the Republic Day Celebrations, to warn the nation that "Today, the enemy is the collapse of our economy such as we are witnessing in other

lands"47 He was not exaggerating. The Government's import substitution policy was failing. Severe rains had seriously cut sugar, rice and bauxite production and thereby reduced the earnings of critically needed foreign exchange. At the end of 1973, Guyana's foreign exchange reserves reached an historic low of \$39 million.⁴⁸ The oil crisis aggravated the situation by adding another \$75 million to the import bill. The balance of payments deficit widened dangerously and credit was increasingly difficult to find. Loans on concessionary terms were virtually non-existent and poor countries were being forced to compete with industrialized nations which were also fighting against oil fueled deficits for commercial loans on the Euro-dollar market.⁴⁹ For Guyana, the situation was quickly growing out of control despite the Government's attempt to gain better control of the economy since 1970.

Previously submerged authoritarian tendencies within the PNC Government took control. On the economic front, the Government had lost most of the support of its neocolonial allies. The former alliance with the local bourgeoisie was completely shattered and the relationship with international capital was seriously strained. The amount of direct U.S. investments was falling;⁵⁰ no new major aid or loan packages were granted by the U.S. under the Nixon Administration;⁵¹ the Reynolds bauxite subsidiary was "acid-stripping" its Guyana operations in preparation for nation-

alization⁵² and Bookers while continuing its expansion would only invest locally generated funds. On the political front, opposition to PNC rule was growing. In 1974 a group of young Black and Indian Marxist intellectuals organized the Working Peoples' Alliance. Although not at first a political party, its potential consequences were tremendous and readily apparent. The organization was popular among the youth and successfully organizing in the urban areas and bauxite communities which were formerly PNC strongholds. This disaffected mass base had stayed clear of the PPP for racial reasons but the bi-racial leadership of the WPA was capable of mobilizing this well of Black discontent.

National elections which were scheduled for July 1973 forced the Government to deal with its deeply eroded political position head-on. The PNC fell back on familiar tactics and rigged the elections. This time however, the party gave itself the two-thirds majority needed to make sweeping constitutional and policy changes. Moreover, the PNC declared that its overwhelming electoral victory was a popular mandate to proceed with a socialist transformation of society. M.F. Singh, leader of the United Force, was outraged by the impudence of the claim.

What utter nonsense! When did they do this? How did they do this: Socialism was never an issue at the 1973 'selections.' It was after the PNC gave itself the two-thirds majority in July, 1973, that the PNC started forcing socialism down the throats of the Guyanese people . . . we all know that the PNC was the Party which in 1963

and 1964 paraded the streets of Georgetown with the United Force protesting against communism . . . Cuba, . . . Russia, and the PPP friendship with Cuba and Russia.⁵³

The points raised by Mr. Singh are important. First, Guyanese have never really registered their opinion on the choice between capitalist and socialist development. When Blacks and Indians overwhelmingly supported the united PPP in the early fifties, they were expressing a desire for independence and a better life. Once party politics bifurcated along racial lines a vote for the "communist" PPP or the "socialist" PNC was in the vast majority of cases evidence of racial loyalty. With the introduction of electoral rigging in 1968, the whole concept of representation and official responsiveness became void. In sum, we have no reliable indication of either an understanding or acceptance of either a Soviet or socialist model of development on behalf of the population. It is both tragic and ironic that the PNC claims a socialist majority in the country on the basis of its support and that of the PPP.⁵⁴

Singh's second point in regard to coercion is also significant. Up to 1974, the PNC had used all sorts of devious, illegal means to exercise state power. After the elections of 1973 however, the party openly adopted repressive measures to maintain its rule. In November 1973 the Prime Minister declared that the PNC ". . . had become the major national institution and that the Government was ". .

. merely one of its executive arms."⁵⁵ The PNC's declaration of party paramountcy was a maneuver designed to strengthen the position of an unpopular, crisis ridden regime. It was not socialism but rather the PNC which was being shoved down the throats of Guyanese. At the same time, the Government was offering the most lucrative investment incentives to date to foreign and local capitalists.⁵⁶ With party paramountcy, civil servants, including members of the police, were forced to pledge loyalty to the PNC rather than the Constitution or the President of the Republic.⁵⁷ The reaction was predictable, according to Mr. Singh,

I have been talking to civil servants and already they are very worried. Some, of course, have jumped on the bandwagon and they are drifting along with the tide, in fact, getting very much involved. Others, however, are afraid. They have been forced or coerced into attending indoctrination courses . . . They have been asked to take part in political activities and to attend rallies and marches and so on and, out of fear for their future, fear for their jobs, some of them have in fact, just taken the easy way out and have done what they were asked to do.⁵⁸

Burnham did not deny what was going on other than to note his preference for the term "educational courses" instead of "indoctrination." The concept of the impartiality of the civil servant was, he pointed out, "utter nonsense . . . no one is being asked to sell his conscience . . . this Government has seen it fit to expose senior public servants to the rationale behind the Government's thrust and development program, has sought to expose them to what informs the Government, the PNC, in ideological terms."⁵⁹

In December 1974, at a special Party Congress, Burnham declared that the party would be radically restructured to meet the demands of Guyana's new situation. According to Burnham, "the hanger-on, the bandwagoner, the opportunist, the lukewarm" would have to be eliminated. The PNC had, Burnham warned, to prepare itself for battle, ". . . the Party must be highly organized and well-trained to mobilize the nation, give leadership to the people and identify and rout the enemy regardless of the guise in which he clothes himself."⁶⁰ This, Burnham exclaimed, was the minimum necessary to fulfill the party's new commitment to socialist revolution. He also announced that it was time to re-write the Constitution so as to reflect the new socialist policy. It is however far more reasonable to assume that the PNC was preparing to repress its leftist opposition and to further entrench itself in office. In addition to the new threat posed by the WPA, the PPP had recently adopted a policy of non-cooperation and civil resistance. With the advantage of hindsight we can see that the PNC has precluded any constitutional challenge to its power. The leader of the WPA, Dr. Walter Rodney, was mysteriously murdered in July 1980. The new Constitution promulgated on October 6th 1980 has granted the PNC virtually limitless authority and the ability to prolong its stay in office infinitely.⁶¹

The sharp radicalization of the PNC's economic development policy followed a dramatic reversal in the world

capitalist market. In 1974, market forces which normally operate to the detriment of Third World nations momentarily gave the advantage to the underdog. The PNC Government moved quickly to exploit the temporary advantage. In January 1974 it intervened in the marketing of sugar to ensure that it was sold in the most lucrative markets; in March Guyana attended a meeting called by the Jamaican Government to discuss the formation of a bauxite producers' cartel. In June the PNC enacted an export tax on the windfall profits of sugar. In August the Government joined the newly formed International Bauxite Association. In September the Government imposed a levy on bauxite exports. The PNC was riding high. Burnham with false modesty proclaimed, "We have been proved right. This I observe without beating of drums and boasting."⁶² He was referring to his Government's long standing support of producer cartels. In November Guyana became a founder-member of the Group of Latin American and Caribbean Sugar Exporting Countries. Like other Third World governments, the PNC regime thought that it had finally come up with the means to obtain ". . . a greater and reasonable share of the profits which flow from the exploitation of natural resources."⁶³ Burnham boasted that "The receipts from sales by Guybau boosted our foreign reserves, and the enhanced price of its products produced profits for the nation's use. Both the reserves and the profits would have gone elsewhere if Guybau were not nationally owned."⁶⁴ For the first time the dream of indepen-

dent economic development appeared within reach. Prominent members of the PNC felt they would no longer have to go hat in hand to the developed world begging for investment funds and aid.

The Declaration of Sophia promulgated at the December 1974 Party Congress exuded the PNC's new sense of confidence and defiance. Within the Government it is considered the PNC's socialist manifesto. However, our analysis indicates that it sets forth a rather typical state capitalist development strategy. In sum the state sector was assigned the responsibility for most investment but the private sector was not eliminated. According to the Declaration, tri-sectoral development was still the backbone of the PNC's approach. As in the past, details were upstaged by grandiose and vague promises. Burnham said that the Government would proceed with its policy of local ownership and control of natural resources. The activities of foreign banks would be curtailed. In regard to both no time frame was provided. A fuller statement on the proposed role of the private sector was forthcoming, Burnham promised, and it would provide a guarantee against confiscation. For the time being private investment was still welcome so long as the state or co-operative sector held majority equity.

The year 1975 represents a watershed in PNC radicalism. The Government was fed up with the niggardly investments of the private sector even after a most solicitous

courtship.⁶⁵ And, with foreign exchange reserves comfortably above \$200 million, it was prepared to undertake the necessary investments itself. The Minister of Finance announced that new lending guidelines would favor the public and co-operative sectors and that commercial bank credit would be severely restricted for private investors.⁶⁶ In May the Parliament enacted legislation to facilitate the acquisition of privately held property.⁶⁷ In December, the PNC used its fraudulent two-thirds majority to override the strenuous opposition of the United Force to a Constitutional amendment which virtually removed all safeguards against expropriation.⁶⁸ It was clear that more nationalizations were anticipated. The radicals within the PNC had gained ascendancy. Burnham visited Peking and negotiations for possible joint ventures with the Cuban Government were undertaken.⁶⁹ In the meantime the U.S. had cut off all aid and loans to underscore its unhappiness with the PNC's foreign policy.⁷⁰ Most significantly the PNC formally adopted Marxism -Leninism as its official ideology at its Party Congress in August. Without delay, the PPP embraced its converted rival and adopted a new policy of "critical support."⁷¹

Nevertheless, the PNC has not allowed doctrine to stand in the way of expediency. Pragmatism and moderation remain the cornerstones of PNC strategy. The U.S. bauxite subsidiary was nationalized in January 1975 only after Reynolds

refused to pay a production levy similar to one the company had agreed to pay the Jamaican Government. How could the Government, the PNC asked, tolerate this affront when underdeveloped economies like Guyana's were being destroyed by inflation and Reynolds was reporting record profits?⁷² Even the conservative U.F. felt that the Government had been "most reasonable" in its handling of the situation. According to a local newspaper, the Government displayed ". . . monumental patience and moderation in dealing with a corporation whose ideas of mining development revert to the last decades of the 19th century when Cecil Rhodes and his group were exploiting the Kimberly diamond and gold mines of South Africa."⁷³ As in the Alcan case, the Government was forced to nationalize the expatriate enterprise in defense of sovereign right and national dignity. As we will see in Chapter Four, the Government's hand was also forced in the case of the subsequent nationalization of the expatriate sugar companies in 1975 and 1976.

The Devolution into Neo-Dependency

The international market conditions which led the PNC to challenge the inequity of the world capitalist system were very short-lived. Commodity prices which peaked in the early months of 1975 fell precipitously throughout the year and 1976. Inflation continued its sharp rise; major foreign exchange currencies continued to float widely and money remained tight and expensive on Euro-dollar markets. The

talks to establish a NIEO stalled at an early stage. In sum, the economic forecast for underdeveloped countries was once again gloomy. For Guyana the heady excitement of the past eighteen months was over and the Minister of Finance soberly projected a \$214 million budget deficit in 1976. For 1976 the Government hoped to maintain the high level of public investment and consumer subsidies by financing the budget deficit out of the Government surplus built up during the period of high export prices. However, danger was imminent and the Minister warned, "These trends--high development expenditure, rising import prices and not too significant gains in export prices--if they materialize could seriously affect or even reverse our balance of payment position, and swing the terms of trade against this country."⁷⁴ The commodity price boom was an anomaly. Nationalization of eighty per cent of the economy and the forced repatriation of all foreign invested pension funds had not solved the problems of structural underdevelopment. Development funds remained in critically short supply. The foreign exchange crisis reasserted itself with a vengeance. Reserves fell from over \$200 million at the start of 1976 to near zero at the beginning of 1977. The Government was forced to severely restrict imports and to cut the 1977 budget by 25 per cent. Public sector investments were curtailed by 40 per cent. The Gross National Product declined by 5 per cent in 1977.

In January 1977 the PNC was forced to embark on a

desperate and humiliating search for foreign assistance. First the Government turned to the Communist bloc. Both the amount and speed of assistance were inadequate. Thus no sooner than the Democrats regained the White House, Burnham sent diplomats to Washington to repair the friendly and dependent relationship which had been severed during eight years of Republican Administration. President Carter was eager to counteract Castro's greatly increased influence in the region. Guyana was bankrupt and for sale. A Guyanese official reportedly entreated an American diplomat to "Please do what you can to help us. It looks like there's nobody else."⁷⁵ The flood gates of Western aid opened. In August 1977 the U.S. Agency for International Development announced it was going to increase its economic co-operation with Guyana by more than tenfold.⁷⁶ In October Canada agreed to substantially increase its assistance over the next five years.⁷⁷ In November the British Government signed a cooperation agreement in which it agreed to provide G\$50 million at 3 per cent repayable over 25 years for infrastructural projects.⁷⁸ In December the Inter-American Development Bank approved a loan for US\$49.5 million to help finance the construction of flood control, irrigation and drainage works.⁷⁹ Guyana was once again a favored client state. As a consequence, the economy is trapped in an expanding web of debt and aid dependency. IMF lending has temporarily filled the balance of payments gap but not

without the usual denationalization of economic planning. At the close of 1980 the American Ambassador to Guyana pointed out that the country now receives the highest per capita aid from the U.S. of all countries in the world.⁸⁰ It is against this background that we reject the PNC's claim to non-aligned status or commitment to socialist revolution.

Since 1977 Guyana's economic policy has steadily retreated from the left. Moreover, it must be recalled that the Government never ceased to solicit private foreign and local investments. The Small Industries Corporation was created to offer financial, managerial and technical assistance to stimulate local investors. A 1975 press release from the Ministry of Information and Culture highlights the point that the Government continued the search for foreign capital even while converting to Marxism-Leninism.

Apart from a stable economic and political climate, incentives range from a modern banking system to tax holidays and allowances, carryover of losses, duty free and other concessions. Markets range from those in neighboring Latin America and Caricom territories, to Socialist, Third World, and western hemisphere countries. It is the Government's firm decision that the investor is guaranteed the right to a fair and equitable return on his investment of capital and technological inputs and against any possibility of seizure, confiscation or expropriation of his investment.⁸¹

Therefore a return to a more traditional capitalist development strategy did not go against the essential grain of the PNC Government. This was made clear in an article written by a party ideologue in 1977.

The dialectics of this period require a temporary shift to selected capitalist strategies for development. The state sector is not an efficient producer of wealth and is likely to continue to experience complex transitional problems.

Foreign private capital should be encouraged to invest with incentives that are even more favorable than similar developing countries. The local capitalist and the petty-bourgeois class should also be provided with opportunities to enhance the development process.⁸²

Still the private sector demanded more specific assurances. In 1979 the Government responded by issuing its long delayed "New Investment Code." It was readily admitted that ". . . the economy would have to grow at a more rapid rate than it has grown in the past. The Central Government or the public sector alone cannot generate all the resources necessary to ensure the required rate of growth."⁸³ Once again the Government was publicly courting private capital as Sir Arthur Lewis had argued would inevitably be the case. The Minister of Economic Development made a great effort to portray the new courtship as fundamentally different from the earlier relationship but it was nonetheless clear that the Government had retreated from the militancy of the mid-seventies. For instance, the Government retreated from the policy of demanding 51% equity and effective control and said instead that ". . . the level of equity participation will be determined on the basis of negotiation and mutual agreement prior to establishment of the enterprise." Indeed foreign private capital could once again invest without any constraint of joint-venture as previously required by the

Declaration of Sophia. Even strategic activities supposedly restricted to public or co-operative development were so vaguely defined as to allow private foreign investment in these preserves. As the Code notes, "The very definition of the concept 'Strategic Activities' implies that it is not possible to prepare a listing, invariant for all time. . . ."⁸⁴ The confrontation with capital, particularly international capital, was over. After a short-lived attempt to transform international trade relations and to break the stranglehold which multinational corporations had on the economy, the PNC reaffirmed its dependency on international capital, technology, markets and aid.

Notes

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22. David, p. 284.
23. Hope, p. 125.
24. Isiah A. Litvak and Cristopher J. Maule, "Nationalization in the Caribbean Bauxite Industry," International Affairs 51 (January 1975): 43.
25. The Weekend Post and Sunday Argosy, (Georgetown, Guyana) 26 April 1970.
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28. "Debates," 27 February 1971.
29. *Ibid.*
30. *Ibid.*
31. *Ibid.*
32. Peoples' Progressive Party, "Nationalization and the New Investment Strategy," n.d., n.p., available at Freedom House, Georgetown, Guyana.
33. Litvak and Maule, p. 54.
34. Quoted in Cheddi Jagan, "Guyana: A Reply to Critics," Monthly Review 29 (September 1977): 41.
35. Jagan, The West on Trial, p. 407.

36. John Bartlow Martin, U.S. Policy in the Caribbean (New York: Westview Press, 1978), p. 138.
37. "Debates," *ibid.*
38. Interview with Harold Davis, Guyana Sugar Corporation, Georgetown, Guyana, 24 November 1980.
39. "Debates," 23 October 1974 and 26 February 1976.
40. "Debates," 1 November 1974.
41. "Debates," 23 October 1974.
42. Given the sudden nature of the Marxist-Leninist departure, many within the Government and party were caught unprepared to speak the language of revolution let alone expound upon its deeper philosophical and historical roots. At the Special Party Congress held in December 1974, the Prime Minister and Leader of the Party announced that classes and literature would soon be made available to explain the PNC's new socialist position.
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53. "Debates," 17 November 1977.
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66. Budget Speech 1976.
67. "Debates," 23 May 1975.
68. "Debates," 18 December 1975.
69. The Chronicle, 16 March 1975; The Guyana Graphic, 30 October 1975.
70. The Trinidad Guardian, 13 March 1977.
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Chapter Three

Introduction

In this chapter we will describe the development of the trade union movement in Guyana. In particular, we hope to ferret out the obstacles which have thus far prevented the development of a workers' democracy and a more egalitarian economy. The first section provides an overview of the repressive labor policy of the colonial government which formed the context in which labor began its struggle for trade union rights and laid the foundation for the policies of the postcolonial state. Our main objective, however, is to provide a close analysis of the alliance between Guyana's two major political parties led by members of the intelligentsia and the trade union movement. Under what conditions has this partnership between these middle class politicians and organized labor advanced or impeded the development of the Guyanese working class?

The PPP came into political life as the valiant and sincere champion of the Guyanese trade union movement. The overriding goal of the party was to create the conditions for the development of a strong and united trade union movement which would in turn destroy colonialism and capitalism in the society. External opposition and internal dissension rocked the party to its foundation and its noble ambitions and responsible strategy were derailed. Political office and personal influence and wealth became

the primary goals of the leading figures within the PPP. Henceforth the PPP became a parasitic party living off the struggles of sugar workers. In contrast, the PNC's manipulative and ultimately repressive relationship to labor developed in a much more straight-forward manner. Soon after splitting from the PPP, Burnham's faction formed an alliance with the coopted leadership of the trade union movement (some of whom were subversive agents trained and paid by the US) and Bookers, the largest expatriate firm in the country. This alliance with Bookers and its consequences for the PNC's policy in the sugar industry is the subject of the next chapter. Here, we will develop the background for that analysis by examining the general character of the PNC's labor policy first as the opposition and then as the ruling party. The PNC has always spoken the language of socialism while it simultaneously acted (1) to defeat the labor relations bill of 1963, (2) to maintain the oppressive British voluntarist system of labor-management relations, (3) to increase the use of coercive force against workers (4) and, most recently, to develop a scheme whereby the Government hopes to completely coopt and muzzle the trade union movement and labor's spontaneous and informal protests.

Labor and the Colonial State

The history of labor in every class society is a story of exploitation, repression and struggle. Moreover, when the social relations of production have their roots in

systems of unfree labor, such as slavery and indentureship, the brutal restriction and exploitation of labor reach unconscionable proportions. Sugar production is the main employer of labor in Guyana, and throughout most of the industry's history it has relied upon unfree labor. In addition, the pattern of labor-management relations on the plantations characterized labor relations throughout the colony. So long as a system of unfree labor prevailed on the estates, workers were nowhere free to organize to defend their class interests. Estates were run like private fiefdoms where the authority of white managers over black and brown labor was complete. Fear, brutality and intimidation reigned unchallenged. The colonial state offered no respite. "The armed might of the state was systematically used to strike against all association of workers."¹

The end of slavery in 1838, indentureship in 1917, labor riots and the formation of the first trade union in 1919 did little to improve the situation. When the Moyne Commission came to investigate the causes of the intense labor rioting which swept the British Caribbean during the Depression it found working and living conditions only slightly removed from those of slavery. Unemployment was rampant, the colonial state refused to finance any system of unemployment relief or public dole, and workers' attempts to organize were mercilessly crushed with the dependable assistance of the state. In Guyana, the legal framework for labor relations in 1939 remained the Employers and Servants

Ordinance of 1853.² There was not a single collective bargaining agreement in the colony, and four sugar workers had recently been killed during a union strike for recognition.

Significant modification of British imperial policy and colonial labor relations in particular was, however, in the making. Rising U.S. hegemony, spontaneous outbursts of violence, militant trade unionism and nationalist movements throughout the crumbling empire all indicated the imminence of radical change if reformist policy was not immediately adopted. The Colonial Office astutely set out to direct the enormous democratic impulses the Depression and World War had unleashed. Accepting the inevitability of decolonization, imperial policy was henceforth designed to foster the development of local institutions and an indigenous class which would ensure a favorable investment climate when independence was finally granted. Programs of educational reform, slum clearance, public health and housing were either announced or immediately commenced. Plans and programs to diversify agriculture and industry were given public prominence.³ But the most important recommendations of the Moyne Report pertained to the run-down and outmoded Caribbean sugar industry and the colonies' draconian system of labor relations. Both the quota and price paid for Caribbean sugar were to be significantly increased in order to make possible the modernization of the industry

and the improvement of the deplorable living conditions of sugar workers. Indeed, this large U.K. subsidy was made contingent upon the creation of a labor welfare fund for sugar workers.⁴

The Moyne Report also urged that it was time for the colonial state to play a more neutral and progressive role in the struggle between labor and capital. Instead of unabashedly serving as the ultimate coercive instrument of colonial employers, the Report recommended that the state establish official boards to fix wages, institute unemployment insurance schemes in the larger colonies, supervise health standards and carry out factory inspections. This was enough to appall employers accustomed to absolute discretion in these matters. The proverbial last straw from the perspective of employers came when the colonial governments instituted the Moyne recommendation to assist in the development of the trade union movement (TUM). Departments of Labor and Labor Exchanges were set up throughout the Caribbean. Guyana's Department of Labor went into operation in 1942.

The policy reversal was not however the betrayal some employers were prone to assume. The intention of the colonial administration was to subdue and educate the labor movement emerging in its midst. Colonial bureaucrats and British trade unionists worked diligently to develop desperately needed organizing and collective bargaining skills among the emerging labor leadership but their "dogma was

absolute and complete cooperation and collaboration between labor and capital."⁵ In short, the spontaneous development of a cadre of militant labor leaders was to be aborted and an elite group of labor bureaucrats implanted in its place. Furthermore, although the colonial government was ready to train and assist labor bureaucrats, it still refused to use the legal and coercive powers of the state to provide the permanent security arrangements needed by trade unions. Employers were left free to accept or reject a union as the bargaining agent for employees.

Under the British voluntarist tradition there are no legally prescribed procedures for (1) determining union membership strength, (2) resolving inter-union representational disputes and (3) compelling recognition of unions with majority support. Thus the colonial government left employers with more than an adequate arsenal to prevent the development of a free trade union movement. Instead, the voluntarist system of labor-management relations has spawned sweetheart unions, a large number of small unions, cannibalistic rivalry and a high frequency of strikes. Workers made known their discontent and willingness to organize by flocking to the trade unions which sprang up during the 1940s and 1950s but a strong TUM did not develop, ". . . finances were very slender and unions, not even the oldest established one, could afford to provide the necessary services of a modestly run trade union."⁶

Petty Bourgeois Politics and the Trade Union Movement

Although there was undoubtedly some genuine concern for improving the condition of Caribbean workers involved in the reformed labor policy of colonial governments, the more urgent objective was ". . . to isolate the trade unions from the political hustings. There was almost an evangelical prosyletizing of the thesis that trade unions should remain aloof from politics."⁷ The unity of political and trade union issues and the control of the trade unions by middle class politicians dates back to the beginning of the labor movement in the Caribbean. On the one hand, the rank and file believed their cause would benefit by close association with middle class leadership. On the other hand, aspiring politicians convincingly argued that improvements in wages and benefits could only be won after sweeping constitutional and political reforms. Political democracy--universal adult suffrage, internal self-government and ultimately independence--became the rallying cry of the Caribbean labor movement. The Jamaican elections of 1944, the first in the region to be held under universal suffrage, ". . . made it abundantly clear that workers' votes would be cast solidly in support of their trade-union sponsored candidates regardless of political ideology or the absence thereof." Little political acumen was needed to see that state power would "devolve upon the most powerful trade-union complex."⁸

Guyana's political and trade union development fit the

Caribbean pattern quite well. According to Aston Chase, ". . . nearly everyone of the politicians of substance in the late 1940s and throughout the 1950s was at one time or another connected with the trade union movement."⁹ The important question from the perspective of labor is whether or not this alliance between workers and their middle class leaders has been mutually beneficial. Aston Chase, a leading Guyanese trade unionist and one time Labor Minister of the PPP Government believed that, "This co-operation between the advanced guard in the workers' political struggle and the trade unions paid dividends. The union movement was strengthened, its militancy sharpened. Greater respect and more purposeful recognition were accorded the movement. That two facets of the same movement were moving in the same direction and with perfect understanding was a situation that alarmed the capitalist and the Imperial Government."¹⁰ Zin Henry after examining an earlier period of collaboration between middle class leadership and the Guyanese TUM arrived at an opposite conclusion. According to Henry, "The trade union bias of that movement was soon thereafter sacrificed at the altar of political expediency, and dissension among the leaders dissipated the movement whose only major industrial achievement in this era was the winning of a shorter work-day. . . ."¹¹ Thus it would appear that middle class leadership of working class causes can be either manipulative, progressive or revolutionary. Whether

middle class trade unionists and/or politicians are seeking to serve or exploit workers' mobilization can not, we believe, be determined in an a priori and/or universal manner. The challenge is rather to specify the conditions under which an alliance between members of the intelligentsia and workers contributes to the organizational strength of the working class or leads to the opposite result.

Our approach to this issue is inspired by the recent work of John Saul on the nature of "petty bourgeois politics" and the postcolonial state.¹² In most developing societies, members of the intelligentsia are the only persons qualified to assume control of the postcolonial state. This, however, frequently leads to a political situation Saul sums up as the "unsteady state." Middle classes are notoriously unreliable in their political behavior--historically they have swung to the left or the right depending upon their interpretations of where their interests lie in a particular situation. In colonial societies, this mercurial character is further heightened by the obvious weaknesses of a class still in the process of formation and the all out struggle for control of the state. The intra-class struggle for state power, Saul emphasizes, tends to split the already weak and divided petty bourgeoisie into competing segments. Then, according to Saul, these competing segments associate themselves with different racial and/or ethnic groups, development ideologies and institutional bases for the purpose of mobilizing

mass support. Thus it is the struggle within the fragmented petty bourgeois strata which leads to politicization of primordial sentiments and the mobilization of racial and ethnic constituencies so often found in the Third World.

Given the sensitivity of many American trained scholars to racial and ethnic issues and their careful avoidance of class analysis, most research on development politics has focused on the prevalence of racial and ethnic mobilization.¹³ Fortunately, radical scholars like Saul are turning to the analysis of the uses of socialist ideology and workers' organizations as an extremely important and prevalent basis of constituency mobilization in Third World politics. It is to this effort that we devote the following analysis of the trade union movement and political development in Guyana.

The Trade Union Basis of the PPP. An almost exclusive reliance on racial and ethnic explanations of political and economic development is most obvious in the case of Guyana. Virtually no research has been done on the history of the country's labor movement--particularly its most recent development. Aston Chase and Harold Lutchman are the only two authors who have placed the institutional development of the working class at the center of their analysis. Consequently, it is a little recognized fact that the trade union strategy of the PPP provides the key to understanding the history of the party. Almost everyone accepts the truism

that race has determined the politics of the party.

In the immediate post-war climate of uncertainty and impending change, the future leaders of the PPP evolved a two-pronged strategy to transform the democratic agitation of the previous decade into a full-fledged, mass-based independence movement. In 1946 the Political Affairs Committee (PAC), the organizational forerunner of the PPP, was formed. Its objectives were for members (1) to study the principles of scientific socialism, (2) to raise the general level of political discussion and consciousness among workers and (3) to ultimately form a political party to spearhead the anti-colonial movement. In addition, Cheddi and Janet Jagan, Jocelyn Hubbard and Aston Chase, some of the most active members of PAC, were also deeply involved in the struggle to create a free trade union movement in the colony. Thus the nascent leadership of the PPP was fighting on two fronts hoping to develop the type of unified politico-trade union complex which was demonstrating enormous political potential in other Caribbean territories.

The linchpin of the PAC's trade union strategy was to capture control of the Manpower Citizens' Association (MPCA) based in the sugar industry. In comparison to the other unions, the MPCA was "a giant among pygmies . . . All other industries and even the Government paled in comparison with sugar as to the numbers of persons employed by them."¹⁴ With the largest trade union in the country under its control, PAC would easily, it speculated, be able to bring

the National Trade Union Congress (TUC), the umbrella group for organized labor, under its command. The plan was elegant in its simplicity and the MPCA was ripe for a takeover.

The MPCA came into existence in 1937, and the militancy of its program quickly attracted more than 20,000 sugar workers into its organization. In reaction to this unprecedented threat, the sugar companies joined together and formed their own organization, the British Guiana Sugar Producers' Association (BGSPA). In 1939, BGSPA was forced to recognize the MPCA after bloody rioting engulfed the sugar estates. Still, the Sugar King was determined to maintain the tradition of autocratic rule over the estate populations and to treat the recognition of the union as an unfortunate technicality. The early militancy which had fired the MPCA's middle class leaders was shortly extinguished. The BGSPA directed an extensive program of bribery and cooptation at the susceptible leadership. Internal dissension then smothered whatever credibility the union leadership still maintained with the workers. By 1946 the MPCA's membership had plummeted from over 20,000 to a mere 600 members. The MPCA's newsletter, "The Labor Advocate," read like a promotional newsletter for the sugar companies which supported the publication through heavy advertisement subscriptions. With MPCA officials on the BGSPA payroll, the union became a rubber stamp for the companies' produc-

tion and wage decisions. Between 1941 and 1955, the MPCA staged one one day strike although the basic wages for sugar workers during the period could "euphemistically be described as starvation wages."¹⁵

As evidence of the workers' disaffection with the union's official leadership, the incidence of wildcat strikes rose sharply; in fact, ". . . to the extent that a Joint Estate Council had to be instituted by the Department of Labor in 1945 in order to make possible a dialogue between sugar producers and workers' representatives."¹⁶ But workers resented the mediation efforts of the colonial government and rejected the JEC as yet another attempt to defuse the conflict without addressing their legitimate demands. It was this breach of faith between the MPCA and the field workers that Cheddi Jagan sought to capitalize upon and build a bridge to political power for the PAC. In 1945 Jagan became the treasurer of the MPCA and the TUC.

The results of the 1947 elections confirmed the fundamental assumptions underlying the PAC's political strategy and indicated some necessary modifications. Although unable to remove the renegade leadership of the MPCA or the TUC, Jagan won a legislative seat largely because of his trade union activity. Furthermore, the inability of the sweetheart union to get more than one of its candidates elected thoroughly exposed the bankruptcy of the MPCA and suggested the workers' readiness to support an alternative organization. Thus "infiltration" of the TUM, preferable at the leadership

level, became the cornerstone of the PAC's political strategy.¹⁷ The PAC and subsequently the PPP would champion the cause of labor--provide the intellectual propaganda for striking workers, join picket lines, collect strike relief funds and most importantly, seek legislative protection for the workers' struggle for democratic trade unions--in exchange, the TUM would guarantee the PPP electoral support. In addition, the 1947 election results also confirmed the persistence of racial voting blocs. In deference to this reality, the PAC concluded that the mass-based socialist movement it hoped to build would have to have a multi-racial leadership. In short, a charismatic Black leader was needed to work alongside Jagan. Forbes Burnham who was currently working his way into the leadership of the predominantly Black British Guiana Labor Union (BGLU), the oldest trade union in the country, was recruited to fill this spot.

Of equally far-reaching consequences was PAC's decision to form a rival union in the sugar industry to challenge the status of the MPCA as the sole bargaining agent for field workers. The resulting inter-union conflict was to become the most significant determinant of the industry's labor-management relations and indirectly of the country's political development for the next thirty years. In 1947, with the help of Dr. J. P. Latchmarsingh and A. A. Rangela, both prominent communal leaders of the British Guiana East Indian

Association, Jagan formed the Guiana Industrial Workers' Union (GIWU). Clearly, we are not suggesting that racial loyalty and symbolism were inconsequential in the mobilizing strategy of the PAC/PPP. Latchmarsingh and Rangela became president and vice-president respectively of the new union. Furthermore, Jagan recognized that being an Indian and coming from a long line of sugar workers would make him an attractive leader to the population of the sugar belt. We do, however, insist upon the primacy of trade union mobilization in regard to the political strategy of the PAC and the early PPP.¹⁸

This primary reliance upon trade unionism was due to three factors. First, the early PPP was genuinely committed to building a socialist society and a workers' democracy. A democratic trade union movement was seen as an indispensable ingredient in this effort. Even critics who opposed the PPP's radicalism and claimed that the young leaders had only a shallow understanding of Marxism never questioned the sincerity of their commitment to these principles.¹⁹ Second, their experience thus far had indicated the superiority of appeals directed to the objective needs of their constituency. At the same time that the PAC was reaching into the countryside, other aspiring middle class politicians were also attempting to mobilize the sugar belt through the more traditional manipulation of the symbols of racial and religious solidarity. By 1948 Jagan had earned a reputation as a rising politician; but, according to his

wife, Janet, "Enmore made us."²⁰ It was at the Enmore plantation that the Jagans valiantly led sugar workers in the GIWU's first strike for recognition in which five workers were killed. Sugar workers thus became the first large group of workers loyal to the PAC.

Third and finally, the socialist ideology of the PAC/PPP was never well received beyond the small circle of intellectuals who attended PAC's discussion groups and read its Bulletin. According to Premdas, a socialist platform was too novel and removed from the conditions of Guyanese underdevelopment to form a basis of a mass appeal. The dream of every poor Indian is to become an owner of a small shop, farm or mill. Their orientation is essentially petty bourgeois. Furthermore, the post-war anti-communist hysteria of the new world leader and the proselytism of strict, apolitical trade unionism by the Colonial Department of Labor had also taken their toll. Sugar workers flocked to the PPP and have remained loyal to the party not because of its socialist ideology or its communist affiliations but because the PPP has consistently decried the exploitation of plantation labor and held an uncompromising stance vis-a-vis the Sugar King.

This indicates that the selection of a leadership by popular classes is neither as irrational as some followers of Furnivall would have it, nor as class conscious as dogmatic marxists often argue. Indeed, it is an ironic fact that the socialist ideology which the PPP claims makes it

the vanguard of the working class has actually cost the party more support within the TUM than it has ever earned. Moreover, the red scare has legitimated the often brutal and unscrupulous attacks made upon the party by the US and the UK. Zin Henry makes a convincing argument that it was the increasingly communist image of the PPP leadership which foiled the party's plan to gain control of the country's TUM back in the 1940s and 1950s.

PPP As the Vanguard of the Workers' Movement. With the support of the progressive trade unions, the PPP unexpectedly won the first elections held under universal adult suffrage in April 1953. On October 9, 1953, British gunboats arrived in Georgetown to turn back the communist conspiracy. The "hotheads" in control of the PPP Government had sought to compel the BGSPA to recognize GIWU and, more generally, on October 8th had enacted a Labor Relations Bill which provided for (1) compulsory recognition, (2) speedy resolution of inter-union representational disputes and (3) protection from persecution for trade union activity. The sugar producers shrieked that "The Colony was now in the hands of a Government bent not upon construction but destruction and one, moreover, prepared to descend to any means to achieve its end."²² The style of some of the PPP leaders undoubtedly did appear militant and provocative to the colonial powers, especially the plantocracy, and even to some Guyanese, including members of the party's leadership.

Nonetheless, the substance of the new Government's policy was quite moderate. The "communist-inspired" Labor Relations Bill was in fact modelled after the Wagner Act in the US! All that the PPP had sought to do was to provide minimal legislative protection for the development of a free trade union movement. In a context, however, where the state had consistently sided with the employers in the suppression of democratic trade unionism this was regarded as sedition and so treated.

Obviously the self-interests of the PPP would have been served by the Labor Relations Bill. The MPCA could not win a free and fair election within the sugar industry and the GIWU would have become the recognized union for the single largest group of wage earners in the country. To conclude from this, however, that the PPP was only seeking to reward Indian voters, in particular sugar workers, is to miss the class-wide significance of the PPP's labor policy. Had the legislation taken effect the foundation for an alliance between the working class and the state would have been firmly laid. The British voluntarist tradition had not only protected a renegade union in the sugar industry, but, more generally, had dissipated the vitality of the entire TUM. This was an instance where the political ambitions of a segment of the petty bourgeoisie converged with the interests of a working class movement. The PPP was assured that with modest support from the Government, a strong and united TUM would develop; and, more importantly, that such a

movement would support their party.

The British and the Americans agreed with the PPP's prognosis and acted quickly and decisively to twist the logical course of developments. The gunboat suspension of the Constitution was only the first step in a series of imperialist intrigues. When the Waddington Commission visited British Guiana in 1950 and drafted the most progressive constitution to date in the British Caribbean territories, no one expected the emergence of a party capable of winning a legislative majority.²³ Now, the colonial powers had to reckon with the frightening realization that under the temporarily suspended constitutional arrangements, the PPP was electorally invincible. Three years after the arrival of the gunboats, Bookers' Chairman warned shareholders that ". . . I have little doubt that were elections to be held now . . . the Communist-dominated Peoples' Progressive Party would again get a big majority . . . Nothing but a progressive, radical and nationalistic party--with virile leadership--can capture the imagination of the people.²⁴ Noting that ". . . we cannot run the risk of restoring the type of constitution which was suspended . . .", the colonial government amended the constitution to restrict the powers of the democratically elected government.²⁵ The Colonial Governor, appointed by the metropolitan government, was to hold effective veto power. As predicted, the PPP won the elections of 1957 and 1961. As planned, both Governments were hamstrung by the constitutional limitation of its

power. However the real irony is that the most devastating attack upon the party's exercise of state power came from the TUM it had come so close to capturing.

Imperialist Control of the TUM. Pinpointing the PPP's source of strength as organized labor, the imperialist powers set out, according to Aston Chase, to "systematically emasculate" the TUM. Racial suspicions were expertly manipulated to divide the TUM; sweetheart and small "specialist" unions sprang up everywhere to further fragment the movement; cooptation through bribery or simple flattery became the order of the day. When all else failed, fear and persecution were used. British troops patrolled the streets and Emergency Orders suspended all basic civil rights. It was in these circumstances that "Some of the militant trade unionists were detained without trial, some were restricted to their places of residence and others were served with trespass notices."²⁶ GIWU activists were especially singled out for this treatment. In this way the British sought to crush the alliance between the PPP and the progressive trade unionists.

Conservative trade unionists who feared the communist image of the PPP and its intention to take control of the TUM moved quickly to exploit the crisis. On October 30, 1953 they disbanded the Trade Union Congress in which Jagan had significant support. On December 11th a new TUC was registered. The rules had been changed so as to proscribe

any affiliate from joining the World Federation of Trade Unions (which the US was denouncing as an international communist conspiracy) or the Caribbean Congress of Labor. In this way the GIWU and all other militant trade unions were excluded. Quite appropriately, the MPCA, the renegade union in the sugar industry and the most immediate target of the aborted Labor Relations Bill, became the leading member of the reconstituted TUC.

In fact, the MPCA was chosen as the nucleus of British efforts to strip the TUM of its anti-colonial, anti-capitalist character. Likewise, the Americans selected the MPCA as its base for subverting the democratically elected PPP Government.²⁷ Massive funds poured into the near bankrupt treasury of the union. Its office was outfitted with the latest typewriters, mimeo-graph equipment, loud speakers and video-projectors. More important, however, were the direct financial payments and training received by the officers of the MPCA and other key trade unions. During this period of heavy US penetration of the TUM, Guyana received the highest proportion of labor scholarships in Latin America ". . . both on the basis of union membership and population of the colony."²⁸ The American Institute for Free Labor Development was most active in this regard.

Unlike the British, the Americans did not seek to divorce trade union activity from politics. On the contrary, scholarships were only granted to those demonstrably hostile to the PPP Government. According to Aston Chase,

each trainee was groomed to play a particular part in the plan ". . . to harass the Government by go slow, strikes, sabotage and other subversive activities, and if possible, to overthrow the Government."²⁹ For their efforts, each trainee received \$250 per month after returning to their posts within the TUM. Richard Ishmael, head of the MPCA and TUC, was responsible for coordinating their activities. For those not fortunate enough to go abroad to study, American trade unionists visited the country in unprecedented number and ". . . conducted courses and seminars . . . [on] how to fight communism and ways and means of opposing the Government."³⁰ Thus for the first time in the history of the Guyanese TUM, strikes came to be used for strictly political purposes. And, as Chase bitterly notes, we have to thank the Americans for this.

In 1962 the TUC, now securely under the direction of the US, led a crippling strike against the Government for a budget which sought to increase domestic savings by raising taxes--private enterprise, particularly, foreign concerns were to pay the lion's share of the increase. The New York and London Times called the budget a fair and bold effort to generate funds for economic development. Bookers, the largest expatriate business in the country, felt that "It clearly was, in intention, a serious attempt by the Government to get to grips with the formidable economic problems of the country by a hard program of self-help. It was a

radical budget (what have the people of British Guiana got to be conservative about?) but not confiscatory³¹ Nonetheless, labor's new vanguard, under the tutelage of US and UK trade union leaders, screamed foul play and forced the PPP to withdraw the budget. The next year this ludicrous performance was topped by the TUC's shameless opposition to a Labor Relations Bill which like its predecessor sought to guarantee workers' right to democratically select their union representation. The US financed strike dragged on for 80 days. As desired by foreign and local opposition, the PPP Government was brought to the brink of collapse.

The Degeneration of the PPP's Leadership. In 1953 the PPP rose to power with the assistance of a generally progressive TUM. In less than a decade the labor movement which the PPP had hoped to shape into its most powerful weapon against colonialism and capitalism was transformed into its deadly enemy. In the words of Zin Henry, Jagan had the trade union ground, the national level, swept from under his feet. After a decade of intense political struggle, two full terms in office and two separate attempts to enact a Labor Relations Bill, the PPP was left with only the loyal support of an unrecognized union popular among sugar workers. Furthermore, the racial warfare which had devastated the country in the aftermath of the defeat of the 1963 Labor Relations Bill had left such a residue of fear and hatred that a genuine mass-based, multi-racial party was no longer

feasible. The final nail was driven into the coffin containing the PPP's dream of winning control over the post-colonial state when the British initiated the process of electoral rigging with the imposition of proportional representation. Stripped of a broad base within the TUM, bi-racial support or a fair chance to win an election, the PPP degenerated into a parasitic party subtly appealing to racial loyalty and blatantly living off the struggles of the sugar workers. Despite all its rhetoric about being the vanguard of the socialist revolution in Guyana, the PPP has failed to respond creatively or effectively to challenges posed to the party and the working class population. In sum, the country has fallen victim to a de facto one party and increasingly, authoritarian state which has reduced elections and the parliament to a mockery. In response, the revolutionary vanguard continues to participate in electoral charades and seeks to share power with the PNC which is systematically undercutting democratic practice wherever it is found.

The PPP maintains the limited political credibility it enjoys by virtue of its control over the labor force in a vital economic sector. Whereas the party once sought to use state power to advance the cause of labor, the PPP now seeks to use sugar workers to gain a share of state power. The PNC may arrogantly dismiss the votes of sugar workers, but it cannot disregard their enormous potential to disrupt the economy. It is this power of economic disruption versus

Jagan's charismatic ability to mobilize the Indian population which has kept the PPP alive in the post-independence period. Sugar workers are, moreover, almost perfectly suited to fulfill the PPP's need for a political lightning rod. Workers' wages for various field operations are based on a predetermined, piece-rate. However, there are daily disagreements between labor and management over rate adjustments for such things as poorly burnt cane which makes harvesting more difficult, pests, or dirty punts. Any one of these minor disputes has the potential--if either side so desires--for escalating into a full-fledged strike.³² Therefore, the PPP has always been able to call a strike whenever its political strategy so dictated. The crippling sugar strikes of 1970, 1974-75 and 1977, which we shall examine in detail in the next chapter, are excellent examples of this. Thus far the PPP's strategy of economic disruption has failed to overthrow the Government because the sugar workers--despite their remarkable readiness to sacrifice--are forced to return to work by their desperate poverty before the PNC is forced to resign.

This political use of the GAWU (the organization successor of the defunct GIWU) by the PPP would not be objectionable were it not for the poor quality of the party's political and trade union leadership. Although the GAWU has been shaped into a reasonably effective political instrument, it is completely incompetent when it comes to trade union affairs. After two decades of industrial strug-

gle, the GAWU has neither effective collective bargaining nor grievance handling skills. Consequentially, you have an absurd situation wherein the union most often used to attack the Government is extraordinarily dependent upon the Ministry of Labor to carry out its most trivial trade union functions.³³ Of course, the PPP could argue that this is the bitter legacy of the Government's and companies' unfair denial of recognition but this conveniently overlooks its culpability. According to Anthony Haynes, Bookers' Chief Executive Officer, and Harold Davis, Chairman of GUYSUOCO and former Personnel Director for Bookers, Jagan always skirted responsibility for the industrial tasks of the union. For instance, neither the PPP nor the GAWU ever made presentations before the numerous commissions of inquiry called to investigate conditions in the sugar industry and to make recommendations with regard to wages, pensions and profit-sharing between the time of independence and the GAWU's recognition ten years later.³⁴ Furthermore, Haynes, Davis and Norman Semple contend that Jagan never really wanted recognition for the GAWU and only accepted it when it was absolutely necessary. This argument is not as far out as it may at first sound. Without formal recognition, the GAWU/PPP was free to strike without the encumbrance of an institutionalized grievance handling procedure and, as we have just noted, free from the unglamorous routine of trade union functions. This was having your cake and eating it too.

Due to the narrowly political character of the PPP's goals, the problems of ineffective trade union leadership persist today. The Industrial Relations Director for GUYSUCO, Mr. D. P. Sankar, cynically complains that he (a former MPCA officer!) consistently makes more far-reaching demands on behalf of the sugar workers than does the now recognized GAWU. Mr. Sankar is ready to excuse GAWU's lack of collective bargaining and grievance handling skills for historical reasons; what he finds inexcusable is the GAWU's failure to hire professionals and/or train their own people in these vital areas.³⁵ In a similar vein, the GAWU/PPP has frustrated the efforts of Aston Chase, head of the NAACIE, the clerical union in the sugar industry to organize one industry-wide union. The GAWU/PPP has never flatly rejected the proposition but discussions always break down over the issue of leadership positions and finances.³⁷ It is interesting to note that Mr. Chase was a prominent member of the early PPP and Minister of Labor in the PPP Government. Today neither Mr. Chase nor the NAACIE is affiliated with the PPP. The reason for this, we believe, is Mr. Chase's continued adherence to the party's original policy wherein holding political office is secondary to advancing the workers' struggle for political and economic democracy rather than the PPP's now inverted approach.

The degeneration of the working class idealism which motivated the PPP leadership in the forties and fifties is

today more or less complete. Behind the garb of scientific socialism, lurks a shameless and pathetic contender for state power. We cannot here present all of the supporting evidence but a few quick observations are in order. Several leading members of the PPP, including PPP parliamentarians and Harry Lall, the former leader of the GAWU, have defected to the PNC. Quite significantly, most defections of PPP legislators occurred around the time of the electoral charades held in 1968 and 1973 when it must have been painfully clear that the PPP would never come to power by constitutional means.³⁷ Needless to say, Burnham has made expert use of these apostates as evidence of the correctness of the PNC's brand of socialism and commitment to bi-racialism. Moreover, the PPP's proposal to form a National Patriotic Front Government in 1977 and its decision to contest the 1980 "elections" are convincing evidence that those who chose to stay within the PPP are also willing to surrender the fight for workers' control of the economy and the state for political office for a few party members.

In 1977 the PPP offered the ruling party an olive branch and called for the creation of a National Patriotic Front Government. In the proposal for a new state structure the PPP left unmentioned the issues of (1) corruption and public accountability, (2) the overbearing, lawless bureaucracy and most importantly, (3) the right of organized labor and mass organizations to participate directly in the governance of the country. The kernel of the PPP's proposal

was for the creation of a system of two man, joint party leadership. The minority party would appoint the President who would exercise veto power and the majority party would appoint the Prime Minister.³⁸ The PPP had not even bothered to work out a social and economic program on which this proposed coalition of parties would rest. What was clear, however, were the respective positions for Burnham and Jagan. Jagan, as leader of the party with the support of the majority of the population, would become the country's Prime Minister; Burnham, as head of the minority party, would become the veto wielding President of the Republic. Burnham, not surprisingly, scoffed at the notion of his taking a back seat position. He likewise laughed when the PPP chose to participate in the latest "elections" although none of their demands regarding free and fair elections had been met. The PPP defended its decision to contest the elections to their supporters by brow beating them for their supposed fear of armed struggle and inability to even mount a successful political strike. Ram Karran's remarks at this "bottom-house meeting" in the sugar belt were a classic case of what psychologists refer to as projection. Mr. Karran, second in authority only to Jagan, attributed to his followers characteristics most descriptive of the party's leadership.³⁹

What forcefully emerges from the above discussion is the incompetence of the PPP's political and trade union leadership--particularly in the post-independence period.

It fumbled its efforts first, to gain control over the MPCA and the TUC by sticking to a doctrinal espousal of "scientific socialism" which made its program appear far more radical than it actually was and alienated important sources of support; second, it failed in its efforts to win recognition for the GIWU and to enact effective labor relations legislation; and third, but most importantly, it failed to challenge the emergence of an authoritarian system of government. Instead, the middle class leadership of the party retreated from its progressive orientation of the forties and fifties into dogmatic Marxism-Leninism and loyal membership in the international communist movement headed by the Soviet Union. Hopefully it is clear, however, that none of these conclusions detract from the awesome and destructive role imperial forces have played in the subversion of Guyanese social and political development. On the contrary, our purpose is to shed light on some of the ways in which external powers nurture and exploit internal weaknesses in progressive movements. It is long overdue that those committed to political and economic democracy in the Third World follow the example of the imperialists in this regard and closely scrutinize the flaws in leftist movements.

The Labor Policy of the PNC State

The remainder of this chapter is devoted to an analysis of the labor policy of the Peoples' National Congress. We will concentrate our analysis on the labor policy of the PNC

Government but first we will sketch the relationship between the party and the country's trade union movement prior to independence. This background is particularly important because organizational and personal relationships established during the period of struggle for control of the postcolonial state have proved to be very resistant to change.

The PNC emerged in 1955 as a moderate splinter group from the original independence party in response to the siren call of the imperialist powers. After suspending the Constitution in 1953, the British advised that no further progress towards independence could be expected until a moderate political leadership could be found to replace the radicals epitomized by Cheddi Jagan. Forbes Burnham was selected as their man. He was described as a sensible socialist while other PPP leaders were called communist extremists. According to the report of the official commission of inquiry into the suspension of the Constitution in 1953,

. . . we had no doubt that the socialists in the PPP were essentially democrats and that left to themselves their preference at all times would have been that the Party would pursue its constitutional objectives by straightforward and peaceful means. We doubt however if they had the wit to see the essential difference between themselves and their communist colleagues or the ability to avoid being outmanoeuvred by them.⁴⁰

Burnham did not miss the message concealed between the lines. "An ambitious, devious man, Burnham played the role of a modest and loyal British subject so long as Whitehall

remained in charge."⁴¹

Along with Dr. Lachmarsingh, the man who had previously helped Jagan to form the GIWU, Burnham split the tenuous unity of the PPP's leadership and subsequently divided the party's mass base along racial lines. At first there was considerably confusion among the grass-roots supporters as Burnham and Jagan moved further and further apart in the aftermath of the constitutional crisis. Was the split really over tactics or was it ideological and perhaps even racial? The indications were confusing since most Black party leaders initially stayed with Jagan while Dr. Lachmansingh, an important Indian leader, sided with Burnham. However, by the late 1950s it was evident that Burnham's wing of the PPP (renamed the Peoples' National Congress) was the champion of the Black man's political ambitions. Peter Newman's analysis of the complex political and racial dynamics which shaped the early development of the PNC is worthy of lengthy quotation:

The defeat of the Burnham-led party resulted in its increased emphasis on African race-consciousness. Haunted by the fact of a higher rate of Indian population growth . . . which will soon place Africans permanently into an electoral as well as population minority, it tried to create a Negro solidarity that would prevail at the polls against the existing very slight splinter over the appropriate brand of socialism. The PNC approach to the latter issue began its drift rightward as it merged for electoral and racial reasons with the moderate (and mainly African) United Democratic Party; but the rate of drift was checked by the ascension to the party from the Jagans' group of Sydney King, a Simon-pure Marxist and militant Negro leader, who became general secretary of the PNC. There was also an ultimate barrier to the extent to

which the PNC could move right, formed by the political views of the Portuguese and light-skinned middle classes; any identification of the PNC with this group would at this period have meant the alienation of many poor, urban Negro voters, in addition to being personally objectionable to the Negro leaders of the party.⁴²

Peter Newman concluded that the Black and lower class character of the PNC's mass base would place an automatic check on the rightward drift of the party and prevent the leadership from forming an alliance with the Portuguese and the colored middle classes. He was only partially correct. The PNC continued to call itself a socialist party but its pronouncement grew increasingly vague. Burnham's address to the PNC's Annual Congress meeting on November 5th, 1961 is an excellent example of the nebulous quality of the party's socialist position.

It must be remembered that the PNC is a Socialist Party; by that I mean that the PNC draws its strength from the working people of this country, that the PNC is dedicated to the establishment of a system of social justice where the worker would get their just desserts, will get the rewards of their labor, and no longer will a few get the lion's share while the many get the jackal's pickings.⁴³

Moreover, the PNC ultimately formed a coalition Government with the ultra-conservative, pro-capitalist party of the Portuguese and light-skinned middle classes in 1964. Burnham preferred to be a senior partner in a neocolonial Government rather than a junior partner in a popular Government headed by the PPP.

This decision to form a coalition Government with

representatives of local and imperial capital merely cemented a rightwing alliance already well advanced. During the political and trade union struggles of the early 1960s, the PNC had joined forces with the renegade leadership of the TUM to drive the PPP out of office. Richard Ishmael, the leader of the sweetheart union in sugar and the National Trade Union Congress, became a friend and loyal ally of Forbes Burnham.⁴⁴ In the aforementioned attacks against the PPP Government in 1962 and 1963, Richard Ishmael and Forbes Burnham fought on the same side of the barricades.

Burnham's position in regard to the reform of the country's legal framework of labor relations reflects the degree to which expediency has dictated the PNC's labor policy. In 1953, as co-leader of the PPP, Burnham was chosen to present the party's first Labor Relations Bill. And, he demonstrated his characteristic eloquence:

. . . The Labor Relations Bill, 1953. What does it do? It guarantees a basic human right--whatever the source, to the worker and to see after its proper observance. It is well and good to have quotations from the Declaration of Humna Rights, but to say that a man has got the right to join any trade union which he desires to join and then provide sanctions whereby that right cannot become a real right, is not a satisfactory state of affairs.⁴⁵

Yet by 1963 he and his splinter party joined with the TUM under imperialist control to defeat a virtually identical piece of legislation. Whereas the PPP fought to destroy the colonial framework of industrial relations and thereby gain the support of a liberated TUM, the PNC formed an alliance

with those forces in the society determined to defend the exploitative relationship existing between labor and capital. Therefore the early labor policy of the PNC state bore a close resemblance to the labor policies of the former colonial state.

Maintenance of the Colonial Framework. The most significant indicator of this continuity of labor policy was the decision to retain the British voluntarist framework with its implicit anti-working class bias. The Critchlow Labor College, responsible for the ideological training of the working class, continued to receive its financing and direction from the American Central Intelligence Agency.⁴⁶ Employers retained complete discretion in regard to union recognition; no legally binding procedures for the resolution of inter-union jurisdictional disputes were prescribed, and collective bargaining agreements remained legally unenforceable. Thus after decolonization labor still held only the double-edged strike weapon in its highly unequal struggle against capital. Nonetheless, workers continued to fight against their exploitation. Between 1965 and 1970 there were more than 900 strikes in Guyana and over 1,000,000 man-days lost.⁴⁷ From the perspective of labor, management and the government, the situation was untenable. A small, underdeveloped economy struggling to increase productivity, attract capital investments, diversify production and raise the standard of living simply could not afford

such a level of labor disruption. In addition to the profits and wages being lost, the Government was losing desperately needed revenues and crucial foreign exchange earnings. Something had to be done but the question was, what?

Minimum legislative protection for labor organization such as exists in the United States would correct those aspects of the British voluntarist tradition which result in Guyana's high level of strike activity but it would also undercut the interests of employers and the renegade leadership of the TUM which has supported the Government.⁴⁸ Instead, the PNC sought to place a legal ban on strikes and to empower the Minister of Labor with the authority to impose compulsory arbitration of industrial disputes. Government sought to enact its Trades Dispute Bill whenever there was a significant work stoppage. The private sector eagerly awaited the legislation but even the coopted leadership of the TUM could see that such legislation would deal a heavy blow to organized labor and undercut their own usefulness to the regime and thus balked on the issue of the Trades Dispute Bill.

Time and again the PNC was forced to withdraw the Bill. The party still needed the support of labor's self-appointed leaders, and it had no politically acceptable answer to the following question posed by a leading, local journalist,

. . . should we have a Trades Dispute Bill before we even formulate a Prices and Income Policy . . . a publicly stated policy on mechanization . . . legislation for a national minimum wage and a law for severance pay? . . . Since we seem deeply concerned about the number of strikes plaguing the sugar industry, will the forthcoming legislation provide for the establishment of machinery for the conduct of a poll to resolve jurisdictional disputes? And shall we give legal status to collective bargaining agreements?⁴⁹

Needless to say, the Government's Bill proposed to do none of these things.

A "Socialist" Partnership Between Government and Labor. From the time the PNC assumed office in 1964, it diligently tried to prevent the strikes which helped to frustrate its development plans. However, Government was not willing to upset the configuration of forces between management and labor in such a way as to legitimate labor's wildcat leadership. Most obviously, the PNC did not want the GAWU, the PPP's union in sugar, to be granted recognition and thereby to replace the MPCA as the head of the TUC, the official mouthpiece for organized labor in the country. In sum, the PNC was stuck between Scylla and Charibdis. On the one side, it faced the persistence of crippling strike activity; on the other, it faced the more dreaded possibility of the domination of the TUM by its political opposition. A decade after coming to power, the PNC remained trapped between these two equally undesirable alternatives. Standing with Government were private employers who increasingly mistrusted the Government as much as

they feared labor and the corrupted leadership of the TUM with a rapidly decreasing control over its membership. Compounding these difficulties was the rapid deterioration of the country's economy during the early 1970s which we described in the previous chapter. As the general economic crisis mounted the Government could less and less afford to tolerate the endemic production stoppages. By now however, another dimension had been added to the country's class struggle. The PNC had first declared Guyana a Co-Operative Socialist Republic and second, proclaimed itself a Marxist-Leninist party.

According to the ruling party, these developments represented nothing short of a revolution.⁵⁰ Indeed, Desmond Hoyte, Minister of Works and Communication, claimed that the PNC's adoption of a socialist path of development and the Party's acceptance of the TUC's resolution calling for the nationalization of major industries represented the end of class struggle in Guyana. The working classes had won. The PNC was determined to develop the country in the interests of workers--now the hegemonic class in society. Of course, this revolutionary development would necessitate the transformation of the consciousness of workers, particularly organized labor. The old ideology of inevitable conflict between capital and labor and the associated activities of go-slow, sabotage, strike and the like would have to be replaced, he argued, by an attitude of coopera-

tion as Government increasingly became the owner of industry. Minister Hoyte was insistent on this point, "Unions cannot call upon the Government to organize the economy in the interest of the people and, at the same time, reserve the right to damage the economy by negative policies. The very call by the Trade Unions for Government to socialize the economy is a call for partnership."⁵¹

Thus 1972 marked a year of remarkable developments on the labor front. In January, the renegade leadership of the Trade Union Congress (TUC) tried to convince Government of its indispensability amidst the circulation of rumors in "high circles" that trade unions were an unnecessary hindrance to progress at Guyana's current stage of development.⁵² At the TUC's 19th Annual Conference in November the delegates endorsed the emergent leftist orientation of the ruling party and passed a resolution the Government later called its "mandate" to take control of the economy. Subsequently, the Government reconsidered its veiled threat to destroy organized labor and instead spelt out the new terms of survival to the Congress' leadership. There were stupendous promises of increased power for the TUM. The Government proclaimed that trade unions should take responsibility for implementing a system of workers' self-management in the economic sectors where they operated. Workers, through their unions, were promised the opportunity to make management and investment decisions, set production targets,

fix and enforce occupational health and safety standards and to prescribe fair remuneration for workers within formulas and guidelines established at the national level. In sum, Government argued that its ultimate goal was "the eventual transfer of economic power within the state to the workers."⁵³ The oppressive wage nexus was to be smashed and workers' passivity transformed into self-management. In the private sector, the content and social significance of ownership was to be changed through a legal process which would progressively eliminate exploitation. After reviewing official statements and documents pertaining to the Government's new, socialist labor policy, one must be impressed by the skill with which they articulate the principles of Humanist-Marxism associated with the Yugoslav model of workers' self-management. This is not however surprising since Burnham has long admired Tito's foreign and domestic policies. The problem in Guyana is not therefore one of theoretical impoverishment but rather the will and capacity to implement.

Workers' self-management supposedly represented only one aspect of the proposed vast extension of democratic practice. Minister Hoyte also promised that the haphazard pattern of participation in national decision-making by trade union leaders would be strengthened and institutionalized. Currently, according to Minister Hoyte, "The movement is represented on Boards, Committees and Commissions and, through the TUC has consultative and advisory

status with the central government. Trade Union leaders have direct access to the Prime Minister and all Government Ministers and, from time to time, are briefed on current issues of national importance."⁵⁴ Therefore we find Minister Hoyte's conclusion that the system is "almost casual and wholly unsatisfactory" very curious. Indeed it is time to look this gift horse in the mouth.

The role of trade union leaders as national leaders was to be institutionalized; but, in exchange, they would have to give up their old preoccupation with wage and fringe benefits increases. In a socialist Guyana, they were admonished to concentrate on securing the interests of their membership through the development of the entire country. There is nothing inherently nefarious about such a proposition. However, in the case of Guyana, it has consistently been used as an excuse for denying workers an improved standard of living while allowing politicians and bureaucrats to squander the limited national surplus on luxury consumption and inept purchases of capital goods.

According to the ruling party, the goal of national economic development can not be accomplished through traditional trade union tactics of confrontation. Instead of assuming a reactive stance towards national policy, the TUM was urged to submit "carefully researched and documented" recommendations. Where the unions would obtain the financial and technical resources this type of policy planning

would entail was not specified. Nevertheless, once the TUC was given this privilege of expanded participation in national decision-making,

. . . it would be an impossible situation, if thereafter, individual unions reserved the right to resort to industrial action which would impede or frustrate the attainment of those objectives. The central organization of the trade union movement must be structured to enable it to speak authoritatively on behalf of the whole movement and to enter, on behalf of the movement, into binding agreements on national objectives and strategies. Once such agreement has been arrived at neither side must be free to renege.⁵⁵

Stripped of its ideological and rhetorical flurries, the PNC policy of partnership between labor and government boils down to a devious attempt to control labor's defiance and eliminate production stoppages. With trade union leaders formally included in the national decision-making process, the Government claims legitimacy for its charge that any industrial action against a state-owned enterprise represents political subversion. Those guilty of mounting a "political strike" cannot, the Government warns, expect to be treated as ordinary trade union leaders or strikers. Thus people engaged in industrial action over such issues as wage increases, profit-sharing and pension funds, have been ipso facto treated as enemies of the state. With this miracle of definition accomplished, the PNC regime has resorted to mass firings, arrest and imprisonment of striking workers and their leaders, used the police and army to intimidate and brutalize strikers and recruited scab laborers by the thousands to crush "political strikes."

The petty bourgeoisie of the PNC and at GUYBAU are afraid of the workers and at the same time contemptuous of them . . . The Chief Executive Officer of GUYBAU, who is part of the PNC leadership, has time and again made it known that his vision of workers' participation must not interfere with the pattern of authority at GUYBAU.⁵⁷

Moreover, according to OWPL/WPA, nothing has changed with state-ownership of the bauxite industry.

The structure of day-to-day running of GUYBAU made it even clearer that the essential condition of labor continued unchanged . . . One of the most striking facts is that the allocation of surplus within the industry as between workers and management is no better and perhaps worse than it was previously . . . the wage/salary allocation made a mockery of the claim that top management are simply "workers" . . . the similarity in prevailing conditions cause workers to refer to the Guyanese elite in the industry as "the new Canadians."⁵⁸

The bitter and frequently violent conflict between capital and labor continues in the state-owned industry despite the policy of partnership. In fact, the struggle has worsened. In recent years, labor and political activists associated with the WPA have been murdered by law enforcement personnel and the rapidly increasing number of "political thugs" hired by the ruling party. The last major confrontation occurred in the summer of 1979. Bauxite workers along with sugar and clerical workers mounted a national strike to demand the payment of a wage increase agreed to by the TUC and the Government. Government, in violation of its own principle of binding consensus, had reneged on the agreement. It was also clear, however, that the OWPL, the GAWU, the NAACIE and the CCWU, the four major

unions in the country, were hoping to destabilize the economy and force the PNC to resign. In a by now familiar scenario, the PNC charged that the strike was political and unleashed the coercive forces of the state. Gordon Todd, head of the clerical workers (CCWU), mysteriously disappeared. It was later learned that he had been arrested and beaten while in custody. Striking workers were attacked by club wielding law enforcement men who conveniently had removed their identification numbers. Eighty-two members of the CCWU were sacked and scab labor was hired. The bauxite workers were starved into submission after Government forces seized donated food supplies. Ultimately, the general strike was crushed.⁵⁹ The fact that the primary goals of the unions were most likely political, does not, in our opinion, invalidate the labor's demands and grievances, i.e., wage increases, democratic leadership, etc. Nor, moreover, does it justify the brutal repression exercised by the Government. To call a strike political in a situation wherein the state controls over 80% of the economy is tautological and diversionary. The issues which the PNC hopes to avoid by this device is the legitimate civil and economic rights of workers.

The Government's anti-strike policy has even caused its collaborators embarrassment. Joseph Pollydore, General Secretary of the TUC, was moved to make the following critical remarks in regard to the regime's strike-breaking activities.

We must seek to remove the situation which makes it necessary or expedient to resort to what is normally regarded as anti-socialist measures, such as, the recruitment of Army, National Service and other volunteers as recently happened to break strikes. .
. .60

Eric Huntley, a critic of the PNC, goes further and notes that the Government has made a habit of using Black scab labor in the sugar belt and thus continually fueled the country's racial hostilities. "It exposed just how low the government was prepared to go. In other words, they were prepared to use Afro-Guyanese against Indo-Guyanese so long as their own policies were promoted."⁶¹ Notwithstanding the above, Mr. Pollydore has been careful to keep his criticisms within safe limits, and, more importantly, has refused to take action to force the Government to respect the rights of workers. In Pollydore's opinion,

What the TUC does not, or what it refuses to accept is that it should join forces with others to take action against the Government as a means of preventing or overcoming these violations. The TUC prefers to pursue these matters by way of dialogue once the communication lines are open to it. . .⁶²

According to Harold Lutchman, Pollydore's timidity is characteristic of the official trade union leadership. Despite the fact that "the policy of dialogue has been singularly void of meaningful results," and Government's persistence in making crucial national policy decisions without consulting the TUC,

As matters now stand, many trade unions see themselves under an obligation to follow the line laid

down by politicians or to do nothing to "rock the boat" even where they harbor serious doubts regarding whether policies being pursued are in the interest of the working class. . . This is a logical development from the situation whereby most trade unions find themselves in some form of affiliation or working arrangement with politicians.⁶³

That Mr. Lutchman made these remarks as part of a paper presented to the TUC at their invitation suggest that some members of the leadership are uncomfortable with their new partnership with the Government. Nonetheless, it is doubtful that this discomfort with an increasingly compromised position will lead to a significant break between the Government and its allies in the TUM. Prospects for the development of an independent TUM in the near future are rather dim because ". . . one of the major problems in Guyana is the extent to which persons are willing to sacrifice principle on the altar of expediency, in the quest for survival."⁶⁴

Moreover, the PNC recently ensured that only persons willing to toe the party line secured leadership positions within the TUC. In the Fall of 1980, the ruling party rigged the TUC elections. PNC affiliated unions showed a remarkable and impossible increase in membership and the rules determining the number of delegates allocated to a union were changed so as to favor the small unions recently organized by PNC activists. The GAWU, the largest membership union controlled by the PPP, won only one seat on the Executive Council. The consequences of the electoral

changes were immediately apparent.

The resolutions which were defeated and those which were passed made it clear that the future of the Guyanese worker is in the hands of the PNC regime. Safeguards to protect the worker from abuse by the employer, whether in the public or the private sector, were swept away.⁶⁵

A motion calling for safeguards to ensure the holding of "free and fair" elections was rejected by the Delegate Conference. Another motion condemning the use of the Security Forces to disrupt and hinder the freedom of association guaranteed under the Constitution was similarly rejected. On the other hand, a motion calling upon the TUC to give "unstinted support to the Government and . . .to motivate the workers and farmers to produce in larger volume and more efficiently . . ." carried easily.⁶⁶

Future Prospects. For the time being, the PNC regime has the TUM firmly under its control. Moreover, with 80% of the economy state-owned, this control is, in our opinion, more important in maintaining the PNC's rule than is its expert manipulation of racial hostility. Cooptation, intimidation, official and unofficial violence and the unprincipled exploitation of the GAWU by the PPP all combine to undermine the development of a free trade union movement and democracy in Guyana. Yet it would be premature and unduly pessimistic to conclude that dictatorship has completely triumphed. Productivity continues to drop as the repression of labor increases. Consequently, the PNC's

blatant disregard for the workers' demands for democratic unions, an improved standard of living and political democracy is becoming harder to maintain. In 1976, the PNC was forced first to replace the coopted leadership the Guyana Mine Workers' Union and second, to get rid of the MPCA in the sugar industry. Both the GMWU and MPCA leadership had been old and loyal PNC supporters. Through trickery, bribery and violence, the PNC has been able to minimize these victories. The GMWU once again has a leadership hand-picked by the PNC and the GAWU has been maneuvered out of the leadership of the TUC. Nonetheless, each time manipulative and terrorist tactics have to be used to control the labor movement, both the renegade leadership and the Government lose legitimacy. Therefore we fully support Harold Lutchman's conclusion that, "No group should come to believe that it could take the support and posture of the movement for granted . . . If such a situation is allowed to develop there is a danger of the movement being swept aside as an irrelevance and members, or former members, taking matters in their own hands."⁶⁷

The PNC is fixed upon a perilous course. Crude power is self-limiting and the conformity obtained is unreliable. The exercise of power without the softening touch of legitimacy alienates the subject according to Amitai Etzioni:

He conforms because of ulterior motives. His conformity is likely to be limited to the matters explicitly backed by power. He will be unlikely to

volunteer information, show initiative, or co-operate, except when he is explicitly forced to. Moreover, in moments of crisis, when the power structure of the organization is weakened, he will tend to prefer whatever other norms he subscribes to rather than the organization's.⁶⁸

Hence, Guyana's crisis of productivity. Shortages of raw materials, energy and spare parts are contributing factors but labor's sloppy and grudging performance is a principal concern of management. Fear prevents workers from directly expressing their opposition to the Government and the established leadership of the TUM but they make their discontent and defiance known in spontaneous and informal forms of protest. The PNC's persistent appeals for increased productivity printed in newspapers, posted on bill boards and carried over the air waves fall on deaf ears. The regime has compelled campaign contributions, attendance at political rallies and educational courses but it has failed to raise production through coercion.

Labor is a conscious, creative process and workers must therefore choose to give their best.⁶⁹ In Guyana while workers and managers ". . . strive as far as possible to keep happy those in a position to take action to influence their career prospects or even their livelihood by strenuously avoiding any suggestion of overt hostility to those in political control. . .", they also continue to undermine the economy through poor morale, go-slows, industrial sabotage and wildcat strikes.⁷⁰ Thus the PNC is con-

fronting a Catch 22. The only way to raise productivity (aside from massive capital intensive investments which the regime cannot afford) is to allow greater democracy in the political and economic spheres. This the party cannot do without running the intolerably risk of "being swept aside" as an atavistic and repressive structure. The alternative, which the PNC has chosen, is to go deeper and deeper in debt to the international lending institutions and consequently increase the repression of the labor force as required by the IMF's lending policy. This, in turn, will most likely accelerate the decline in productivity.⁷¹

1. Clive Thomas, "Guyana's Sugar: History and Development," The Georgetown Review I (August 1978): 50.
2. Aston Chase, A History of Trade Unionism in Guyana 1900 to 1961 (New Guyana Company Ltd.: Ruimveldt, Demerara, Guyana, 1968), p. 36.
3. Zin Henry, Labor Relations and Industrial Conflict in Commonwealth Caribbean Countries (Trinidad: Columbus Publishers, Ltd., 1972), p. 49.
4. Brian Scott, "Organizational Network: A Strategy Perspective for Development" (Ph.D. dissertation, Harvard University, 1979), p. 116.
5. Chase, p. 104.
6. Ibid., p. 121.
7. Ibid., p. 104.
8. Henry, p. 32.
9. Chase, p. 104.
10. Ibid., p. 177.
11. Henry, p. 35.
12. John Saul, The State and Revolution in Eastern Africa (New York: Monthly Review, 1979).
13. Leo A. Despres, Cultural Pluralism and Nationalist Politics in British Guiana (Chicago, Rand-McNally, 1967); Joseph B. Landis, "Racial Attitudes of Africans and Indians in Guyana," Social and Economic Studies 22, (December 1973): 427-439; Eliot Skinner, "Group Dynamics and Social Stratification in British Guiana," in Social and Cultural Pluralism in the Caribbean, ed. Vera Rubin (New York: Annals of the New York Academy of Sciences, 1960).
14. Chase, p. 85.
15. Ibid, p. 144.
16. Henry, p. 40.
17. Ralph Premdas, "The Rise of the First Mass-Based Multi-Racial Party in Guyana," Caribbean Quarterly 20 (September-December 1974): 5-20.

18. Raymond T. Smith also based his analysis of the Guyanese situation on this premise: "The racial issue has clearly obscured some of the very significant difference of class orientation in the policies of the two parties. I would conclude that political conflicts have indeed tied up with racial differences and activated a sense of group identification among the major races, but that is not the cause and origin of political conflict. That must be sought in the social and economic structure and in the external political environment of these poor, small, and weak ex-colonial territories."; "Race and Political Conflict in Guyana," Race, 12, 4 (1971): 427.
19. Interviews conducted with Tony Tasker, former Public Relations Officer. John Huddart, former Personnel Director for Non-Estates Businesses; Anthony Haynes, current Chief Executive Officer, Booker McConnell, Ltd. All interviewed were conducted in England during August 1980.
20. Quoted in Premdas, p. 19.
21. Henry, pp. 64-65.
22. Bookers Sugar, Supplement to Booker McConnell, Ltd., Annual Report and Accounts 1954, p. 64.
23. Premdas, p. 15.
24. Booker McConnell, Ltd., Annual Report and Accounts 1955, Statement by the Chairman.
25. Ibid.
26. Chase, pp. 220-21.
27. Philip Reno, "The Ordeal of British Guiana," Monthly Review, 16 (July-August 1964): 52.
28. Chase, p. 294.
29. Ibid.
30. Ibid., p. 291.
31. Booker McConnell, Ltd., Annual Report and Accounts 1961, Statement by the Chairman.
32. Interview with Mr. D. P. Sankar, Industrial Relations Director for Guyana Sugar Corporation, Georgetown Guyana, November 1980.

33. Interview with Norman Semple, Chief Labor Relations Officer, Ministry of Labor, Georgetown, Guyana, October 1980. According to Mr. Semple, the MPCA resorted to conciliatory services of his Ministry six times in 1976. On the other hand, "We're snowed under with GAWU conciliations and they're not single issues." In 1977, despite the longest sugar strike in history, GAWU still had to call upon the conciliatory services of the Ministry on nineteen occasions.
34. Interviews with Anthony Haynes, Chief Executive Officer, BMCC, and Harold Davis, Chairman, The Guyana Sugar Corporation, Georgetown, Guyana, November 1980.
35. Interview with D.P. Sankar, Industrial Relations Director, GUYSUCO.
36. Interview with Aston Chase, President, National Association of Agricultural, Commercial and Industrial Employees (NAACIE), Georgetown, Guyana, December 1980.
37. Parliamentary Record Book containing membership record, salary scale, and party affiliation of legislators. Available at Parliament House, Georgetown, Guyana.
38. "P.P.P. Calls for a National Patriotic Front," Caribbean Dialogue, 4 (June, 1978): 36-39.
39. Speech by Ram Karran at a "bottom house meeting" held in the sugar belt on November 13, 1980 to explain to PPP supporters why the leadership had decided to participate in the elections scheduled for December 1980.
40. Quoted in Cheddi Jagan, The West on Trial: The Fight for Guyana's Freedom, rev. 2d ed. (Berlin, German Democratic Republic: Seven Seas Books, 1975), p. 162.
41. Penny Lernoux, "Jonestown Nation," The Nation 15 November 1980.
42. Peter Newman, "Racial Tensions in British Guiana," Race 3 (May 1962): 31-45.
43. Quoted in The Chronicle (Georgetown) 5 October 1980.
44. Interview with Cleveland Charran, General Secretary of the MPCA, Georgetown, Guyana, October 1980.
45. Chase, p. 209.

46. Charles Jacob, Jr., "Guyana: Victim of Electoral Fraud," *Political Affairs* 48 (May 1968): 28.
47. Rickey Singh, "909 Strikes, \$7 Million Lost in Wages in 6 Years: Which Way Towards INDUSTRIAL Peace," The Sunday Graphic, 11 July 1971.
48. As of December 1980 the PNC Government still had not made these minimal changes in the country's industrial relations framework. Interview with Norman Semple, Chief Labor Officer, Ministry of Labor; also see Harold Lutchman, "Trade Unions and Human Rights," n.p., speech delivered on August 16, 1980.
49. Singh.
50. In the following discussion we use the PNC's policy pronouncements as the basis for evaluating the regime's innovation in the area of labor relations. Thus the extent of the Government's success or failure is in direct relation to the breath of its stated objectives.
51. Desmond Hoyte, "Trade Unionism and the State in Partnership or in Conflict," Critchlow Lectures Series, Publication No. 3 (August, 1973), p. 62.
52. George DePena, "As It Is," n.d., TUC pamphlet, articles first written for broadcast on Radio Demarara, p. 31.
53. Untitled document in the file of the Labor Code Commission, Georgetown, Guyana.
54. Hoyte, p. 57.
55. Ibid., p. 60.
56. Organization of Working People of Linden and the Working Peoples' Alliance, "The Peoples' National Congress Versus the Bauxite Workers," n.p. (January, 1977), p. 13.
57. Ibid., p. 12.
58. Ibid., pp. 10-11.
59. Ibid. pp. 1-34; PPP, "Bitter Sugar," n.d., n.p. available at Freedom House, Georgetown Guyana; Lutchman.
60. Quoted in "Bitter Sugar."

61. Eric Huntley, interviewed in Race Today, (September/October, 1978) p. 132.
62. Quoted in Lutchman, p. 19.
63. Lutchman, "Perspectives on the Role of the Trade Union Movement in Guyana," Release, 6 and 7 (1979): 32.
64. Lutchman, "Trade Unions and Human Rights," p. 26.
65. The Catholic Standard, 5 October 1980.
66. Ibid.
67. Lutchman, "Perspectives on the Role of the Trade Union Movement," p. 32.
68. Amitai Etzioni, Modern Organizations, (New Jersey: Prentice-Hall, Inc., 1964), p. 51.
69. Lenin, "A Great Beginning: How to Organize Competition," (Moscow: Progress Publishers, 1977).
70. Lutchman, "Perspectives on the Role of the Trade Union Movement," p. 29.
71. Hilbourne Watson, "The Political Economy of U.S.-Caribbean Relations," Black Scholar, 11 (January/February 1980): 39.

Chapter 4

Introduction

In this chapter we seek to provide a concrete example of how imperialism operates through the internal structures of an underdeveloped society in order to maintain its exploitative relationship to the local economy. Dependency theory, as we noted in chapter one, has concentrated on the external mechanisms which reproduce development and underdevelopment on a global scale. Today radical scholars are increasingly recognizing the theoretical and practical significance of analyzing the internal structures and processes which ensure the continuation of dependency and exploitation in peripheral societies. The transformation which occurred in Guyana's sugar industry in the post-World War II period provides a rich source of data for this new type of research endeavor.

Booker McConnell, Limited was Guyana's Sugar King and the first multinational corporation to have to respond to the demand for its expropriation. In the early 1950s, Bookers realized that its treasured corporate freedom of action was in immediate danger. Yet Bookers remained in Guyana for another two decades virtually free of significant government restrictions. The characteristics of the world capitalist system provide only part of the explanation of this fact of corporate survival. A more complete explanation requires that we examine (1) the company's local policies during the anti-colonial struggle and independence

period and (2) the national political, racial and class structure in which the company had to maneuver.

In the first section of this chapter we will discuss the nature of the progressive leadership which took control of Bookers' management after the war. Historically, the company had a reputation for ruthlessly extracting its profits out of the blood of sugar workers who were sympathetically regarded as little more than slaves by the local population. Bookers' new top management was determined to change the company's modus operandi and negative reputation. Belatedly, Guyana's sugar industry was brought into the 20th Century by a combination of modern capitalist efficiency and a philosophy of corporate responsibility.

As we shall see, the results of this corporate transformation were very uneven. The technical and organizational modernization which would most directly increase corporate profits went ahead with much speed and success. The social welfare component initially met insurmountable resistance. Bookers' local board members and managers regarded this part of the modernization program designed in London as "bread and circuses" or at best a utopian dream. Only after the electoral victory of the local communist party (the PPP) which had already called for Bookers' expropriation did the social welfare program get under way in earnest. Bookers implemented a Guyanization policy aimed at making the company invisible in the country. As soon as

as possible, expatriates were to be replaced by local personnel heretofore excluded from middle and top level positions within the company. In pursuit of this goal, Bookers revolutionized the colonial class structure and created a local middle and class stratum loyal to the company.

This did not solve all of Bookers' public relations problems. Among Blacks, Bookers came to seem as a good employer and responsible corporate citizen. However, for most East Indians, Bookers remained the hated Sugar King. We explain this important divergence between the Black and Indian populations in terms of regional, occupational and class differences. And, we describe how this difference of opinion reinforced the ideological and political split which was simultaneously developing between the two communities. The PNC ultimately formed a partnership with Bookers while the PPP remained inflexibly opposed to the Sugar King.

Not surprisingly, Bookers supported measures which enabled the PNC to rise to power. After assuming office in 1964, the Black ruling party cemented its alliance with the country's largest capitalist enterprise. Our analysis reveals how, for over a decade, the PNC and Bookers collaborated to expand Guyana's sugar production and to deny the GAWU (the industrial base of the PPP) recognition. Nonetheless, during the early 1970s we find growing evidence of serious strains in the alliance. Developments in the world sugar market and the intensification of local political and

class struggles forced the PNC to abandon its neocolonial strategy in the sugar industry. Reluctantly, the PNC dissolved its long-term partnership with Bookers and recognized the GAWU. Shortly thereafter, sugar was nationalized. We conclude the chapter by analyzing the state capitalist character of the Government's control of the sugar industry.

The Modernization of Bookers

Jock Campbell became the chairman of Booker McConnell in 1953 and subsequently earned the distinction of becoming a living legend within the company. Bookers' current Chairman, Chief Executive Officer, Company Secretary and other members of senior management speak of Lord Campbell with a respect that borders on veneration. He is recalled as a man of great vision. Again and again the researcher was urged to speak with Lord Campbell as if being invited to participate in a rite of passage. Unfortunately, Lord Campbell was unavailable. Nonetheless, the charisma of this man who master-minded the transformation of Bookers' corporate image and policies, was felt at every interview in London and several in Guyana as well.

Jock Campbell was the heir to a fortune built on five generations of sugar estate ownership in British Guyana. Yet when he joined Bookers' Board in 1945 and, in 1947 became its Vice Chairman, he brought with him an advanced understanding of post-war political and economic trends. Jock felt that de-colonization was inevitable; moreover, that it was imminent and that colonial companies would have

to completely transform their modus operandi if they hoped to survive. Among the exploiting colonial classes such ideas were considered scandalous and evidence of class betrayal - this charge was buttressed in Campbell's case by his public support for the British Labor Party. Ideas such as the following did not make Campbell a popular character in London's exclusive clubs:

The governments of new nations, in the face of formidable social and economic problems, have no straightforward choice between capitalist and communist systems of economic development . . . Strong central planning and control by their governments seem essential to the progress of most of these countries . . . It is Western capitalism which must if it is to survive, adapt itself to, and become part of, the historical processes of these nations.¹

In addition, Campbell warned that the world-wide, anti-colonial movement would not be satisfied with mere political independence. With uncanny accuracy he predicted the current struggle for a New International Economic Order.

In Central Africa there is the struggle between the understandable and inexorable demand of Africans for majority government, and the romantic illusion of some Europeans that they can continue to dominate the political scene . . . I am convinced that broad and lasting prosperity can only flow from narrowing the gap between rich and poor countries . . . What is wanted is a Declaration of Interdependence.²

Despite the strength of his convictions and his unusual leadership skills, Campbell ran into resistance from Bookers' other board members and senior management. He had a particularly tough time convincing Bookers' top management in Guyana. These men were convinced of the

natural inferiority of the natives and their God-given right and responsibility to rule backward people. Mr. Seaford, one time chairman of Bookers' Sugar Estates (BSE) is an excellent example of this colonizer mentality. In 1939, he unabashedly told the Moyne Commission that the Indian laborer was carefree, foolish and easily satisfied with the barest necessities of life--a little food, bright colored clothing and the opportunity for easy love-making! Needless to say, Campbell's program for the modernization of Booker's productive techniques and social relations represented a challenge to everything these old-fashioned managers stood for. Many of them had risen through the ranks and lacked any formal training. According to Brian Scott, their management left much to be desired. It "was often demanding, paternalistic, and old-fashioned, and of a low intellectual quality."³ In short, they knew nothing about the scientific techniques of production and management Campbell proposed to implement.

When Campbell visited Guyana right after the war, he found Bookers' holdings in a deplorable state. Cane fields had not been properly maintained. Factories and equipment were archaic and run down. In 1947, Bookers' chairman, described the challenge facing Bookers in these words:

Since 1939 it has not been possible to obtain more than the most meagre supplies of the machinery, equipment and spares needed for replacements, renewals and repairs in field and factory on the sugar estates . . . And we are now faced with an enormous rehabilitation program, with supplies still

short, and costs, which in many cases have already doubled still mounting.⁴

In addition, Cambell envisioned this "enormous rehabilitation program" as only one aspect of the Bookers' modernization. Mechanized field operations and modern factories would be meaningless, he argued, without greatly improved industrial and community relations. Starvation wages would have to be increased, labor-management relations derived from slavery would have to be brought into the 20th century and the isolation of the plantation would have to be dissolved. Cambell's two-pronged approach to Bookers' corporate transformation is exemplified in a letter he wrote to the BSE Board in 1946:

I'm preaching that fact that . . . we cannot distribute profits at the expense of assets--human or material. Proper living conditions for staff and labor must be a charge on the business parallel with the maintenance of our land and equipment in the highest economic state. There's no doubt that of late years many of our estates have shown profits at the expense of the future. Admitted some of these profits were put to reserve and are available in the last resort, but how far better would our outlook be if surplus profits had been spent on essential housing and equipment . . . The Board need not fear that I'm encouraging expenditures on luxuries--far from it. The point is that certain things must be put right if the industry is to survive--factories must be efficient, staff and nuclear labor must be well housed and cared for, mechanical field equipment must be really good, our technical staff must be strengthened--all these are minimum requirements.⁵

Campbell was emphatic. A colonial company could no longer prosper without concern for the development of the colonial territory or its people. In the second half of the 20th century, modern capitalist efficiency would have to replace the colonial tradition of brutal labor exploitation

as the basis of profit in the sugar industry.

Campbell was determined to transform Bookers into the most efficient sugar industry in the Caribbean "and even in the British Empire from all points of view--field, factory, staff and labor."⁶ Not surprisingly, the physical and technical aspects of the program went ahead with much greater speed and success than did its social components. The financial backbone of Bookers' post-war policy was provided by the Commonwealth Sugar Agreement (CSA). CSA was reached in 1949 and guaranteed stable and relatively high sugar prices for at least the next eight years. Thus, after over a century of capital starvation, investment funds were readily available.⁷ Millions of pounds were spent to expand acreage, mechanize field operations and modernize factories. The program was a remarkable success. The increase of acreage and productivity is reflected in the rapid increase in the colony's sugar output. In 1945 Guyana produced 157,000 tons of sugar. By 1952, the figure had soared to 242,692.⁸

Bookers' initiative was also very successful in respect to the reorganization of the company's diverse businesses in Guyana. Throughout its long history in Guyana, Bookers had grown without rational planning. Bookers was made up of a broad range of businesses including such diverse and unrelated operations as balata collection in the interior and hotel management in Georgetown. In Campbell's words the company was a "shapeless, incoherent

conglomeration of variegated activities."⁹ To be more accurate, this critical description was true for only Bookers' non-sugar business, i.e., drug manufacturing, petroleum marketing, taxi service, etc. In regard to sugar and its by-products, Bookers' companies formed a vertically well integrated operation. BSE cultivated the cane and manufactured the sugar. Demerara Sugar Terminals provided for storage and handling. Bookers Shipping owned the wharf and provided stevedoring and ship services. The Booker Line supplied the vessels which made the transatlantic voyages. Finally, Bookers Sugar Company and United Rum Merchants handled the marketing and distribution in the industrialized countries.

Bookers' organizational problems stemmed from the predominance of sugar over the non-sugar businesses. The chairman explained the needed reorganization as follows:

We have considerable administrative problems to solve in our British Guyana undertakings because their organization has in the past been almost wholly oriented towards sugar. As part of our reorganization scheme, we intend to ensure that our shops in British Guyana shall have the administrative attention--and thus the administrative efficiency--which their importance justifies.¹⁰

In 1951, Bookers' variegated operations were divided into five separate groups of companies each with its own Board. The explicit purpose of this grouping of companies was to increase operational efficiency. An unintended, but far-reaching consequence of this division of companies was its contribution to a new public perception of Bookers. Bookers, up to this point, had been perceived as a mono-

lithic structure--the whole personality of which was determined by sugar. The break-up into groups of companies, many with no relation at all to sugar, helped to undermine this corporate image. Gradually, Guyanese came to see Bookers as being composed of large and small companies, profitable and marginal businesses and, most importantly from the point of racial perception, as the estates versus the Georgetown Group of companies.

Campbell's efforts to revolutionize Bookers' social relations were initially not as successful as the companies technical and organizational innovations. Bookers management in Guyana remained staunchly opposed to what is perceived as Campbell's screwball ideas of social improvement and equality of opportunity. In 1946, the British Guyana Sugar Producers' Association (BGSPA) appointed its first social welfare officer primarily to organize recreational facilities for the estates' labor force. The following year the Sugar Industry Labor Welfare Fund went into operation and monies became available to improve the sub-human standard of housing facilities for sugar workers. However, despite the overwhelming needs of the population on the estates, the scale of Bookers' Social Welfare and Housing Programs remained meagre.

The Board of BSE referred to the programs as "bread and circuses."¹¹ As late as 1954, the BSE Board remained unconvinced of the necessity of Campbell's social welfare policy, let alone its desirability. Campbell knew what he was up against and in 1954 wrote to the BSE Board expressing

his concern and a warnings: ". . . I always fear that our vision and good intentions may be frustrated by the unimaginativeness of others, who will not understand the importance of doing what is to be done with expedition and good grace nor realize that time is not on our side."¹² It took even longer to get Bookers' middle management to accept the notion of a corporation's social responsibility. Middle management did not become responsive to this modern corporate philosophy until the early 1960s.¹³ By then, most of the old managers who inflexibly defended the status of the colonizer had left the company. As young, university graduates from the United Kingdom replaced these old, hard-liners, Campbell's philosophy found a more responsive audience. Nonetheless, his social policy continued to be regarded as "Utopian and over-intellectualized."¹⁴ This, as we shall see, had important consequences for the manner of its implementation.

The greatest spur to Campbell's programs of community development and nondiscriminatory employment came in 1953. First, the PPP won office. Then the GIWU, the militant trade union affiliated with the PPP, went on strike to demand recognition as the sole bargaining agent for field and factory workers in the sugar industry. Bookers was outraged by what it perceived as the impropriety of senior Government Ministers agitating for a strike in the sugar belt. As we noted in the previous chapter, the battle between the PPP Government and the sugar companies was only interrupted by the arrival of British gunboats. This time

Bookers' interests had been protected by coercive measures. The more astute in the business community and the Colonial Office realized that such could not be the case in the future. Under the circumstances, Campbell's "utopian" ideas sounded more and more reasonable to Bookers local Board members. Although Bookers threatened Guyanese that the company would pull up stakes and abandon the colony to economic ruin, this was not a realistic option. Bookers' fortunes were inextricably tied to Guyana.

In 1950, 50% of the total assets of the company were located in the Caribbean, and in the period 1951-55, 66% of the profits also came from this area. At that time Bookers' Caribbean investments outside Guyana were minimal. Furthermore, a large part of the companies other assets and activities, such as shipping, sugar marketing, supplies procurement, and the spirits business, were to a considerable extent, reliant on Guyana. Bookers was, therefore, very much bound up with the fortunes of the colony whether it liked it or not. The company was virtually forced to remain in Guyana and search for practicable solutions to its problems.¹⁵

In light of these circumstances, most of Bookers' management could now at least agree that the company's image as a rapacious colonial exploiter had to be changed. Bookers' Guyana had to be transformed into Guiana's Bookers, a company identified with the welfare and aspirations of all Guyanese.

The processes by which Bookers sought to accomplish this extraordinary reversal of public opinion is referred to as Guyanization. In a letter to Bookers' top management in Guyana, Campbell outlined the main objectives:

. . . a "foreign" industrial undertaking imposed upon the life of a people cannot gain their

confidence--and ward off their hostility--however good conditions of service unless a sense of the undertaking belonging to the country and the people can be achieved; unless, above all, the people can be brought to understand their identity of interest with the undertaking--and their stake in its success . . . In the last resort confidence, and a sense of belonging and of identity of interest, can only be achieved by real integration of the life of the industry with the life of the community--especially by jobs at all levels being available to the people of the country, and by the companies' employees taking part in the social, economic and political life of the community.¹⁶

In sum, an old British expatriate firm was to be transformed into a Guyanese institution - at least in appearance. Needless to say, no one really knew just how this was to be accomplished in 1953.

In a pioneering analysis of Caribbean urbanization, Malcolm Cross offers a powerful and controversial proposition.¹⁷ Building on George Beckford's description of Caribbean societies as dependent plantation societies, Cross posits that the transformation of large, expatriate sugar companies from their pre-capitalist to modern corporate structure is the principal determinant of patterns of urbanization and urban growth in the Caribbean region. Although we strongly disagree with Cross' contention that the expatriate sugar firms were ever "pre-capitalist" we find his conceptualization of the close relationship between the modernization of the Caribbean sugar industry and societal transformation highly suggestive. Unfortunately, Cross does not provide any data to support this proposition --for reasons he does not explain he concentrates on statis-

tical evidence of urban growth. Fortunately, our analysis of Bookers' post-war modernization does make available the type of data needed to explore the proposed relation between corporate and societal transformation.

The case of the modernization of the sugar industry in Guyana provides clear and abundant evidence that (1) the bureaucratization of a company's administration, (2) the adaptation of modern labor-management relations typified by the acceptance of trade unionism and (3) the mechanization of field operations does have far-reaching consequences for the structure and institutional development of the entire society. Not only did Bookers' modernization program accelerate the urbanization of Guyana, it also revolutionized the distribution of social roles and life chances. Unfortunately, it also contributed to the racial and political polarization of the country. Bookers intended to accelerate urban migration or, at the very least, to push thousands of redundant workers and their families off the company's land. It was also Bookers' intention to greatly increase the educational and occupational opportunities open to Guyanese. It was not, however, Bookers' intention, as many Guyanese believe, to deliberately play one racial group off against the other. Nonetheless, Bookers' post-1953 policy of Guyanization did have differential impact on Black and East Indian Guyanese.

Bookers experimented with a number of different programs. The unsuccessful social welfare program started in 1946, was injected with new funds and personnel. By 1956,

social welfare officers were busy on every estate trying to develop community councils, tenant associations, educational councils, youth clubs, libraries, film shows, cricket, athletics, and handicraft clubs. Bookers even tried to develop cooperative societies on the estates. In 1953, the Board resolved to explore the possibility of local share ownership. By 1960 action resulted. Five hundred-eighty-two employees, members of the public and local institutions bought shares in the newly created Guyana Industrial and Commercial Investments Co. Furthermore, Bookers' Chairman pledged that "Wherever and whenever suitable, it is our intention to widen the opportunities for employees and other members of the local public to hold shares in our overseas companies."¹⁸ A decade later, Bookers Store, the largest department store in the country, became a public company with the issue of G\$400,000 worth of new shares.¹⁹

In 1956, BSE launched a pilot cane farming scheme at the Wales Estate. The explicit purpose was to eventually turn over a portion of the country's cane cultivation to a class of small independent farmers loyal to Bookers. In response to the failure of the pre-1953 housing program, Campbell came up with the idea of providing low-interest housing loans to sugar workers out of the Sugar Industry Labor Welfare Fund (SILWF). With these loans, workers would build homes on land leased from BSE. The program was an immediate success and the new housing areas grew rapidly. In response to the increasingly politicized issue of land

hunger, Bookers leased over 35,000 acres between 1956 and 1965 to redundant workers, cooperatives, the government and house builders outside the estate areas.²⁰

It was not, however, these social welfare programs which had the most profound impact on Guyanese society. Rather it was Bookers' vigorously pursued training and affirmative action employment policy which quite literally changed the face of Bookers and consequentially the entire society. Prior to 1953, it did not matter what type of technical or professional training a Black or Indian had managed to achieve. There simply was no place for him in Bookers' senior staff. However, in the aftermath of the constitutional suspension, Bookers' systematically recruited Black and brown men to fill positions which had always been the exclusive preserve of expatriates, local whites and colored persons. It is difficult to convey the social and psychological revolution this represented. The colonial class structure which automatically determined a person's life chances on the basis of his or her skin color was shaken to its foundation. Bookers' new policy was to remove white expatriates from the creolized racial hierarchy and to disrespect the local tradition which placed Portuguese, coloreds, Blacks and Indians in descending order of social wealth, power and prestige.

In July, 1946, Jock Campbell wrote a strongly worded letter to Bookers' Boards in Guyana which unequivocally

stated that its companies were to pursue a nondiscriminatory employment policy. He said in part ". . . The policy of Bookers' Board is that there should be no discrimination of any sort or description whatever, against a good man merely because he is colored. We need not elaborate this as that is a clear statement of policy."²¹ Nonetheless, as in the case of Campbell's other social policy innovations, little was done until after the emergence of the political crisis in October 1953. Then the wheels began to turn and, they turned quickly. Before the end of 1953, Bookers announced it was seeking qualified Guyanese of any color for senior positions. Bookers eagerly courted Black and Indian professionals, senior civil servants and noted sports stars to join the Bookers' team. The political crisis had forced Bookers to jump beyond passive nondiscrimination to actively pursue a program of affirmative action. The 1958 Annual Report announced the turnabout, ". . . it is our absolute policy, resolutely pursued, not now to appoint anyone from outside . . . to any job for which we can recruit a Guyanese . . . with the necessary qualifications and experiences." Furthermore, recognizing that the tradition of educational and occupational discrimination had left most Black and Indian Guyanese unprepared for such opportunity, Bookers launched two major training programs in 1955. Between 1955 and 1975, Bookers spent over G\$10,000,000 on its cadetship and apprenticeship programs. When support for on-the-job training and after-hours study assistance are added on, the

figure rises to G\$20,000,000.²²

The cadetship program was designed to identify young Guyanese men and women with the secondary school training and intellectual ability to complete a program which would prepare them for the top managerial, technical and professional positions within Bookers. Every year, hundreds of applicants were screened, but only a handful were chosen. The standards were rigorous because Bookers hoped to implement this aspect of Guyanization without any loss to the company's efficiency. Applicants went through a day-long battery of tests followed by extensive interviews. Only the few who performed with all around distinction were awarded the attractive scholarships to study abroad at universities in the United Kingdom or the Caribbean.

By 1966, 80 cadetships had been awarded for the study of agriculture, accountancy, chemistry, engineering, personnel management, store management and pharmacy. Eighteen were still in training and 25 had permanently left the country or failed to complete the program. That left 37 successful graduates working in Bookers. Twenty-seven held professional posts on the senior staff, nine held senior administrative or commercial positions and one was a director of two companies within the Bookers Group.²³ Black and Indian members of the senior staff received the same salaries as their expatriate counterparts with equivalent training and experience.²⁴ In sum, the data support Mr. Haynes, Bookers' current Executive Officer, assertion that

"Guyanization was not a local window-dressing operation." Responsibility for the local operation of Bookers' businesses was handed over to local personnel. In Mr. Haynes' words, "We became invisible."²⁵ In 1953, there were 350 expatriates in 1960, 200, in 1969, 120 and in 1976 only 33.²⁶

In 1955, Bookers also started an apprenticeship training program. The purpose of this program was to provide craft and specialized skill training to manual workers for Bookers' sugar estates and its rapidly growing number of light industries. Not surprisingly, far more people were reached by this program than the cadetship program. By 1966, 391 apprentices had been selected; 150 skilled craftsman had graduated; and 170 were still in training.²⁷ Obviously, the purpose of Bookers training program was more extensive than the mere creation of a group of local men to replace the privileged expatriate stratum in Bookers. According to Harold Davis, Personnel Officer for BSE in 1967, Guyanization was a systematic effort to intensify the educational training of Bookers labor force and "to produce more skilled Guyanese at all levels and in all aspects of industrial operations."²⁸ Everyone in Bookers was encouraged to see the possibility for advancement. In addition to the formal cadetship and apprenticeship programs, there were many other informal opportunities for employees to improve their skills and education. For instance, in 1966 alone, over a thousand individuals at supervisory grades received

special training while 1,300 members of the middle and senior management also received training.

Much of this intensive drive to upgrade the educational and skill level of Bookers' labor force and its disrespect for traditional employment practices was necessitated by the company's modernization of field and factory operations. Bookers now needed men with university degrees and specialized technical training to oversee production. Notwithstanding the above, there was also a strong public relations component to Bookers training and personnel policy. As an integral part of Campbell's Guyanization program, it aimed, according to Bookers' Human Relations Committee to make "Bookers in British Guiana a Guyanese enterprise in the fullest sense, a part of the community and understood to be a part of the community."²⁹ The extent of identification the new members of Bookers' senior staff made to the company was extraordinary in view of Bookers' historic reputation. Twenty-years later and after the company's nationalization, many of these individuals--who now manage the state-owned companies--still speak of Bookers in terms of "we" and with obvious loyalty.

Not everyone, however, was equally impressed by Bookers' Guyanization program. Bookers' historic image as a loathesome employer and an evil, omnipotent political force persisted in the Indian community despite Bookers' post-1953 face lift.³⁰ Conversely, for the Black population living

in Georgetown, Bookers became the good employer and social crusader. The reasons for the divergence of opinion between the once unanimous communities are rooted in the cultural, geographic and economic differences which characterized the two racial groups.

The Black and East Indian Response to Bookers' Guyanization Program

Ex-slaves, after failing to establish themselves as an independent peasantry, developed a disdain for the land and all forms of agricultural labor. Instead, Blacks turned to the cities and mining towns where they satisfied industry's and government's need for cheap, unskilled labor. By 1960, Blacks constituted roughly half of Guyana's urban population. The dream of every Black family was for one of its children to achieve a secondary school education--perhaps then he could win a government scholarship and go abroad to study law or medicine. Needless to say, precious few realized this dream of upward mobility. Nonetheless, a strong motivation towards academic achievement and a firm commitment to British values were cultivated in the Black community. Slowly, a small, Black intelligentsia emerged. By way of education and cultural orientation, this section of the local middle class was ready to fill the newly opened senior positions at Bookers. Members of the Black educated elite were the first to join Bookers' top staff in the aftermath of the 1953 crisis. In a less dramatic manner, the Black urban working class saw new opportunities unfold

as Bookers' shops increased in size and number and the company expanded into a new light industry.

Because of Black peoples' heavy concentration in the urban areas, Georgetown in particular, they saw the better side of Bookers' Guyanization program. Indeed, Lloyd Searwar advised Bookers that the Georgetown focus of its efforts represented its major drawback. More precisely, this urban focus helped to explain the persistence of the company's negative image in the Indian community. Most importantly, however, it contributed to the arguments of Indians who accused Bookers of being in collusion with the Blacks and the PNC.³¹ Although this was not we believe the case, Bookers' Guyanization programs definitely did show an urban bias. The new expatriates selected by Jock Campbell to implement his radical ideas concentrated their energy on Georgetown and Bookers' companies there.

John Huddart, a labor relations specialist, was hired by Bookers after it dropped its historic opposition to trade unionism to smooth the transition to a modern system of labor-management relations. In 1959, Mr. Huddart arrived in Georgetown as Bookers' first Personnel Director. His primary goal was to prevent the development of the kind of unified political-trade union complex which was sweeping the colonial territories. In its place he encouraged the growth of unions which strictly limited their activities to industrial concerns. With this purpose at heart, he provided training and advice to Bookers' managers and many trade union lead-

ers. Mr. Huddart considers his stay in Georgetown a success. When he arrived in the city in 1959, less than 10% of its labor force was unionized. When he left in 1965, over 90% was. Although explicitly geared to discourage workers from using political methods to defend their economic interests, Bookers' new industrial-relations program did result in improved wages, benefits and other conditions of employment.³² Employees of Bookers' Stores and urban industries enjoyed higher wages, greater security and benefits than did their counterparts in other privately owned businesses.

With similar efficiency, Bookers stripped its Georgetown management of the mystique and social aloofness which had always characterized this powerful elite. This was Tony Tasker's job as Bookers' first Public Relations Officer. He was sent from London with instructions to break down the traditionally impenetrable barriers between the community and Bookers' elite. According to Mr. Tasker, his job was to explain Bookers to the Government and the community and to promote participation by Bookers' top level people in all aspects of community affairs. They were to make their expertise and experience freely available to Government and civic groups to promote the country's all around development. Moreover, all of Bookers' senior staff members were encouraged to socialize with the native population.³³ One can only appreciate what a revolution this represented when it is recalled that as late as 1956, senior staff members

were still required to obtain permission to leave the estates even when off duty. The old expatriates and local whites bitterly resisted this violation of the colonial taboo against social mixing of the races. The young expatriates became the toast of the town in the eyes of the Black and Indian communities when they danced with Black and Indian women in public. The cumulative impact of these policies were precisely what Bookers was looking for:

. . . here the whole field of operations has become visible for the first time. People in Georgetown know what is happening in Bookers; it is no longer unusual to meet senior executives socially. It is no longer unusual to know, personally even a Director of Bookers.

Most importantly,

Where before Bookers and sugar or planters meant more or less the same thing in Georgetown as in the country, today Bookers for people in Georgetown mean mainly shops and industry and so on. The sugar aspect of the image has receded.³⁴

Indians, however, represented only 22% of the urban population and for the majority of Indians still in the countryside, Bookers' image as the loathsome King Sugar did not change.

Indians replaced African slaves as the most exploited group of workers in Guyana. But, unlike the Blacks, ex-indentured laborers did not divorce themselves from the land. The reason was quite simple. Whereas the planters had ruthlessly crushed every effort by ex-slaves to establish successful farming communities, they actively support-

ed the development of an Indian peasantry. Ex-indentured workers were offered free tracts of lands near the estates in order to keep an abundant supply of cheap labor at hand. Thus began Guyana's rice industry. Even where African labor had remained on the sugar estates, the difference between the two groups was significant. Factory labor, particularly the skilled categories, was performed by Black, hourly workers. On the other hand, the unskilled, piece-rated fieldwork was reserved for Indian workers.

Not surprisingly, Bookers' expansion and modernization of the sugar industry had a very different impact on Blacks and Indians. The urban population was largely indifferent. Moreover, while Black sugar workers, concentrated in the factory, could benefit from the apprenticeship training school at Port Mourant, Indian workers, concentrated in the fields, were pushed out by the advance of mechanization. Bookers recognized that its mechanization program was throwing people out of work at a time when unemployment was already at a critical level; but, Bookers argued it was the only way to make the industry internationally competitive and profitable and to improve the standard of living of an admittedly reduced labor force. Between 1952 and 1960, the number of sugar workers dropped to 20,480 from 28,352. Thus, in less than a decade, the sugar industry, which had traditionally supported the Indian community contracted its workforce by an amazing 28 percent.³⁵

Moreover, Bookers disclaimed any responsibility for the relocation and welfare of its redundant labor force. In Bookers opinion, "The problem of redistribution of the population and the development of opportunity for other work for persons who are redundant on the sugar estate is one for Government - it is clearly beyond both the resources and the authority of the sugar industry."³⁶ The Indian community was outraged. For generations, the estate managers and overseers had controlled every detail of the worker's life. However, miserable and inadequate, the company had provided housing, health care and when necessary food. Change was occurring so quickly that neither side had time to adequately adjust. Jayarwardena studied patterns of conflict on two of Bookers' estates in the late 1950s. He observed the following:

While, on the one hand, the laborers are asserting their position in a nationwide class of "poor people" they have not relinquished their claims to protection by management from the vicissitudes of the labor market. Again, while managers have renounced their former obligations to look after their laborers, they have not relinquished their claims to authority in extra-industrial affairs.³⁷

Searwar offered a similar observation to the Georgetown Chamber of Commerce. He told the group, largely composed of Bookers executives, that despite the important changes on the estates, the symbols of colonial exploitation, for instance, the managers' big house and the separate living and recreational facilities for senior staff, remained highly visible.

Furthermore, Searwar explained that the desperate "land hunger" in the rural communities made it inevitable that Indians would object to Bookers' post-war expansion. Indian and Black farmers had always resented Bookers for having legal title to the country's most fertile land much of which the company did not even cultivate. In this regard, it is noteworthy that Bookers negative image also persisted in the rural Black communities. Watching Bookers bring thousands of new acres under cultivation stoked the fires of their long-term resentment. In addition, Bookers' new cane farming project, started in 1956, failed to satisfy the Indian's land hunger. The overwhelming negative features of the cane farming scheme³⁸-- the infertility of the scattered lands offered to cane farmers at high rents, the exorbitant rates charged for inputs, mechanical services and credits and the tight paternalistic supervision of production-- simply reinforced the hatred Indians felt for Bookers. Likewise, Bookers' description of its community development projects in the new housing areas made for good public relations in Georgetown but failed to impress the Indians living in the communities who had to struggle with the gross inadequacy of the company-provided community services and facilities.

Nor was Bookers' image significantly improved with the Indian middle class. The traditional Indian dream of upward mobility was to become a large landowner, rice miller or shopkeeper. Land and productive property (versus the Black

dream of education) were held to be the keys to success. Thus, in contrast to members of the Black intelligentsia who leaped at the opportunities to join Bookers' top management, the Indian middle class, coming from a background of petty bourgeois ownership, held back. In 1959, five years after the start of the cadetship program, Bookers reported with obvious disappointment that, "Good progress with Guyanization is fairly obvious with Negro-Guyanese, but we have a long-term difficulty in bringing Indian-Guyanese into responsibility."³⁹ Eventually, Bookers did attract young, capable Indians who became devoted members of its senior staff, but, overall relations with the Indian middle class remained strained. Indeed, Indian merchants and shopkeepers became Bookers' most fierce competitors. They resented Bookers' expansion in the distributive sector and the rapid growth of Bookers' light industries. In response, they mobilized "race and political feelings in salesmanship"⁴⁰ and organized a separate Chamber of Commerce. This Junior Chamber of Commerce sought to reorient the colony's trade away from the United Kingdom to noncommonwealth territories. Furthermore, despite its capitalist ideology, the Junior Chamber of Commerce supported the PPP.⁴¹ In its struggle with monopoly capital, the Indian petty bourgeoisie (in the traditional use of the term) formed an alliance with the anti-capitalist PPP.

Bookers' Suppression of Democratic Trade Unionism

Bookers' most flagrant affront to the economic interest and democratic rights of the Indian population came in the form of the company's trade union policy. Bookers was determined - at almost any cost - to deny GAWU, the Guyana Agricultural Worker's Union, its rightful status as the official bargaining agent for field and factory workers. GAWU was unacceptable because of its close affiliation with the communist PPP. Despite Jagan's intermittent conciliatory statements, both the PPP and Bookers understood that the party would nationalize the industry and, in the meantime, could be depended upon to support demands for enormous wage and benefit increases.

As an alternative to GAWU, Bookers put its power and resources behind the emasculated MPCA. According to Reno, this support was more instrumental to the union's survival than that of the American CIA and AFL-CIO or the British Trade Union Congress.⁴² Nonetheless, Bookers claimed neutrality in the jurisdictional battle between the MPCA and the GAWU.

Bookers' position in this dispute, as in 1963, is intensely difficult. It is our policy to work with established trade unions and to fulfill recognition agreements with them. And we recognize the right of workers to be represented by the unions of their choice: the problem is how fairly to elicit their choice. When there is conflict between union and union, and between Government and recognized unions, our actions fall between the crossfire of mutually exclusive forces.⁴³

This was nonsense and today Bookers' executives admit that the company knew all along that GAWU had the overwhelming support of workers. But, until the early 1970s, they were also convinced that GAWU's recognition would destroy the industry.⁴⁴

Therefore, an essential but unpublicized aspect of Bookers post-1953 program was an effort to destroy the PPP's union in the industry. As part of this effort, Bookers reversed its historic opposition to trade unionism and pumped new life into a union it had once bitterly opposed. The level of Bookers' support for the MPCA was in direct proportion to the perceived threat of Jagan and the PPP. For instance, when constitutional government was restored in 1957 and the PPP won re-election, Bookers decided to grant the MPCA the privilege of an automatic dues check-off. The BSE Board explained its policy reversal as follows, "If the financial underpinning, which it was expected check-off would give the MPCA, was not forthcoming, it seemed likely that Ishmael [MPCA's: Secretary] would be forced to try and out-Jagan Jagan . . . On the other hand, if he could have the strength which would spring from check-off, we could expect . . . his willingness to work constructively . . . would grow in proportion "⁵² In short, sugar workers were locked into the membership of the MPCA. "As matters stood . . . MPCA representation could be changed only if a majority of workers went individually into company offices and signed withdrawals from the MPCA dues check-off. Workers were

reluctant to do this, since firings of PPP supporters were fresh in their minds, and mechanization made the fear of lay-offs even more real."⁴⁶

GAWU had always taken the position--legislatively expressed by the PPP as the Labor Relations Bill of 1953 and 1963 - that workers had the right to select their union representatives by way of secret ballot. Therefore, in the case of a jurisdictional dispute, the union with majority support would be determined by a democratic election. Not surprisingly, the MPCA rejected this position and argued that majority support should be decided by the company and the Department of Labor after an examination of the unions' membership books. Bookers agreed with the MPCA; and Tony Tasker, Bookers' Public Relations Director and appointed member of the legislature, opposed the Government's Labor Relations Bill of 1963, which would have led to union elections in the sugar industry.

In the aftermath of an 80 day strike led by the TUC (under the leadership of Richard Ishmael, the PNC and the United Force) the PPP was forced to withdraw the labor bill. In rage and indignation, 14,000 sugar workers signed letters resigning from the MPCA and naming the GAWU as their bargaining agent. Still, Bookers refused to budge.⁴⁷ A strike call was issued on February 17, 1964. Then suddenly the trade union struggle was transformed into a bloody civil war when the companies brought in Black scab labor.⁴⁸ "In

any other country with a homogeneous population" Jagan pointed out, "it would have been strikers battling against scabs in an industrial dispute. In Guyana, because the strikers were mainly Indian and the scabs mainly African, an industrial dispute turned into a racial war."⁴⁹ The conflagration in the sugar belt quickly engulfed the entire country as rumors spread and Indian and Black communities exchanged deadly attacks. According to Aston Chase's firsthand account, "Bombings, shootings and savage assaults were the order of the day. Arson was rampant . . . Physical partition in certain areas came into being with the rapidity of lightning."⁵⁰ The carnage lasted six months. In the end, 176 people were dead, 920 were injured and 2,668 families were forced to relocate. Property damage was placed at \$4.3 million.⁵¹

This tragic episode represents a watershed in Guyana's social and political development. It finalized the process of racial polarization which began with Burnham's departure from the PPP and his creation of a separate Black party. As a consequence of the trade union struggle in the sugar industry, the two racial groups realized their worst potential and dissolved their recent unity in attempted genocide. Hereafter, racial hostility and fear became the most important features of Guyana's political life. Not surprisingly, Jagan held the PNC responsible for much of the terrorism. He claims that, "the reign of terror in George-

town was halted when the police accidentally raided the hotel room of a PNC activist . . . and found arms, ammunition and explosives."⁵² What Jagan does not stress is the fact that the sugar strike began only after major demonstrations led by the PPP had failed to force the Colonial Secretary to rescind his decision to impose proportional representation on Guyana. Clearly both parties were exploiting the sugar workers' struggle for their own political ends.

Bookers' Political Strategy

The PPP accused the PNC and Bookers of collusion. There is no hard evidence to support this charge. Instead the data indicates a number of points at which the interests and actions of Bookers and the PNC converged. Despite the rumors of collusion in the Indian community, Campbell and the new expatriates actually preferred Jagan to Burnham. Burnham was seen as an arrogant, brooding and race conscious man, opportunistically seeking the fruits of political power. He was an orator without equal but, Bookers' new managers detected an absence of any consistent political philosophy. In short, they felt he lacked integrity. On the other hand, the new expatriates considered Jagan an affable and honest man with deep political convictions. Indeed, Campbell and his young associates sympathized with many of the PPP's goals. Nevertheless, they also found Jagan the embodiment of incompetence, recklessness and shallow Marxism. According to Tasker, Jagan would have

wrecked the economy if his party had continued in office. "He never got anything done . . . No one, but Jagan would have been so stupid as to submit the Kaldor Budget without revisions."⁵³ There were also serious policy differences between the company and the party. Firstly, the PPP was determined to build its political-trade union springboard in the sugar industry. This meant that the party would do everything within its power to secure recognition for the GAWU. Secondly, the PPP opposed membership for Guyana in the West Indies Federation. In its place, the PPP Government had strengthened ties with Latin America, particularly Cuba. At the time Searwar observed, "There is a good deal of evidence that such links are being cultivated as a deliberate counter-weight to the attraction of the West Indies Federation. If this trend continues and there is every indication that it will, it might subject trade relations with the West Indies and the Commonwealth to a degree of strain."⁵⁴ Needless to say, this was totally unacceptable to a United Kingdom based company with operations scattered throughout the Commonwealth and hoping to find lucrative business opportunities in the West Indies Federation. Thirdly, the most significantly, the PPP was committed to a model of economic development based on public ownership of large scale industry, in part, their sugar industry.

Officially, Bookers took a position of political neutrality during the turbulent years of the early 1960s.

Bookers neither publicly supported any political party nor the attacks upon the PPP Government launched by the opposition parties, the Trade Union Congress or the Georgetown Chamber of Commerce. For instance, Bookers did not join with other Chamber of Commerce merchants when they locked out their employees in support of the strike against the Kaldor Budget. Moreover, Bookers kept its stores and factories in operation during the nationwide strike against the PPP's 1963 Labor Relations Bill, which would have forced the recognition of the GAWU. Many of Bookers' old managers accused Jock Campbell of betrayal. Despite the resistance, Campbell persisted "We must now, in keeping with off-stated policy to work with and to serve the Government of the day, do all we can to work with the new system well."⁵⁵ Thus Bookers ironically became an island of stability during the crisis surrounding the Kaldor Budget and most surprisingly, the 80-day strike against the Labor Relations Bill.⁵⁶

But, of course, the major political parties--the ultra-conservative, pro-capitalist United Force, the ideologically ambiguous Peoples' National Congress, and the communist Peoples' Progressive Party - were not all equally acceptable to Bookers. Despite Bookers' official neutrality, deliberate efforts to dissociate itself from the United Force and the London Office's insistence that the company stand clear of the subversive activities aimed at the PPP Government, political favoritism was apparent. Old expatri-

ates, local whites, Portuguese and colored managers openly expressed their support for the United Force. More importantly from the perspective of Bookers' future in Guyana was the fact that the majority of the new Black senior staff members were also members of the PNC's vanguard. For instance, Harold Davis and George King were PNC activists. At the time, Mr. Davis was a Personnel Officer for Bookers. He rose to become the Personnel Director for Bookers' Sugar Estates, Chairman of the Association of Guyanese Industries and Second Vice President of the Employers' Confederation. Today, Mr. Davis is the Chairman of the state-owned sugar corporation, GUYSUCO. George King was a manager of one of Bookers' Stores in the early sixties. He was later appointed to the Board of Directors of Bookers' Stores and served as an active member of the Georgetown Chamber of Commerce. In 1973, Mr. King left Bookers with the blessing of the company, to become the Minister of Trade and Consumer Protection for the PNC Government. In an ironic twist of history, the former Booker Board member ended up on the Government's negotiating team during the acquisition proceedings. Ms. Winnie Gaskins was the editor of Bookers' News and chairperson of the PNC. When the PNC rose to power in 1964, she became Minister of Education. Finally there is Ptolemy Reid, always second in command to Burnham, but rumored to be the real power within the PNC regime. He was also once a Booker Board member. We believe this transfer of senior staff members from the company to Government

helped to maintain the alliance between Bookers and the PNC for so long. To many within the ruling party, Bookers was not an alien capitalist firm ripping off the country. On the contrary, due to the company's success in Guyanization, they had become privileged members of the Booker team and remained closely identified with the company.

The picture was quite different from the perspective of the Indian population. Any senior staff member who supported the PPP was obliged to keep this information private or face the loss of employment.⁵⁷ Obviously, Bookers saw the PPP as inimical to its interests in the same way that the Indian community saw Bookers. Thus when Jagan sought to discredit the PNC with Indian voters he alluded to the fact that many of the party's leading personalities were members of Bookers' top management. Just as importantly, this difference between the parties indicated that the PNC was ready to be seen as allied with Bookers:

As a highly successful politician, Dr. Jagan must know whether or not such statements have force with his supporters. But, there is a second and even more important conclusion that I wish to draw. The fact that the Editor can hold office in a political party and that the repeated accusations of Dr. Jagan does not appear to worry that party, must also mean that for another large section of the community, the bad historic image of Bookers has changed and given place to a far more favorable image, an image which can be reconciled to one of the main streams of our political life and aspirations.⁵⁸

It therefore, comes as no surprise that Bookers proposed the constitutional revisions which brought the PNC to

power in 1964. It was Anthony Tasker, then Chairman of the Booker Group of Companies, who suggested a system of proportional representation to the Colonial Secretary as a way out of Guyana's political crisis. The PNC was the logical choice for a number of reasons. Firstly, the United Force, the political standard-bearer of the capitalist class, was out of the question. Bookers had long recognized that "Nothing but a progressive, radical and nationalistic party - with virile leadership - can capture the imagination of the people."⁵⁹ Secondly, the PNC, despite radical rhetoric was obviously pro-Western and open to pursuing a capitalist development strategy. The party was a strong supporter of the proposed West Indies Federation and continued membership for an independent Guyana in the Commonwealth. Whereas, the PPP labored to develop ties with Latin America and the Eastern bloc, Burnham was content with the status quo. "We all know that developing countries are seeking economical aid and assistance, and if there is a nation with which there have been ties, I can see no objection to seeking such aid and assistance therefore."⁶⁰ Given the choice between two rival imperialist blocs, the PNC sided with the Western industrialized nations. Unlike the anti-capitalist PPP, the PNC promised to develop Guyana in partnership with multinational companies and local private capital.

In addition to this generally pro-capitalist orientation, the PNC and Bookers shared specific interests in the

sugar industry. Both were equally committed to the continued suppression of GAWU. On the one hand, Bookers was convinced that GAWU's recognition would mean economic ruin and the company was prepared to forego immediate profits in order to ensure its survival in the industry. On the other hand, the PNC recognized that GAWU's victory would be a tremendous boon to the PPP. Thereafter, Jagan would quickly gain control of the National Trade Union congress and with that type of trade union strength, the PPP would be virtually in control of the economy and politically invincible. As the ruling party, the PNC also had economic as well as political reasons for opposing the GAWU. After bauxite, sugar was the next largest contributor to the Government's treasury. Production stoppages not only threatened company profits, they also reduced tax revenues. Therefore, we do not have to posit collusion between the PNC and Bookers in order to explain the policies pursued by the PNC (as the opposition or ruling party) in the sugar industry.

Burnham's "De-Colonization" of the Sugar Industry

By virtue of Bookers' positive image within the Black community, the privileged status of several PNC leaders in the company's hierarchy, the party's opposition to GAWU, and the economy's heavy dependence on sugar, Burnham was ready to cooperate with Bookers. Several years later, Bookers Chairman proudly described the alliance between the company

and the Government in glowing terms to the New York Sugar Club:

Guyana alone of the countries in the West Indies is continuing to expand its sugar production. It shows what can be done when private enterprise and government work together for the development of a country's natural resources. No industry could have greater understanding and support than we have had from the government under Prime Minister Burnham.⁶¹

Shortly after assuming office, Burnham met with the Chairman of Bookers and the Demerara Company to discuss his "de-colonization" policy for the sugar industry. The most remarkable feature of the proposal was the extent to which it resembled Bookers' on-going Guyanization program. Campbell explained the objectives of "de-colonization" in practically the same terms he had previously used to describe Guyanization. "By this concept we all mean the fuller integration of the industry with the community, to avoid its standing out--in light of its past history--as an alien organization superimposed on British Guiana."⁶² The Governments' program was basically four pronged. It sought (1) to expedite the replacement of expatriate staff by Guyanese; (2) to expand the cultivation of cane by peasant farmers; (3) to develop a proper relationship between the sugar estates and a proposed system of local government and; (4) to acquire a minority shareholding for Government in Bookers' companies in Guyana.

The first two proposals presented no problems. Bookers was, by now, thoroughly convinced of the advantages of a total Guyanization of its staff and expansion of cane farming despite the latter's reduction of company profit.⁶³ Furthermore, Burnhams' assurances that the company could continue its mechanization program meant that much of the loss due to cane farming could be made up elsewhere. Thus "Bookers struggled to meet the government's social goals by raising the proportion of cane bought from farmers to 10% of the total output."⁶⁴ Government accepted Bookers' argument that peasant cane could not exceed this proportion of production without jeopardizing the international competitiveness of Guyana's sugar industry.

There is also evidence that the PNC was not enthused with the idea of cane farming in the first place. The PNC's unemployed supporters were not going to leave the cities even if attractive terms were offered to prospective cane farmers. Therefore, when the National Cane Farming Committee was established in 1965, it was allocated a mere \$4,182. In 1969, the sum was increased to \$5,000 and in 1970, the year Guyana became a Co-operative Socialist Republic, the Committee budget rose to \$25,000.⁶⁵ Cane farmers, like sugar workers, are PPP supporters; thus, the Government is not eager to increase their number or organizational strength. In 1970, the Guyana Cane Farmers' Association, which represents the majority of cane farmers and is affiliated with the PPP, was excluded from the membership of the

National Cane Farmers Committee. Moreover, members of that Committee were "hand picked" by the Government.⁶⁶ Brian Scott concluded that "Bookers' interest in cane farming was social and political rather than economic."⁶⁷ It also appears that the PNC's motivation was basically public relations.

The next item on the Government's agenda, the development of local government was more ticklish. Historically, sugar planters had always opposed the development of a system of local government. They objected to the payment of local taxes and feared the loss of the complete autonomy they enjoyed in the countryside. Sugar was the King and BSE preferred to foot the bill of providing community services rather than surrender its power.⁶⁸ When PNC Government met with resistance it proceeded cautiously. The dual process by which Bookers was relieved of its responsibility and authority in the sugar workers' communities took roughly a decade to complete. Although Burnham made the initial proposal in 1965, Bookers did not submit to local taxation until 1970. In 1972, Bookers began to transfer legal title to the lands in new housing areas to the government and to make payments to the emerging local authorities from the Sugar Industry Labor Welfare Fund (SILWF) for the provision of community services. In 1973, the local authorities received more than \$73,000 from this source.⁶⁹ It was not until 1974 as the PNC's radicalism approached its high point, that the local authorities assumed complete control

over the lands, and all civic works in communities previously controlled by Bookers.⁷⁰ Furthermore, in the opinion of B. Scott and the PPP, this aggressive policy of the PNC in regard to the industry's control of land and the special funds was not so much directed against Bookers as against unorganized squatters who were seizing the company's land.⁷¹

The Government's final recommendation--that it become a minority shareholder in Bookers' Guyanese businesses--was quite acceptable to Booker. Understanding that Government participation would make Bookers less vulnerable to political attack, Campbell had already proposed to Jagan and to Burnham that the Government should become a junior partner in the company.⁷² Furthermore, Campbell could assure Bookers' expatriate owners that "The Prime Minister has made it publicly plain that there is no question of interference with the operational and technical management of the industry."⁷³ The London Office has no record of why these negotiations failed, but Edgar Readwin, then Chairman of BSE, claims they broke down because Burnham insisted that the shares be given to the Government. Be that as it may, the PNC Government did not again discuss the acquisition of Bookers' shares until the time of nationalization in 1976.

When in 1970 Burnham announced Government's decision to seek 51% of foreign businesses, the Sugar Producers Association (SPA) publicly responded with understanding and

confidence. The Chairman of Demerara Company cautioned against the hysteria which was sweeping the private sector.

As we understand it, Government intends to have meaningful participation in the development of its natural resources whatever these may be and meaningful participation can take several forms to suit a variety of conditions.

What I am concerned about is the way in which Government's intentions have been misunderstood and I think this has led to a widening gulf in 1970 between the private sector and Government. This is a sad state of affairs and no good to anyone. It is particularly unfortunate because it seems to me almost every private trader seems to be of the belief that Government wants 51% of his business and I know this is simply not so.

On the other hand, I think some of the business community have got to wake up and realize we are operating in 1970 and not 1960"74

Nor did SPA panic when the Government nationalized the Canadian Bauxite Company. A confidential memo, written by a Guyanese staff member responsible for interpreting political developments to the London head office, coolly projected that "the sugar industry as a private enterprise is unlikely to last longer than three to five years." This prediction was made in June, 1971; Bookers was nationalized in May, 1976, exactly five years later. According to this intelligence source, Alcan had been taken first because of its repugnant colonial practices and the concentration of PNC supporters in the mining communities. Bookers had survived this long because it had shaken its historic image as the oppressive King Sugar (for the Black population at least) and could hang-on even longer by continuing to pursue its

multifaceted Guyanization programs. The Government was gaining both financially and politically by leaving Bookers in control of Guyana's sugar industry. As we will shortly see, Bookers' intelligence was correct. The PNC Government did not disrupt its mutually beneficial arrangement with Bookers until external market forces significantly altered the costs-benefit ratio.

According to Bookers current Chief Executive Officer, Burnham knew "he had an efficient milk cow which he left alone."⁷⁵ Notwithstanding his increasing attraction to radical solutions to Guyana's economic problems, Michael Caine points out that Burnham remained very clear on the fact that Bookers was running the most efficient and profitable sugar industry in the Caribbean. While Jamaica's sugar industry, dependent upon peasant cultivation, had steadily declined, Guyana's industry had flourished in the hands of expatriates. Sugar and its by-products represented roughly a third of the country's exports and contributed more than 25% to Guyana's foreign exchange earnings. In Guyana, sugar remained the "sheet anchor" of the economy.

Bookers and the Government had worked well together to expand the industry. In 1965, Bookers had 75,000 acres under cane. By 1972, 106,000 acres--all of the arable land owned by Bookers--was being cultivated. Bookers turned to the Government for assistance. Burnham did not disappoint

them. Bookers' Chairman brought good news to the 1972 shareholders meeting:

It is encouraging to be able to report that earlier this year the Prime Minister of Guyana referred to Bookers' role in Guyana as "the expert growing of sugar cane, the technologically up-to-date manufacturing of sugar, and the efficient marketing of this commodity in markets of the world in keeping with Guyana's needs and commitments." Mr. Burnham added that this Government would "insure that sugar is allowed, encouraged--indeed spurred--to expand its production and made a definitive contribution to the employment and feeding of our people and to the growth of our economy. We are prepared to give leases to Bookers for expanded cane cultivation."⁷⁶

Even as late as September 1975, Bookers had plans to further expand its acreage and to open a new factory at Skeldon. This, in the opinion of the Minister of Economic Development, Desmond Hoyte, demonstrated Bookers' continued confidence in the economic future of Guyana and in the policies being pursued by the PNC and the Government.⁷⁷ Hoyte overstated the case; nonetheless, despite the 1971 prediction of impending nationalization and the PNC's Marxist-Leninist departure, Bookers did feel that it had at least another three years of life in Guyana.

Bookers and the Government verus the Sugar Workers

Clearly, Bookers and the PNC Government were agreed that output should be increased. However, greater acreage and technical efficiency are alone not enough. A cooperative labor force--albeit of reduced size--is still needed for production. This was the one thing that Bookers' multi-faceted Guyanization program had failed to achieve.

The vast majority of sugar workers remained bitterly opposed to the company and ready to disrupt production whenever called upon by their political and trade union leaders. It would be a grave error to attribute this support to blind racial or political loyalty. Sugar workers had ample reasons for their deep resentment and pattern of disruptive behavior. Mechanization, a policy pursued by Bookers "with the primary objective of benefitting the company,"⁷⁸ had decimated the ranks of the sugar labor force at the same time that Bookers' malaria eradication program had decreased the mortality rate of the rural population. "In 1953, there were 83,000 people of all ages and conditions, living upon the estates - yet the total labor force required was about 27,000, of whom 8,000 came from surrounding villages."⁷⁹ Bookers' approach to the problem was basically four-fold. Firstly, it sought to develop a smaller, permanent and better paid labor force. Bookers was very explicit on this point. While it welcomed the opportunity to improve the standard of living of sugar workers, such improvements would have to be paid for by making the industry more efficient.⁸⁰ Booker hoped that the resulting privileged group of workers would be both content and loyal. Secondly, management tried to spread the existing work around. This, Booker quickly realized, only spread the discontent.⁸¹ Thirdly, Bookers endeavored to have the redundant labor force removed from the estates with Government assuming responsibility for developing housing and employment oppor-

tunities for the displaced. In sum, none of Bookers attempts to reform its relationship with sugar workers were very successful.

Bookers' post-crisis trade union policy was the least successful aspect of its Guyanization program. The sugar estates remained fertile fields for GAWU and PPP activists. Bookers efforts in the sugar industry to channel the wave of the trade union activity into a non-political direction was a total failure.⁸² Personnel managers were placed on every estate to oversee the replacement of colonial patterns of labor-management relations with new techniques of scientific management. Nonetheless, workers continued to support Jagan's brand of political-trade unionism. Thus, despite the reforms of the fifties and sixties, Bookers still could not control GAWU's power. More so than ever, Bookers needed the cooperation of the Government.

Burnham's Government was happy to oblige. In the words of a senior officer of the Ministry of Labor, "The employers, finding themselves inadequate to deal effectively with a politically based union, continued to recognize the MPCA with the sympathetic support of the government who clearly recognize this danger of allowing this vital industry to be controlled by its opposition."⁸³ Publicly, Government played the role of neutral conciliator. According to the Deputy Prime Minister, the Cabinet's policy was to keep the scales balanced between the MPCA and the GAWU.⁸⁴ Consequently, although the Minister of Labor agreed that workers

had the right to a union of their choice, he also held that it was not the responsibility of Government to grant such recognition. That was a matter for the sugar employers.⁸⁵ In private, however, Burnham was quite straightforward about his desire to keep Bookers as a buffer between his Government and the opposition and to keep GAWU unrecognized. "Why should he tarnish himself by directly fighting Jagan?" observed Bookers Chief Executive Officer. "Year after year we faced the workers for him." Indeed the Government opposed the GAWU at one point when the SPA had decided it would be easier and less costly to recognize the union. This temporary rift between the SPA and the Government developed in 1970 when the Government still placed its political goals in the industry ahead of economic considerations.⁸⁶ According to Norman Semple, Guyana's Chief Labor Officer, "The MPCA had a sweet thing going." Workers were forced to join the union and pay dues. Those who refused were denied work on the estates. Furthermore, if they came to the Ministry of Labor to complain, they received only a "deaf ear." They's be forced to go back and join the MPCA.⁸⁷ No wonder the MPCA always supported a membership survey and offered its membership books to the Ministry of Labor when challenged by the GAWU. Nonetheless, Government found it increasingly difficult to deny GAWU's demands for recognition. Despite an officially large memership and a fat treasury, the MPCA had absolutely no control over the labor force. Communications between the MPCA and the

workers had totally broken down and union officials could only visit the estates with Government escorts. Furthermore, by 1969, the economy was in serious trouble and Government could less and less afford costly strikes. A new policy for dealing with strikes was needed. Burnham was ready to listen to a controversial argument put forward by his new Minister of Labor, Winslow Carrington. Minister Carrington, a graduate of the American Institute for Free Labor Development, argued that the disruptions which were crippling production in the sugar industry could be eliminated or at least significantly reduced, if the GAWU was granted recognition.⁸⁸ This was a highly unusual argument within PNC circles, yet it had obvious appeal. Hopefully, a collective bargaining agreement would institutionalize the conflict and compel the GAWU to observe established procedures for handling workers' grievances. Not surprisingly, the Cabinet was not totally convinced. In place of an official bargaining status, the GAWU was granted de facto recognition. With this stratagem, the PNC government sought to appease the GAWU and to preserve the MPCA, its long time ally, as the sole official bargaining agent for the sugar workers. In essence, the Ministry of Labor became the bargaining agent for the GAWU. GAWU would call a strike and the Ministry would immediately intercede and demand a meeting with management to discuss the union's grievances.⁸⁹ The Minister of Labor and his staff would regularly "tramp through the slushy dams and muddy swamps" to negotiate

directly with sugar workers in efforts to settle their grievances. Harry Lall, President of the GAWU, could reach Minister Carrington at any time.⁹⁰ For a brief period it appeared as though the new policy of working with the GAWU had reduced the level of strike activity. However, by 1970 it was clear that the PPP was not satisfied with mere de facto recognition.

As the dictatorial tendencies of the PNC's rule became more pronounced, the PPP was forced to increase its reliance upon the GAWU. In addition, the spiraling economy crisis of the early 1970s augmented the GAWU's economic power. Firstly, the projections for sugar prices were very good. Secondly, the Government was in desperate need of foreign exchange to meet its inflation driven import bill. It appeared that "the only way that the balance of payments can be brought into line is by an all out effort to produce as much sugar as possible..."⁹¹ The PPP quickly responded to these economic and political trends and prepared the sugar workers for a "titantic battle." Jagan told workers that "they must recognize the need to adopt new tactics and prepare themselves to strike again and again" ⁹² At the same time, a PPP spokesman justified the party's leadership of strike activity to the country on theoretical grounds. The party was, he contended, following the teachings of Lenin who had taught that all class struggles are in essence political struggles. Moreover, since politics is the concentrated expression of economic contradictions,

trade union struggles were the first step toward political consciousness. In sum, the PPP was quite explicit about its intention to wage its political attack against the PNC through the trade union struggle within the sugar industry.⁹³

It was apparent that although the Government was prepared to accept the GAWU, it was not yet ready to deal directly with Jagan and the PPP in the industry. Many in Burnham's Government still agreed with Richard Ishmael, President of MPCA. Ishmael accused the new Minister of Labor of undermining his union and warned the Government that his "ill-considered approach" would result in economic ruin and further political instability. "If he [the Minister of Labor] does not know that the PPP has laid a trap by which they hope to control the sugar industry and bring about economic strangulation in the country, then he is well advised to know the facts as they are."⁹⁴ In short, Ishmael was warning the Government that if it followed Carrington's advice to betray its long-term alliance with the MPCA it would open Pandora's box in the industry. Notwithstanding, this obvious political threat, the Government had few other options. Consequentially, the Government's efforts to curtail the production stoppages without recognizing the GAWU became more desperate and brought it into increasing conflict not only with the GAWU and the MPCA but the Trade Union Congress (TUC) and the SPA as well.

For instance, as part of its effort to maintain its role as neutral conciliator, Government had relied heavily upon advisory committees and/or commissions of inquiry. However, the response proved inadequate to handle the problems. From 1965 on, every wage and bonus negotiation broke down necessitating the appointment of an independent body to investigate and make recommendations.⁹⁵ The crippling recognition strike of 1970 thoroughly exposed the folly of strategy. In an editorial entitled "Teams and Tomfoolery" a correspondent cynically mused that,

Indeed the appointment of a new committee before the older ones have completed their tasks, necessarily predicates the failure of the older ones to do their jobs. By the same token, I may expect that this latest committee, by inference, forefated to abortion, has its successor ready on the assembly line . . . I am wedded without expectation of divorce to the belief that legislation is the only answer to the plight in which sugar stands.⁹⁶

Lucian was referring to the controversial Zaman Ali Advisory Committee appointed by Burnham during August 1970. The Low-A-Chee Arbitration Tribunal which the MPCA and SPA had agreed to, had yet to make its recommendation. Meanwhile, GAWU threatened to paralyze the industry until such time as a recognition was granted. Sugar workers petitioned the Ministry of Labor to conduct a poll in the industry. (Not surprisingly, the TUC, led by Richard Ishmael, vehemently protested the proposed poll as a violation of established practice and opposed the Trades Dispute Bill as an unmitigated attack upon the entire TUM in Guyana.) The SPA supported the Government's labor bill

which prescribed compulsory arbitration when the Government deemed that national interests were at stake, but the company's said it would pay the large wage increase recommended by the Low-A-Chee Tribunal only if the Government first agreed to increase the price of sugar sold locally. The Government's back was against the wall. If Carrington was wrong and they recognized the GAWU they could lose all control over the industry. Moreover, if Government decided to enact its anti-strike bill, it would forfeit the loyal support of the TUC. For the moment, the easiest move was against the SPA. They would have to pay the wage increase without any compensation in the form of an increased price for locally sold sugar.

Growing Strains in the Bookers-PNC Alliance

The respite the Government thus earned was limited. The MPCA accepted the Low-A-Chee Award, but the GAWU rejected the payments as too little and again called the workers out on strike. The 1970 strike had already cost the industry \$12 million dollars and public pressure was mounting to resolve the inter-union dispute once-and-for-all.⁹⁷ The Government was growing increasingly desperate. It was revealed that some members of the supposedly independent Zaman Ali Committee were actually PNC activists. The back room politicking which ensued was intense. The Ali Report was submitted to the Government on December 12, 1970. A controversy over its contents brewed for six months. Zaman Ali, the principal author of the

report charged that Minister Carrington had deliberately distorted the conclusions of his Committee, "in some cases, the topic dealt with was given a completely different meaning altogether."⁹⁸ In March 1971, he refused to present the report to the President, saying that it suffered from "significant omissions and changes." Nonetheless, he publicly affirmed that he was still "an ardent PNC supporter."⁹⁹

The most shocking discovery was the revelation that members of the Zaman Ali Committee were behind the feverish activities to organize a new trade union in the sugar industry affiliated with the PNC.¹⁰⁰ Indeed, although Zaman Ali originally denied any involvement in the affair, he later emerged as the President of the Union of Agricultural and Allied Workers (UAAW) and claimed that a union must be aligned to a political party.¹⁰¹ The Government's allies in the industry, MPCA, the TUC and the SPA, were shocked and outraged. Ishmael, speaking for both the MPCA and the TUC angrily charged that "The MPCA knows that PNC activists are trying to gain a foothold in the industry If the new union succeeds, it will be the first step towards splitting the entire trade union movement along racial and political lines. It could easily signify the death of the trade union movement as an effective institution. This is also the TUC's main concern."¹⁰²

The SPA also regretted the PNC's attempt to infiltrate the industry and predicted that the already burgeoning problem of labor disputes would be "aggravated more and more

by PNC-PPP conflicts on the sugar belt, manifested through 'trade unions' struggles."¹⁰³ The PNC's unexpected move led the SPA to abandon positions the Association had once vigorously defended. To begin with, the SPA recommended the amendment of the provision within the labor law, which allowed a small group of agitators (a minimum of seven) to organize a rival union and thereby disrupt industrial relations in an entire industry. Furthermore, the SPA suggested that it was ready to seriously consider granting the GAWU recognition. The rebuff to the UAAW and the PNC was obvious. The alliance which had united the PNC and Booker was eroding. Government's primary concern in the sugar industry was to neutralize its political opposition and it was willing to sacrifice tonnage to achieve this goal. On the other hand, Bookers' foremost concern was meeting production targets. If SPA did not meet its 1971 goal of 390,000 tons, it would not only fail to take advantage of good free market prices, it would actually suffer a loss.¹⁰⁴

The Zaman Ali Report was released on June 20, 1971 and the reasons for the delay and its connection with the newly created UAAW were immediately evident. The Report made explicit that which the PNC's union organizing efforts had only suggested. The Government wanted firm control over the industry and it was willing to undermine the MPCA and Bookers to achieve it. First, the Report recommended a three year ban on the GAWU and the MPCA. During the interim,

it recommended that workers be exposed to an intensive trade union educational program. Their grievances would be handled by an elected Workers' Council with district Labor Officers acting as ex-officio members. At the end of the three year ban, it recommended that the Government set up machinery to determine the workers' choice of a representational agent. Secondly, the Report proposed the creation of a permanent Sugar Board, with stationary authority to supervise conditions in the sugar industry, and prosecute breaches of its regulations and when possible, make on-the-spot arbitration decisions. Both union and management would have the right to bring complaints before the Board, but, its decisions would be legally binding on all parties. The Sugar Board would only be answerable to the Cabinet or Minister of Labor. Thirdly, the Report recommended that all estate cultivation be turned over to cooperative production by small cane farmers.¹⁰⁵ The Committee also encouraged the Government to press ahead in its efforts to enact the Trades Dispute Bill.

The Zaman Ali Report was a deadly challenge to the essential rights and functions of trade unions in the sugar industry and Bookers' treasured corporate freedom of action. In the extreme, both would be eliminated--unions by a Government controlled Workers' Council and Trade Dispute Bill, and private ownership and management by a Government controlled cooperative scheme. At minimum, the prerogatives of both would be circumscribed by the far-

reaching powers of a permanent Sugar Board. The wave of opposition which followed in the wake of the Report's release, convinced the Government to postpone any action on its recommendations. Thus the conflicts in the sugar industry during 1970 and 1971 ended in a stalemate. Bookers remained in control of production and marketing and the MPCA retained its legal status as the sole bargaining agent for sugar workers; but, both were more dependent than ever upon a Government caught in the cross-currents of an international economic crisis, declining domestic legitimacy and the increasing radicalization of the ruling party's ideology.

Adding to the tensions, the GAWU adopted a new and successful strategy in 1972. In the past, the union had been able to paralyze production by calling industry-wide strikes; however, Bookers and the Government could always hold out longer than the poverty-stricken sugar workers. Now, instead of industry-wide strikes, the GAWU kept production in disarray by closing down one estate after another for one week at a time. Now, union activists could concentrate their efforts on one estate and the financial burden of strike action could be rotated among the workers. "The technique was quite effective . . . The MPCA and the employers found it impossible to stem this tide or to mollify its effects, and the country's economy suffered a telling blow"117 From Government's perspective, the cost of maintaining the status quo was mounting.

Furthermore, the growing influence of the radical wing within the ruling party made a rapprochement with the Marxist-Leninist PPP seem increasingly practical. The PPP would, of course, demand recognition for the GAWU and "at best, the GAWU can press for the nationalization of the sugar industry and force the Government to take a position on this important issue. But to judge from current trends, this does not seem to be a development so removed from the thinking of the PNC..."¹⁰⁷ Ricky Singh made this observation in the beginning of 1971. The appeal of the logic steadily grew as Government successfully nationalized the Canadian Bauxite Co., became a major participant in the increasingly radical Non-Aligned Movement, established a new "partnership" with labor and signed trade agreements with the USSR, the Eastern Bloc and China.

A blind man could see that the days of MPCA and Bookers were limited. On the one hand, the MPCA was powerless to defend itself. The stinging verbal attacks that Minister Carrington exchanged with Richard Ishmael grew more vitriolic. On December 7, 1973, the Guyana Graphic published a letter the Minister of Labor had sent to Harry Lall, the President of GAWU "in the hope of testing public reaction to the matter." In the letter Mr. Carrington said his Ministry appreciated the fact that the MPCA did not speak for a large percentage of the fieldworkers. He further noted that ". . . over the years, the Ministry of Labor has bent backwards to accommodate the rivalry between the MPCA

and your union . . . ," however, the policy of de facto recognition was " . . . causing mental and physical strain on my officers at the expense of other industries and other workers We must find a way to bring an end to the conflict between your union, the GAWU and the MPCA . . .

.¹¹⁹ Obviously, the MPCA's usefulness in containing labor disruptions in the industry had ended and an increasing number within the ruling circle was prepared to dump the MPCA.

Bookers had been preparing for the eventuality of nationalization since the political crisis in the early 1950's. Immediately after the suspension of the constitution in 1953, Jock Campbell announced that any future investments in Guyana would have to be hedged by a policy of geographic and functional diversification. As Campbell explained it:

It is, after all, a change in emphasis of policy, and in timing, which events have compelled, rather than a change in fundamental policy. For many years the Booker Group has been developing investments outside Booker Groups--in Central Africa and in the United Kingdom. Now we have been forced to accelerate this process in order to underwrite the political hazards of British Guiana. Your Boards are confident that you would not wish them, by applying this change of emphasis too rigidly, to lose profitable opportunities of purchase of partnership which suit and will strengthen the Bookers Groups.¹⁰⁸

There are three outstanding features of Bookers' hedging policy over the next twenty-odd years. Firstly, Booker did not panic when confronted with general political instability or direct challenge. Therefore, in the midst

of the chaos, triggered by the strike against the 1963 Labor Relations Bill, the Chairman reassured shareholders that ". . . Booker remains resolutely on course in the stormy waters. We shall not turn to other ports or scuttle the ship."¹⁰⁹ Instead, Bookers consciously sought to adapt itself to the rapidly changing political scene in the underdeveloped world. That was the whole point of Guyanization, a policy of indigenization which Bookers also used successfully in other Third World countries.

Secondly, Bookers' hedging policy was defensive and inconsistently pursued. When political tensions mounted, Bookers would quicken the pace of its acquisition in the industrialized countries. Thus, during the struggle for independence in Guyana, Booker steadily increased its investments in food distribution and engineering in the United Kingdom and merchandising in Canada. However, as the political crisis receded, the pursuit of a geographical and product mix also lost its vigor. Bookers ran into many problems during its first major attempt at diversification. The investments in Canada proved a complete failure and Bookers' United Kingdom shops and engineering companies were only marginally profitable by the end of the sixties. Nonetheless, a diversified foundation had been laid; and, more importantly, Bookers had acquired invaluable experience which would serve it well during its next crucial phase of diversification which began in 1970.

Thirdly, despite the political, economic and climatic risks associated with tropical agriculture, Bookers remained firmly committed to sugar. There were droughts followed by floods, a boom-bust price cycle and, according to Bookers, a five percent rate of return on capital investments. Notwithstanding these adversities, Campbell reported "Once again we have made the most of sugar in desperately difficult conditions--and of rum: and they have made the most for Bookers. But this cannot always happen . . . I believe that sugar will remain the mainstay of Bookers, there will be bad sugar years, even bad sugar cycles."¹¹⁰ In 1967 Booker made more explicit this presupposition governing its diversification program " . . . it does not make sense - economically or socially--to believe that any advantage would be gained by diversifying at the expense of sugar."¹¹¹ In sum, Bookers was seeking a balance between its investments in the underdeveloped countries and the United Kingdom, because of political and economical uncertainties in both parts of the world. Bookers was not, we emphasize, looking to get out of its traditional businesses or Guyana.¹¹²

Bookers relaxed its program of geographic diversification after the PPP was maneuvered out of office. However, as the PNC's development strategy began to assume an increasingly leftist orientation starting in 1969, Bookers once again looked to the Motherland for security. Bookers was particularly disturbed by (1) the nationalization of Alcan, (2) the creation of the External Trade Bureau, which

radically restructured Guyana's distributive trade, (3) strict price controls on stockfeeds manufactured by Bookers, (4) the competition from the newly formed Government printing company and (5) Burnham's refusal to increase the local selling price of sugar. These differences, along with the increasing divergence of opinion over how to best handle the mounting industrial disruptions in the sugar industry betokened the end of an alliance which had united Bookers and the PNC since the late fifties.

Thus in 1970, Bookers embarked on a new policy; henceforth, it would attempt to earn at least 50% of its profits from its United Kingdom businesses. Moreover, Bookers new Chairman, George Bishop, who placed discernibly more emphasis on profits than had Campbell or Powell, reassured stockholders that Bookers had greatly increased the pace of acquisition of large wholesale, retail and self-service shops throughout the United Kingdom. Bookers also began a massive capital investment program to expand and modernize its engineering division. Notwithstanding these defensive strategies, Bookers was not ready "to scuttle the ship" in the Caribbean. Bishop's 1973 statement to shareholders is worthy of lengthy quotation. It underscores the essentially unchanged character of Bookers' hedging policy and its on-going commitment to sugar, shops and ships and Guyana:

Our basic aim remains the same--to secure that half our profits come from the United Kingdom and from

overseas. In these tempestuous days of rapid change in the world's political and economical scene none of us can hope to foresee what lies ahead. We feel it essential to aim at a balanced company with a solid base both at home and overseas so as better to withstand the hard knocks which are inevitable in times of change. In some years, we shall benefit from our earnings at home; in others it will be our overseas profits that will sustain us in meeting difficulties in the United Kingdom.

In shaping Booker McConnell for the 1980s we are aiming to have as its core a broadly based food company A very large part of our existing business depends on agriculture, food, drink and shopkeeping Even our shipping and engineering division have a connection with food. Much of our shipping business is concerned with the movement of sugar and our most consistently profitable engineering company makes sugar processing machinery.

" . . . Our belief in sugar and our continued expansion, not only in Guyana but also with our new investments in Africa, will provide their reward in 1974 and later."¹¹³

Sugar Price Bonanza

The forecast for the free and protected sugar markets for 1972-74 were very promising. In 1971 the Chairman of Booker McConnell told shareholders that "we expect considerably higher revenues over the next three years," from sugar. Between 1961 and 1971 the average CSA price had been £45 (pounds); in 1972 it rose to £57. The price of sugar sold in the protected U.S. market also increased from £65 to £69. Moreover, the increasing level of sugar consumption was putting serious pressure on current production capacity. In 1974, the World Food Conference predicted that an additional 30 million tons of sugar would be needed within the next decade to satisfy the rising world-wide demand. By mid-1974

Bookers' Chairman noted, with satisfaction, that "With the world economic situation tending to move in favor of the primary producer, the countries in which Booker McConnell operates overseas have good prospects of growth."¹¹⁴ This was definitely not a time when Bookers wanted to be pushed out of Guyana. Despite the Governments new assault on the private sector and the anti-imperialist diatribes of the PNC, Bookers intensified its established policy "to work with the Government of the day." With the prospect of nationalization looming on the horizon, Bookers demonstrated its commitment to the PNC's goal to develop and diversify the economy. Bookers submitted a 10-Year Development Plan to dovetail with the Government's 1971-80 Plan which ironically failed to materialize. Bookers' Stores and Guyana Distilleries Ltd., became public companies when shares were issued locally in 1970 and 1971. A bus assembly plant and a photographic color processing plant were opened. In 1973 drug manufacturing was expanded to replace facilities closed in Jamaica and Trinidad; a new shrimp processing plant and a tea blending and packing plant were also opened. In 1975, Hi-Flex Guyana, an enterprise for local manufacturing of hydraulic hoses was opened with much fanfare.

Bookers wanted the Government to fully appreciate that it was not only running the most efficient sugar industry in the Caribbean, but that it had also placed "at the disposal of the various administering agencies of the Government, those skills and facilities which the Group, as a conse-

quences of its many-sided activities, has been able to establish and develop within the changing economic and social context of Guyana."¹¹⁵ The Project Evaluation Unit (PEU) created in 1973, was the most concrete expression of this long-term policy. Its purpose was to evaluate diversified investments opportunities in Guyana and to work closely with Government on various experimental programs. "In the normal course of its varied activities, the Booker organization has participated or assisted in projects connected with the University of Guyana, The Pegasus Hotel, the World Bank, Livestock Development Project, the Sea Defense Program, the Agricultural Machinery Investigation and Development Center, the Resource Development Study . . . the new Shrimp Processing Plant, and Cotton Research."¹¹⁶ In cooperation with the Governments' efforts to diversify agriculture, Bookers undertook experimental projects including wing bean, cassava, cotton, soya bean, cane trash feeds, fruit, honey, paper pulp, goats, trawlers and industrial alcohol. "Disease, or other adverse factors, not the inability or unwillingness to invest, have prevented their ultimate commercial development."¹¹⁷ Obviously, Bookers was not going to repeat the errors of inflexibility and arrogance which had precipitated the nationalization of the Canadian and American Bauxite Companies. Instead, the company re-emphasized its role as the "good corporate citizen" which Jock Campbell had initially chosen for Bookers during the early phase of de-colonization. The fact that the value of Bookers invest-

ments in its nontraditional businesses in Guyana were small in comparison to those in sugar, shops and ships (\$22.3 million vs. \$192.8 million) did not detract from their public relations effectiveness.¹¹⁸ Top Government officials and the Government controlled press, pointed to Bookers as an example of the role the private sector should play in Guyana's economic development. Thus, despite the increasing pressure to nationalize the sugar industry within Caribbean intellectual and political circles, and the increasing radicalization of the PNC's development strategy, the Government was not eager to dissolve its partnership with Bookers. It took a catastrophic crisis, precipitated by extraordinary events in the international economic system to upset the balance of economic, political and trade union forces which had characterized the sugar industry since the PNC took office in 1964.

By the start of 1974, the Guyanese economy had reached its nadir. Floods followed drought in 1973 and sugar production fell to a 10 year low. Rice exports had also suffered. The world economy was in a tail spin created by monetary instability, inflations and an oil crisis. Guyana ended the year with an \$80 million balance of payment deficit and its foreign reserves at an historic low. Reserves continued to drop alarmingly during the first weeks of the new year.

The price explosion which began 1973 in the world sugar market, therefore occurred when all other hope had faded.

Sugar would have to earn the foreign exchange to pay the inflated prices for imported fuel, fertilizers, capital goods and consumer items. Sugar would also have to supply the Government with revenue to support its rapidly expanding bureaucracy, military apparatus and ambitious development schemes. In sum, external developments had driven the PNC into an extreme dependence on sugar. The Government had no alternative; it was determined to exploit the unprecedented conditions in the world sugar market. Additional pressure was added by the realization that the price bonanza was temporary. In order to reap the maximum benefit, the Government had to ensure first, that production was maintained at the highest possible level; second, that sugar was sold in the most lucrative markets; and third, that the windfall profits would not be expatriated to the industry's foreign owners or consumed by workers in the form of wage increases or bonuses. Of necessity, the PNC Government was on a collision course with Bookers and Jagan's sugar workers.

The world sugar market was in chaos. Negotiations to conclude a new International Sugar Agreement (ISA) had collapsed. Discussion concerning Britian's entry into the European Economic Community (EEC) and, consequentially, the quota for Commonwealth Sugar Producers had also stalled. The United States had threatened to cut the Caribbean sugar quota, but two weeks later had increased it by 40,000 tons. Moreover, prices on the free market had wildly fluctuated between £93 - 274 per ton during 1973. Predictions were

for even higher price jumps in 1974. Meanwhile, the CSA prices stood at a mere £61 per ton. Under the circumstances, Burnham and other Caricom Heads-of-Government, intervened in the marketing of sugar which, up to now, had been exclusively handled by the West Indian Sugar Association of which Bookers was a leading member. The world price stood at £200 - to sell at the CSA price of £61 would be a give away. In January, Burnham ordered the suspension of all sugar shipments to the United Kingdom until a higher CSA price could be negotiated.¹²⁰ In February, Britain agreed to increase the CSA price by £22 to to £83.¹²¹ The world price explosion continued. Production shortfalls were being announced everywhere and by August 1974, sugar sold for the unbelievable price of £360 per ton on the world market. By November, the world price hit £650 per ton.

Burnham again suspended shipments to the United Kingdom. The outstanding portion of the Guyana quota (136,000 of 190,000 tons) would not be shipped until the CSA was substantially increased. Furthermore, this time, the traditional pattern of Caribbean leadership "kow-towing and salaaming, lobbying and pulling at jacket sleeves" in Whitehall was reversed. In September, the British Minister of Agriculture, Mr. Peart, called on Prime Minister Burnham. Britain's former colonial subjects were intoxicated by the whole affair. "We cannot but smile behind the hands at the spectacle of a Guyanese Prime Minister summoning a top

ranking British Cabinet Minister to fly down to our country to discuss sugar prices The entire nation, irrespective of political viewpoint is behind our Prime Minister in the negotiations, so vital to the country's well being perhaps survival may be a better word."¹²² The negotiations led to a new CSA price of £140 per ton, an increase of £57. In addition, it was agreed that Britain would buy only 85,000 tons instead of the promised 136,000. This left Guyana with an additional 51,000 tons to sell on the world market at windfall profits.

While Guyanese were thrilled by the world price bonanza, Bookers' response was one of concern and caution. In the post-war period, the now increasingly threatened CSA had provided the guarantee underlying Bookers' massive expansion and modernization program. Sugar price booms were always welcomed and greeted as the just reward for confidence shown during the long lean years; but, BSE preferred the assurance of stable prices and reliable outlets. The chaotic world market and the impetuous actions of the Guyanese Government now threatened all of this. Although Bookers said it "recognized the need for the Government of Guyana to oversee the marketing of sugar . . . ,"¹³⁴ the doubts of one more experienced in such matters were obvious:

. . . it is not in the producers' long-term interest that the sugar agreement should have collapsed and that the price for marginal free supplies should have leapt to these levels. High prices defeat themselves. Developing countries need to secure sufficient guarantees of markets at remunerative

prices against the day when the pendulum swings the other way--as it surely will These countries do not have the economical resources to withstand a sustained period of low prices "124

It was not as if Burnham's Government was oblivious to the day when the pendulum would swing the other way. Throughout the sugar bonanza of 1974 and 1975, Burnham pledged that Guyana would fulfill her CSA commitments; however, since "charity begins at home" he also announced that Guyana would break with the established policy of picking up the shortfalls of other Caribbean producers.¹²⁵ In response to Bookers' foreboding, Burnham stressed the existence of new markets in non-Western countries.¹²⁶ The table below shows the destination of Guyana's sugar exports in 1974.

TABLE 1: GUYANA'S SUGAR EXPORTS, 1974¹²⁷

<u>Destination</u>	<u>Tonnage</u>
United Kingdom	127,244
United States	102,722
Morocco	16,090
China	10,396
Surinam	560
Venezuela	11,850
Finland	13,900
Tunisia	13,673
Algeria	<u>1,760</u>
TOTAL	<u>301,165</u>

During the fall of 1974, the General Manager of the Cuban Sugar Corporation visited Guyana's sugar industry. Talks with Government officials centered on Cuba's marketing strategy. In 1975, the Government's joint marketing committee with BSE found additional outlets in the Soviet

Union, Denmark, Japan, West Germany, and Angola at vastly higher prices than those paid by Britain.¹²⁸ Guyana had clearly "cashed in on its non-aligned policy"¹²⁹ but a closer look at the table quickly demonstrates Guyana's continued and overwhelming dependence on traditional Western markets. The new markets simply offered Guyana a new, limited manoeuvrability so long as the world market remained bouyant.

However, in the midst of the turbulence of the early 1970s, the commodity price boom and the new outlets were interpreted as the long awaited forerunners of a new international order. The rapid turnaround from the brink of economic disaster to budget surpluses had obviously gone to the heads of the PNC leadership. The observation of a United Force Parliamentarian may exaggerate the case but nonetheless, it does capture the essence of the PNC's radicalization phase. "I feel that this Government thinks it is all superior, all embracing and all everything, omnipotent, omnipresent, and omni everything you can think about and thinks that it is here forever."¹³⁰ At the Independence Day Celebration on May 26, 1975, Burnham proudly announced that the country's reserves had jumped to the healthy level of \$200 million from the dismal low of \$28 million at the start of 1974. His Government would have no difficulty, he claimed, in fulfilling the PNC's promise to "Feed, Clothe, and House the Nation by 1976."¹³¹

State Capitalism in Socialist Garb

The money for this expanded Government involvement in the economy came from the levy imposed on sugar exports during the commodity price boom. The levy was concrete evidence of the PNC's determination to control the profits produced by the sugar industry between 1974 and 1975. On the other hand, the levy drew the Government into its fateful confrontation with the sugar workers and the PPP--the GAWU won recognition, but it later lost the battle with the Government over \$215 million in profit-sharing due for 1975 and 1976, which the levy had creamed off. On the other hand, Burnham's refusal to re-negotiate the levy despite a rapidly deteriorating world market situation and heavy BSE's losses left Bookers no alternative but to offer to sell its sugar estates to the Government. Thus in one move, the PNC had attacked both labor and private foreign capital and assured that the enormous surplus would not (1) be consumed by sugar workers in terms of improved living standards or (2) be expatriated in the form of dividends or bonus shares.

The PNC's strategy is consistent with James Petras' analysis of the emergence of a state capitalist model of accumulation.¹³² According to Petras, the state vacillates between alliances with the left (the workers) and the right (principally foreign capital). In short, it plays one side against the other in the interests of state-controlled accumulation. The strategy is basically two-pronged. first, foreign capitalists bear direct responsibility and

blame for exploiting labor and repressing its attempts to organize. Secondly, the regime squeezes an increasing portion of the foreign-owned surplus into the Government's treasury. When workers demand a larger share of the product of their labor, the Government appeals for peace in the name of national interests or, even more explicitly, sides with capital, i.e., uses the armed forces to break strikes. When, on the other hand, foreign capital complains about the creeping confiscation of the company's profits, the Government reminds the private owners that the nations' resources belong to all of the people. In Guyana, the ruling party effectivly used Bookers to deny sugar workers' demands for a decent standard of living and democratic trade unions rights for over a decade. Then, when world sugar prices exploded, the Government appealed to labor and dumped Bookers.

Jay Mandle's analysis of the nationalization of the Guyanese sugar industry misses these crucial points.¹³³ He completely overlooks the abrupt prices explosion in the world sugar market and therefore does not see any relationship between this event and the sudden disruption of the Government's policy in the sugar industry. Instead, he naively accepts the radicalization of the PNC's ideology as the cause of its policy reversal. This revolutionary awakening is, in Mandle's opinion, responsible for the rapprochment with the country's established Marxist-Leninist party and the decision to nationalize Bookers' holdings.

The recognition of GAWU is a "quid pro quo" for the "critical support" the PPP gave to the PNC in August 1975. More importantly, according to Mandle, the Government had to have control over Bookers' vast agricultural holding if it was to be able to "rationalize" Guyana's agricultural policy and to "integrate" the national economy.

Mandle's analysis is clouded by wishful thinking. His zealous desire to see socialism triumph in the Third World has blinded him to the existence of some unpleasant but indisputable facts. One, the world capitalist economy continues to dictate the outline of social development in UDCs, even after the adoption of a non-capitalist path of development. Two, socialist declarations are not necessarily related to a policy of revolutionary transformation.

In the pages that follow, we will analyze the nationalization of the Booker empire in terms of the interdependence of events within the world economic system and the development of internal (national) political processes. It is necessary to simultaneously pursue both levels of analysis if we aim to genuinely understand the radicalization of development strategies pursued by many Third World Governments during the mid-1970s and the returning enthusiasm for Western capitalist models today.

On June 1974, with the world sugar price quickly heading for £300 per ton, the Minister of Finance, Mr. Hope, came before the PNC Parliament and asked that it enact the Government's bill imposing a levy on sugar exports

retroactive to January 1974. Minister Hope's introduction of the bill is noteworthy for its presentation of the Government's rationale generally unencumbered by the usual public relations embellishments. For instance, there are no references to the socialist revolution, the teachings of Marx or Lenin, or even the right of developing nations to own and control their natural resources. Instead, Minister Hope embarked upon a lengthy description of the multifaceted economic crisis confronting Guyana. There was the international monetary crisis, devaluation, the rising cost of imports, high interest rates, an oil crisis, renewed rounds of financial instability, soaring inflation on industrial and oil based products, deteriorating terms of trade for UDCs now faced with the "real possibility of a collapse of their economies because of inability to met their external payments." In 1974, Guyana's import bill for petroleum products would be \$70 million higher than in 1972 for the same volume. When price inflation for machinery, trucks, tractors, fertilizers and other indispensable imports were added, the cost increases were estimated to be as high as \$150 million. "We face, therefore, this real problem of finding more than \$150 million extra to keep the economy of Guyana going in 1974."¹³⁴

In addition to this argument of necessity, Minister Hope pointed out that the PNC Government had played a vital role in negotiating the higher prices for sugar and locating more lucrative markets. Under the circumstances,

" . . . the time is certainly right when we should, as a Government, ensure that a fair proportion of the extra earnings of the industry remains in this country for the development of Guyana and to ensure that the balance of payments of Guyana is favorably affected." In sum, this was not an ideologically motivated attack upon the international capitalist system or imperialism. In fact, Minister Hope stressed the fact that ". . . nothing that we have done implies any objective of imposing any undue burden on the industry. What we are taxing is the super profits."¹³⁵

As to Bookers "what the Government would like to see . . . is expansion and expansion."¹³⁶ Bookers accepted the levy as reasonable and justified under the circumstances.¹³⁷ Moreover, BSE continued with its expansion plans. Over two thousand new acres were put under cane in 1974. Bookers' motivation was the same as always--profit. In 1974, BSE made a profit of \$7.6 million despite regular taxes, an artificially low local price for sugar and the new levy. Indeed, when the United Kingdom-based companies did well just to hold their own, the Booker Group in Guyana contributed 43% to the parent company's profits.¹³⁸ Furthermore, the Government had reassured Bookers privately and before Parliament that the levy would be re-examined if it should be found to place an undue hardship on the company.¹³⁹

The sugar workers reacted with immediate hostility to the levy. On April 26th, Government first announced its intention to impose a levy in a news article entitled "New

deal of sugar workers, says Hope, \$30 million levy to provide homes, bigger pensions." This would be done by increasing the existing levy for the Sugar Industry Labor Welfare fund (SILWF) from \$4.80 to \$12.00 per ton; the Price Stabilization Fund (PSF) from \$1.20 to \$2.50 per ton and the Sugar Industry Rehabilitation Fund (SIRF) from \$7.50 to \$12.00 per ton. The SILWF and PSF would provide the monies for the improved housing and pensions; the SIRF would help Bookers finance the proposed expansion.¹⁴⁰ The sugar workers were not impressed. They realized that the new levy would make it more difficult to win wage increase demands on the basis of the new higher prices and, most importantly, that it would slash into their profit-sharing with the companies since the levy was deduced before the calculation of profits. Under the terms of an agreement with the SPA, sugar workers were entitled to 60% profit-sharing on returns above 10% on capital employed in the industry.¹⁴¹

The table on the next page indicates the actual amounts sugar workers received under the scheme between 1969 and 1976 and the amounts due if the levy had not reduced the industry's profits after 1974.

TABLE 2: PROFIT-SHARING PAYMENTS AND ENTITLEMENT

<u>Year</u>	<u>Payments Made</u>	<u>Payments Due Sans Levy</u>
1969	\$1,469,310	NA
1970	NIL	NA
1971	196,246	NA
1972	867,122	NA
1973	NIL	NA
1974	7,956,568	60,906,209
1975	NIL	120,952,569
1976	NIL	41,475,000

(Source: Compiled from figure presented in a GAWU Report entitled "The Case of the Sugar Workers.")

Meanwhile, the Government reaped handsome benefits from the levy: \$91 million in 1974, \$227 million in 1975 and \$89 million in 1976. The indirect benefits promised to sugar workers through increased Special Funds levy was a mere pittance in comparison. The GAWU/PPP accuses the Government of stealing more than \$215 million from the country's sugar workers.

The battle over the new industry surplus began to brew right along with the price increases. As the Government negotiated with the British for higher CSA prices and searched for more lucrative markets, the Government also indicated that it would not tolerate the unions' attempts to flit away the hard won increased in the form of higher wages.¹⁴² This was no hollow threat. In January 1974, the Minister of Labor intensified his attacks upon trade unions operating the sugar industry. After "bending backwards to accommodate the union rivalry" his ministry was ready to impose a Wages Council in the sugar industry and thereby do away with trade unions altogether: ". . . it

was not our intention to destroy the collective bargaining process, but in an industry as vital as the Sugar Industry . . . Government will have to consider doing something "154 The situation deteriorated rapidly following the Government's announcement of the new export levy. Despite the fact that sugar workers had just returned to work, the GAWU called another strike immediately. Outstanding demands were carried over but the "real cause" of the present action was, according to a union official, recognition and the levy which it estimated would rob workers of over \$18 million in profit-making.¹⁴⁴

Events moved quickly throughout 1975. The GAWU repeatedly disrupted production and reduced output by 40,000 tons precisely when contracts for future sales reached their most profitable levels. Furthermore, when the MPCA saw that the Government was preparing to betray their long-term alliance, it began talking with the GAWU about the possibility of a merger.¹⁴⁵ By March 1975, the four major unions in the industry, the GAWU, the MPCA, the NAACIE and Headmen's Union were united under the leadership of Dr. Cheddi Jagan to oppose management and the Government.

Their demands, presented to the Ministry were as follows:

- (1) The levy must be replaced by an excess profit tax which would be deducted after the calculation of the company's profit-sharing with employees. The proceeds should be placed in the Price Stabilization Fund (PSF) and Labor Welfare Fund (LWF) in equal proportion.

- (2) The money the Government had accrued from the levy should be divided as follows:
- a) 50% to be paid to sugar workers, in proportion to their income;
 - b) 25% to be placed in a Special Revenue Fund to provide cost-of-living allowances to all workers in the country whose earnings are less than \$91.08 per week;
 - c) 25% to be placed in the PSF to cushion any fall in future sugar prices and the LWF in equal proportion.¹⁴⁶

Their demands went unheeded. The Government had already spent the last year's levy revenue to finance its current and capital accounts and planned to do the same in the days ahead.

Government immediately retaliated. The long-threatened compulsory arbitration legislation was railroad through Parliament on March 17th. Why this amendment, which was so repugnant to organized labor?

While Nero fiddled, Rome burned . . . We have done too much over this period to steer this economy to make it viable, to come out on top of a most difficult situation to allow people who are confused to do this . . . Could we wait in every case for the trade unions to act if we are really interested in the workers? They have been acting for over 25 years. It is a big show, but the curtain must fall now.¹⁴⁷

The existing labor law provided for arbitration when both parties agreed; with this amendment, the Minister of Labor was authorized to refer a dispute to arbitration, when either party requested or without consent. Moreover, the Minister would choose the arbitrator(s) and decide which issues in a dispute were to be considered by the tribunal.

A last minute but successful lobbying effort by the TUC, eliminated a provision which would have empowered the Minister to vary the terms, or duration, of the arbitration award at his discretion. Notwithstanding this concession to the TUC, the Ministry was given an enormous power, especially when we consider that the Government employed a rapidly increasing proportion of the population. In essence, the Government, as the employer, could now request the Government, as the Ministry of Labor, to appoint an arbitrator and decide his or her terms of reference and thereby settle the Government's differences with its labor force.

The Government was girded for battle with the four unions. It disregarded the warning from the United Force that while the PNC could pass unpopular laws, it "cannot throw all the workers who stay home in jail."¹⁴⁸ The Government pressured Ishmael into breaking the MPCA's brief alliance with the GAWU. The MPCA called off the strike (a meaningless gesture) and agreed to binding arbitration knowing that the companies had no money to meet the union's demands because of the levy. The Crane Arbitration Tribunal was set up by the Minister of Labor. Intermittent strikes continued under the GAWU's leadership. In hopes of crushing the strike, the police, army and national service were called in to intimidate strikers, protect scabs and harvest the cane.¹⁴⁹ In July, The Crane Arbitration Award was announced: workers were to receive wage increases of 20% for 1974 and 10% for 1975, totaling \$16 million for the two years.

The MPCA accepted, of course. The GAWU called the award "an insult to workers" in light of the super profits being made by the industry. A strike call again went out. This time however there was an important omission from the list of demands.

The GAWU rejects the Crane Tribunal Award as unrealistic and unsatisfactory. It calls for a change of the award by the Government, the nationalization of Booker McConnell & Co., Ltd., its recognition as the bargaining agent for field and factory workers, workers' control in decision-making and management, and adequate remunerations for the toilers who produce the sugar.

It also calls on all sugar workers to wage a relentless struggle until their just demands are met -- full employment in-corp and out-of-corp and at least the same wages of \$11.68 per day, inadequate as they are, which their brothers in the bauxite industry receive.¹⁵⁰

The GAWU was not, as before, demanding the payment of profit-sharing for 1975 nor the replacement of the levy with an excess profit tax. These were precisely the points on which the Government would not and could not negotiate - the money was already spent. Therefore, their omission was clearly a signal to the ruling party that Jagan was ready to bargain. With the country losing millions in foreign exchange and Government revenues, Burnham had no choice but to negotiate.

The ideological differences between the PNC and the PPP had been fading as Burnham's Government veered to the left during the early seventies. The United Force claimed that "People are saying that this Government's brand of

socialism is about a hair's breath away from the Cheddi Jagan's brand of Communism."¹⁵¹ Had not the PNC nationalized the Reynolds Bauxite Company in January 1975 and the Jessels Companies in May?¹⁵² Were not PNC leaders and Government officials increasingly quoting Marx and Lenin as justification for their policies? Minister Carrington now chided sugar workers to be patient by reminding them that it had taken the Soviet Union (the PPP's definition of a good socialist society) fifty years to build socialism. Therefore, it came as no surprise when a PNC convention adopted a resolution in August 1975 which claimed that the party adhered to the philosophy of Marx, Engels and Lenin.

The PPP was pleased by the belated acknowledgement of the correctness of its line. "We, on this side of the House, gather from these happenings that the Government appears to be serious in moving towards socialism."¹⁵³ The PPP reversed its 1973 policy of "non-cooperation and civil resistance" and adopted a new line of "critical support."

"Critical support" is basically intended to give a firm rebuff to imperialism, a warning that the PPP recognizing imperialism as enemy number one, will join forces with the PNC . . . "support" implies joining forces, with the PNC in creating national unity to protect Guyana's sovereignty and territorial integrity. "Critical" implies not only criticizing all short comings of the PNC and opposing all the sinister moves of the reactionary forces, but also making clear all the differences in policies, programs and ideology between the PPP and the PNC¹⁵⁴

publicly, the GAWU demanded recognition, nationalization, workers' management and higher pay for sugar workers. Behind closed doors, the PPP manoeuvred to gain a place in Government. According to Jagan, critical support was only the first step towards a political solution to Guyana's problems.¹⁵⁵ Its trump in these negotiations with the PNC was the unpaid profit-sharing due to the sugar workers controlled by the PPP. We lack direct evidence, but it seems likely that Jagan implied that the PPP would forget about the money once burdened with the responsibilities of high Government office.

The PNC continued to resist the demands of the GAWU/PPP but the advantage quickly slipped to its opponent. The strikes had cost the Government \$52 million in lost revenue and \$100 million in foreign exchange in 1975.¹⁵⁶ The price of sugar and bauxite was plunging on the world market.¹⁵⁷ The Governor of the Central Bank warned that if the strike continued, the Government's development plans for next year would have to be "drastically revised."¹⁵⁸ Pressed to the wall, Burnham had no alternative but to adopt the strategy championed by Minister Carrington: recognize the GAWU and neutralize the opposition in the sugar industry. The Government announced that a poll would be conducted to resolve the inter-union representational dispute. On December 31, 1975 sugar workers were finally allowed to elect their own bargaining agent. The GAWU won 98.7% of the vote.¹⁵⁹

Therein, the PNC turned its back on the remaining portion of the rightwing alliance which had brought the party to power. For more than ten years, the Government had closely coordinated its activities with those of the GSPA, the MPCA and the TUC in order to suppress industrial disruption in the sugar industry. The decision to conduct a recognition poll was made without even consulting with its former allies. Ex post facto, the GSPA, the MPCA and the TUC were called in and informed of the new policy. The MPCA refused to participate in the poll. The TUC objected that it was a violation of established trade union practice and the GSPA initially refused to serve notice of termination of their collective bargaining agreement with the MPCA or to plead cooperation with the proposed poll.¹⁶⁰ Their protestations fell on deaf ears. An economic crisis of external origin made it impossible for the PNC to continue to resist the ideological and political pressures from its leftwing opposition.

Nationalization and Neo-Dependency

A twenty year long partnership with Bookers was therefore reluctantly broken. On December 18th, the PNC laid the legislative groundwork for the nationalization of the Booker Empire. Article 8 of the Constitution guaranteeing prompt and adequate compensation for lands compulsorily acquired by the state was amended. Henceforth, (1) lands would be assessed at their 1939 values; (2) the evaluation so made would be final and without appeal to the courts; (3)

the Minister of Finance was empowered to pay for the acquired property with Government bonds either in part or in full.¹⁶¹ Notwithstanding this preparation, the Government did not take the initiative. It was Bookers who first said, "Take sugar."

As Bookers' Chief Executive Officer pointed out, the company and the Government had no important conflicting goals in the industry. Until the last minute, they were unanimous in the decision to keep the GAWU out. Furthermore, Burnham appreciated the fact that Bookers was running the most efficient sugar industry in the region and expanding production and profitability while other Caribbean producers were declining. Bookers had also willingly cooperated with the Government's efforts to diversify the economy. Most surprisingly, Bookers had accepted the Government's increasing infringement on its corporate freedom of action with minimal objections. For instance, Bookers simply warned of the need for secure outlets and stable prices when the Government took over marketing and price negotiations. Bookers was also willing to work with the GAWU as the recognized bargaining agent for sugar workers. Indeed, even after the Government's unexpected decision to recognize the GAWU, Bookers figured it had at least another three years in the country.¹⁶² It was Burnham's refusal to renegotiate the levy which proved to be the straw which broke the camel's back.

Bookers was concerned about the levy from the start; however, " . . . we were reassured only by our understanding that it was the Government's intention to regulate the levy so as to remove the exceptional high element in sugar prices, while allowing the sugar companies to make a reasonable return."¹⁶³ In 1974, Bookers paid \$91 million to the Government in special levy, but BSE still made a respectable profit of \$7.6 million for the parent company. However, the picture changed drastically in 1975. Input costs rose rapidly and strike action reduced production by 40,000 tons from the previous year. This, plus the levy, led BSE into a loss of \$4.8 million. If Government would not make adjustments in the levy, it was projected that BSE would lose \$15.5 million in 1976.¹⁶⁴ Obviously, this was unacceptable to Bookers.

In February 1976, Bookers' Chief Executive Officer personally came to Georgetown to discuss the matter with Burnham. Mr. Caine explained the bleak situation confronting BSE. Surely, the Government would reduce the burden imposed by the levy under the circumstances. To his surprise, Burnham refused. His Government had already invested millions in various development projects that required additional monies in order to return any benefit to the country. Burnham asked Bookers to help him out just for another year or two. Caine explained that this would be impossible, his Board was not willing to finance BSE's losses internally. Instead, he offered Burnham a partner-

ship in the company - 49% interest with Bookers holding a management agent contract. Burnham refused. According to Caine, "He got us into such a position, we had to tell him to take sugar." "Increasing Government intervention . . . resulted in the commercial viability to BSE being taken out of our control."¹⁷⁸ Nonetheless, Bookers was eager to hold on to its other businesses in Guyana. But again Burnham was uncompromising. If he took sugar, he would also take the entire Booker Group of Companies.

Burnham's intransigence stemmed from three beliefs--all of which ironically proved to be erroneous. First, he thought that he would seal the cooperation of the GAWU/PPP with the nationalization of the sugar industry. All of the explicit demands of the GAWU/PPP would be satisfied. Moreover, Burnham figured that two parties, now so ideologically similar, would be able to cooperate in the industry. He was completely surprised when the PPP waged the most devastating strike in the history of the industry in 1977, supposedly over the withheld profit-sharing payments for 1974, 1975 and 1976.¹⁶⁶ Second, Burnham did not believe the figures Bookers produced to support its case for a reduced levy. Reynolds had done the same to fight the bauxite levy and the Government proved them a liar after taking over the company. Naturally, Burnham believed that Bookers was also hiding large profits through intra-company transfer and bookkeeping tricks. Notwithstanding their experience with bauxite, the Government was wrong. In 1976

and 1977, the state-owned sugar company would also lose money. Third, despite the fact that prices were already falling, Burnham had no idea they would drop as low as they ultimately did.¹⁶⁷

Of course there were other considerations which had long been pushing towards nationalization. The majority of Caribbean Governments had already acquired part or complete ownership of their sugar industries. Burnham, with dreams of regional leadership, did not want to be the last country in the Caribbean with a foreign owned sugar industry.¹⁶⁸ In addition, the PNC had promised the people ownership and control of their natural resources since 1970. The Booker empire was an embarrassing challenge to this promise. And, on a more practical level, the Government was confident that it could competently run the industry. Thanks to the Guyanization of the top professional and managerial levels of Bookers' operations, there would not be a shortage of local and qualified personnel.¹⁶⁹

Therefore, if Bookers wasn't willing to help an old friend out, the Government was ready to remove Bookers from the picture altogether. It had all been a matter of timing anyway. Since the early 1950s, Bookers had realized that the post-colonial Government would nationalize its property. Similarly, the PNC Government knew that it would eventually have to take-over Bookers' holdings, including the den of its political rival. Nonetheless, it was to their mutual advantage to work together as long as possible. In the end

they parted as friends. Burnham announced the proposed nationalization without the usual saber rattling: "We take this step of fully domesticating this giant that has in the past dominated our political, economical and social life without any bitterness or petty spite, but as a matter of course. This was inevitable."¹⁷⁰

Bookers was prepared for the inevitable. For the past five years, management had worked feverishly to gird the company for the loss of its Guyanese businesses, the traditional backbone of the company. The latest hedging policy--rapid acquisitions and expensive capital improvements in the Engineering and United Kingdom Food Distribution Divisions--paid off handsomely just in the nick of time.¹⁷¹

It is a remarkable tribute to the resilience of the re-shaped Booker McConnell that . . . The profit including the Guyana Companies in 1975 was surpassed by the profit in 1976 without those companies.

Following some minor share issues, slightly increased loans and two major acquisitions in 1976,

. . . the overall financial position is stronger than it was at the end of 1975 . . . 1977 had begun well. The Board believes that Booker McConnell should earn a substantial increase in profit this year. Relieved of the risks of tropical agriculture and the other uncertainties of Guyana, the Board can concentrate on the growth of our existing businesses.¹⁷³

Of course there were the ritual recriminations; but more importantly, the Government and Bookers amiably worked through the six weeks of negotiations with a common view of their future.¹⁷⁴ The opposing teams of negotiators wrangled over the Government's insistence on an assets only acquisi-

tion, Bookers' insistence that it be paid for standing cane and other improvements, the price the Government would pay, the interest terms and the repayment schedule, and a host of minor issues. In a sense, the Government had Bookers over a barrel. Bookers no longer wanted sugar because of the Government's levy; but, the Government was the only buyer in the market for Guyana's sugar estates. Near the end of the negotiations, Mr. Caine, the head of the Bookers' negotiating team, woefully complained " You have complimented us on our tactics. Yours have been dogmatic, if tough. On the other hand, you hold most, if not all, of the cards . . . we must reluctantly accept " The Government was unshakeable in its stand. One, that it would take only assets. Naturally, this left Bookers with liabilities and the responsibility for winding up the old businesses. Two, that it would pay for acquired assets only the written down book value for tax purposes. Nonetheless, the negotiations were not the slaughter that they might initially appear to be. Mr. Caine concluded the above statement noting that " . . . at the end of the day, it is not impossible that the other elements of the final package would be such as we describe as reasonable."

It turns out that Bookers and the Government had already agreed to a split decision. The Government would win the first round of negotiations concerning the terms of compensation and Bookers would win the second round concerning the Government's purchase of marketing, technical and consultancy services. Bookers had decided that its excellent

reputation in Third World countries for social responsiveness, training of local personnel, cooperation with government's development plans, and flexible management was more important than the uncertain gains of a vicious battle over compensation. Moreover, purchase of services agreements held out the promise of dependable earnings without the risks of capital investments. Even before the actual negotiations started, Bookers had offered and the Government had accepted "commercial arm's length arrangements between Bookers McConnell Companies in the United Kingdom and the Caribbean and the businesses in Guyana." Negotiations to work out the details of this on-going relationship began the day after Bookers accepted the Government's tough principles on compensation. "The general tone of the meeting was friendly and constructive," markedly different from the recent price meetings. According to Bookers' Company Secretary who participated in the compensation negotiations, the second round of meetings were a snap. "Those guys would start at 11:00 and finish at 2:00. They'd be laughing and joking as we made the most grudging progress."

Notwithstanding the Guyanization of most technical and managerial positions within the Booker Group of Companies, Guyanese are not able to run their businesses without outside assistance. This has nothing to do with the competence or incompetence of local personnel. Bookers' businesses evolved as subsidiaries of a vertically integrated multinational operation. In order to remain profitable, the

companies must maintain these linkages at least until new reliable relationships can be established. Guyanization had not prepared local personnel to handle international sugar marketing, price negotiations or overseas purchasing. Moreover, even in terms of local operations, Burnham accused "Bookers of keeping the key technical knowledge in the hands of expatriates to ensure BSE's continued dependence." These are the harsh realities which any Third World government trying to negotiate a better position with the international capitalist system will have to confront; and, which most often reimpose dependency. Thus the Guyanese Government had little choice but to conclude agreements with Bookers for technical consultancy, sugar and rum marketing services and overseas purchasing. For a fixed term and set fees, the Government obtains the expertise and contacts in the world market. Moreover, the contracts it needs contain provisions for the training of local personnel to fulfill these functions in the future. Indeed, the new relationship with Bookers must be minimally satisfactory since the contracts were renewed by the Government in 1979.¹⁷⁵

Hopes and excitement ran high around the time of nationalization. At the opening session of the negotiations for acquisitions, the Minister of Agriculture reminded the participants of the enormous significance of the steps they were about to take,

Today, we meet to write a brighter and long awaited chapter in the history of Guyana and of Sugar. This

historic occasion represents the dawn of a new era which will secure for sugar workers their final emancipation, and for the nation of Guyana the attainment of its economic independence from alien occupiers of its land and owners of its industry.¹⁷⁶

The socialist path to development now seemed to lie straight ahead. Bookers, the largest and the last surviving expatriate owner, was finally being pushed out. The recent steps towards a political rapprochement between the country's Blacks and Indians also betokened a promising future. For the first time in more than twenty years, Burnham and Jagan mounted the same speaker's platform at the May Day Rally. Patriotism was, they claimed, stronger than their long-term rivalry. Jagan agreed that the country faced a grave external threat. "There is no doubt," Burnham warned, "that there is a planned and cynical attempt to invade and/or destabilize our country."¹⁷⁷ To prevent this usurpation of sovereignty, the PPP and the PNC promised to unite and to resist the forces of imperialism at all costs.

If we must die, Oh let us nobly die,
 So that our precious blood may not be shed in
 vain.
 Long live the people's struggle!
 Long live the revolution!
 Long live the Co-operative Republic of
 Guyana!!!¹⁷⁸

Moreover, they pledged themselves to work together to reach their common goal of a socialist society. The vesting day was carefully chosen. It would be Guyana's tenth anniversary of independence. Thus on May 26, 1976, at 12:01 a.m. the Government took complete ownership and control of the Booker empire in Guyana. Despite heavy

rainfall, more than 40,000 people, mostly indigent sugar workers, turned out for the joint celebrations. Minister Kennard had called this their "final emancipation" and according to news reports, the crowd was elated.¹⁷⁹ Unfortunately, sugar workers soon discovered that the heavy rains were a more faithful portent of what lay ahead than were the promises made that day.

Throughout its long history in Guyana, the sugar industry has been characterized by extremely poor industrial relations. Now, the Government was seeking to purchase the elusive and highly prized industrial peace by granting the GAWU recognition and assuming state control of the industry. To its surprise, the Government has also failed. Notwithstanding the initial industrial peace, the Government had not addressed the deep rooted difference between its party and the opposition. In exchange for critical support and an end to the wave of strike action in the sugar belt, the PPP wanted a place in Government. Moreover, Jagan was ready to use his powerful political-trade union complex in the sugar industry to achieve this goal. As a result, the sugar industry continues to serve as a political battlefield and the sugar workers continue to be used as pawns by the rival political parties.

Indeed, the longest strike in the history of sugar in Guyana was waged the year after nationalization. The strike began August 1977. The GAWU claimed the issue was the withheld profit-sharing for 1974, 1975 and 1976; but,

undoubtedly Jagan was distressed by Burnham's continued reluctance to offer the PPP a place in Government. The political nature of the strike was obvious. "Observers . . . have pointed out that the strike is really aimed at embarrassing the government or challenging its authority since the union claims further a government imposed export levy on sugar was what denied the workers the amounts outstanding in profit sharing."¹⁸⁰ In fact, there is evidence to suggest that the strike was timed to reinforce the PPP's proposal for the creation of a National Patriotic Front Government--in essence, a coalition government (with the PPP in charge) designed to steer the country out of its current political and economical crisis.¹⁸¹

The PPP knew there was no money to pay the profit-sharing. The Government had already spent the \$407 million it had collected from the levy and the Treasury and foreign exchange reserves were again in serious difficulties. Nonetheless, Burnham gave assurances that the matter would be looked into. In the meantime, the PPP skillfully pushed demands for profit-sharing and a "political solution." For instance, during a debate over worker participation which took place shortly before the strike, Jagan warned the PNC that their differences would have to " . . . be sorted out at a higher political level because the crisis will not be solved either at the sugar estates or around whatever fund committee you have; it will eventually be solved by the two parties."¹⁸² For a while, Burnham equivocated and des-

cribed the PPP's proposal for "an understanding and coalition between leaders as superficially attractive." However, by September, Burnham had flatly rejected PPP's offer and denounced its policy of critical support and the strike as a mere ruse to obtain a share of political power.

The strike dragged on for 136 days. GUYSUCO, the new state-owned corporation, outdid the former expatriate owners when it hired 6,000 scabs to harvest the cane. As to be expected, the Government called out the police and army to protect the scabs, intimidate the strikers and to help harvest the cane. Burnham also played the "race card" and succeeded in turning the majority of Black workers against the sugar workers.¹⁸³ The strike was finally broken. Sugar workers failed to win back any of the \$218 million in profit-sharing the GAWU claims was stolen by the Government's levy. However, the Government seems to have won a pyrrhic victory. The negative effects of the strike are still being felt. The prolonged disruption of cultivation wreaked havoc with tight planting and harvesting schedules. Moreover, the fruitless confrontation further polarized an already embittered labor-management relations. In fact, it would appear that profit-sharing has replaced the demand for recognition as the GAWU/PPP's political lightning rod. Whenever the leadership needs a popular issue to bring the workers out, it has simply to renew its demand for the \$8,800 due each worker. As recently as August 1979, the GAWU raised the profit-sharing issue.

The Government claims that in a socialist society, industry belongs to the people and therefore workers should drop their demands for profit-sharing and cooperate to increase the level of productivity. Not surprisingly, sugar workers scoff at these arguments. Instead, they ingeniously seek ways to exploit the transitional problems of GUYSSUCO.¹⁸⁴ Moreover, the three major unions in the sugar industry have rejected the Government sponsored plan for worker participation in management. Critics charge that the plan is a sham. However, the GUYSSUCO model has yet to be operationalized so it is impossible for us to make a firm judgment. On paper, it looks quite impressive. The plan calls for a four-tier management hierarchy with substantial worker representation at each level.¹⁸⁵ However, there is possible contradiction to the idea of workers' democracy which does stand out. Final authority to determine the agendas for the committees' meetings is given to a member of management. If abused, this authority would make worker participation a meaningless exercise. Unfortunately, there is abundant, indirect evidence that this is indeed the intention. First, this plan is the brainchild of top management. Secondly, despite the rejection of the plan by the three main unions, GUYSSUCO is now, according to Mr. Davis, ". . . going ahead and setting up the committees." In regard to the Special Funds and Sugar Industry Labor Welfare Fund, it is absolutely clear that the changes in the governance structure were so designed as to keep tight

control in the hands of the Government. The Special Funds are now controlled by a ten member committee. GUYSUCO has four representatives, the Government has two, the workers have three and the cane farmers have one. However, as the Opposition was quick to point out " . . . we all know that the Corporation is the Government even though they say it is the people of Guyana. We know the people of Guyana do not run it. So if the Corporation and the Government are the same person with different clothing, where is the justification for representatives of the Corporation, representatives of the Government to drown the voice of the worker."¹⁸⁶ Furthermore, the representative of the cane farmers must serve on the National Cane Farmers' Committee, the members of which are handpicked by the Government. Thus, in reality, the Government controls seven out of ten votes. In response to the Opposition's charges, Burnham glibly remarked that even Lenin had discovered that worker control takes time. Furthermore, Government officers were, he claimed, just workers after all. The same situation prevails on the SILWF committee which controls money traditionally used to develop housing and community facilities for sugar workers. In addition, the Government has now extended the definition of sugar workers to include distillery, wharf and terminal employees, a large percentage of whom are Black and supporters on the PNC.¹⁸⁷

The Impending Crisis of State Capitalist Control

In addition to these serious political and trade union

problems, the nationalized industry has also been besieged by a depressed world sugar market and natural disaster.¹⁸⁸ World sugar prices dropped rapidly throughout 1976 and reached an abysmal low in 1977. Only two years before, sugar had sold for £650 on the free market, but by September 1977 it brought a mere £85 per ton--way below the cost of production. The new owner's problems were compounded by a simultaneous drop in output. In 1976, the industry produced 332,457 tons of sugar. In 1977, the year of the strike, production fell to 241,527 tons. In 1978, output rose to 324,805 tons, but it nonetheless failed to reach the target of 360,000 tons. To make matters worse, these short-falls were developing at a time when the Government was under considerable pressure to maintain the industry's reputation as a reliable supplier to the now coveted protected markets in the United Kingdom and the United States.

In 1978, smut disease attacked the cane fields. In 1979, rust disease was discovered. The diseases have proven most hazardous to the normally most high-yielding varieties of cane. Furthermore, GUYSUCO's technical staff and Bookers consultants have not been able to control the spread of either disease. Taken together the problems have critically depressed the level of technical efficiency and output in the sugar industry. Factories are forced to grind longer without the necessary level of maintenance in order to produce smaller amounts of sugar.¹⁸⁹ The crucial tons of cane, to tons of sugar ratio which Bookers' post-war

drive for efficiency drove down is rising sharply.¹⁹⁰

Profits depend on price, output and technical efficiency. Consequentially, GUYSUCO is in serious trouble. After the first full year of Government control, GUYSUCO reported a \$15.6 million deficit. In 1978, the situation improved somewhat, but Mr. Davis warned that the near future looked rather gloomy. After tax corporate income was only \$3.5 million and the rate of capital return was a mere 3.8%. Furthermore, the company's liquidity continued to deteriorate as income lagged far behind borrowing and capital expenditures. The performances in 1979 was worse than that of 1978; after-tax corporate income dropped to \$1.1 million and the rate of capital return fell to 1.7%. The situation is clearly untenable. The Corporation obviously cannot go on making huge capital expenditures (\$50 million between 1977 and 1979) which bring only marginal returns. As of 1979, the company was indebted for \$89.7 million, roughly the total value of its assets.

Mr. Davis tries to sound an optimistic note in his official reports and personal remarks; and, sugar prices are headed up again after the severe depression of the late 1970s. Notwithstanding this welcome trend, we can only conclude that the Government has this time bitten off more than it can chew. In all likelihood, GUYSUCO will not be able to produce enough sugar to satisfy its special marketing agreements and then have enough left over to benefit from the improved world market situation.

Chapter 4 - Footnotes

1. Booker McConnell, Ltd., Annual Report and Accounts 1959, Statement by the Chairman.
2. Booker Mc Connell, Ltd., Annual Report and Accounts 1961, Statement by the Chairman.
3. Brian Scott, "The Organizational Network: A Strategy Perspective for Development" (Ph.D. dissertation, Harvard University, 1979), p. 116.
4. Booker McConnell, Ltd., Annual Report and Accounts 1946, Statement by the Chairman.
5. Quoted in Bookers' Sugar, supplement to Booker Mc Connell, Ltd., Annual Report and Accounts 1954, p. 89, original emphasis.
6. Ibid.
7. Scott, p. 116.
8. Guyana Sugar Corporation, "The Guyana Sugar Industry, Production and Exports," Company files, GUYSUCO, Georgetown, Guyana.
9. Quoted in Scott, p. 125.
10. Booker McConnell, Ltd., Annual Report and Accounts 1949, Statement by the Chairman.
11. Quoted in Scott, p. 158.
12. Quoted in Bookers' Sugar, p. 94
13. Scott, p. 161.
14. Quoted in Scott, p. 162.
15. Scott, p. 122.
16. Quoted in Bookers' Sugar, p. 94.
17. Malcolm Cross, Urbanization and Urban Growth in the Caribbean (London: Cambridge University Press, 1979).
18. Booker McConnell, Ltd., Annual Report and Accounts 1960, Statement by the Chairman.
19. Booker McConnell, Ltd., Annual Report and Accounts 1970, Statement by the Chairman.

20. Scott, pp. 166-167.
21. Quoted in Bookers' Sugar, p. 90.
22. Bookers' News (Georgetown), 17 December 1975.
23. Booker McConnell, Ltd., Annual Report and Accounts 1966, Statement by the Chairman.
24. The Guyana Graphic, 30 August 1967.
25. Interview with Anthony Haynes, Chief Executive Officer Booker McConnell, Ltd., London, England, August 1980. Mr. Haynes' comment is surprisingly similar to the point raised by Clive Thomas in his biting criticism of the program which in his words had "The white expatriate is no longer visible The workers direct their grievances to the local man, and this it is hoped would divert their attention from the expatriate owner." Clive Thomas "Meaningful Participation: The Fraud of It," in The Aftermath of Sovereignty, West Indian Perspectives, eds. David Lowenthal and Lambros Comitas (Garden City: Anchor Press, 1973), p. 356.
26. Thomas also argued that as control of local operations passed into the hands of Guyanese, the important decisions and functions were transferred to the London offices. Thus Guyanese did not become familiar with the multinational nature of Bookers' operations. This fact, as we shall later see, became evident after nationalization when the Government had to retain Bookers' services.
27. The Guyana Graphic, 30 August 1967.
28. Ibid.
29. Quoted in Scott, p. 148.
30. Lloyd Searwar, "Bookers Guiana--A Study in the Development of an Image and the Implications for Independence," n.d., n.p. (Mimeograph.)
31. Ibid.
32. Interview with John Huddart, former Personnel Director of Bookers' Non-Sugar Estates Businesses, conducted at Booker McConnell's branch in Gerrards Cross, England, August 1980.
33. Interview with Anthony Tasker, former Public Relations Officer, conducted at Booker McConnell headquarters, London, England, August 1980.

34. Searwar, p. 7.
35. Scott, pp. 134-143.
36. Bookers' Sugar, p. 69.
37. Chandra Jayawardena, Conflict and Solidarity in a Guyanese Plantation (London: Athlone, 1963), pp. 26-27.
38. Scott, pp. 183-192.
39. Quoted in Scott, p. 147.
40. Swearwar, p. 10.
41. Ibid.
42. Philip Reno, "The Ordeal of British Guiana," Monthly Review 16 (July-August 1964); 93-94.
43. Booker McConnell, Ltd., Annual Report and Accounts 1963, Statement by the Chairman.
44. Scott, p. 173.
45. Quoted in Scott, p. 177.
46. Reno, p. 52.
47. Ibid., p. 54.
48. Aston Chase, A History of Trade Unionism in Guyana 1900 to 1961 (New Guyana Company) Ltd.: Ruimveldt, Demerara, Guyana, 1968), p. 305.
49. Cheddi Jagan, The West on Trial: The Fight for Guyana's Freedom, rev. 2d ed. (Berlin, German Democratic Republic: Seven Seas Books, 1975), p. 306.
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51. Jagan, p. 311.
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54. Searwar, p. 8.
55. Booker McConnell, Ltd., Annual Report and Accounts 1961, Statement by the Chairman.

56. Interview with John Huddart.
57. Ibid.
58. Searwar, p. 2.
59. Booker McConnell, Ltd., Annual Report and Accounts 1955, Statement by the Chairman.
60. Parliament House, Debates, 21 June 1966, p. 221.
61. Quoted in The Sunday Chronicle, 14 October 1973.
62. Booker McConnell, Ltd., Annual Report and Accounts 1964, Statement by the Chairman.
63. Scott, p. 194.
64. Ibid., pp. 199.
65. Parliament House, Debates, Georgetown, Guyana, 5 January 1970. (Typewritten.)
66. Ibid.
67. Scott, p. 183.
68. Ibid., p. 164.
69. The PPP charged that the Government was "raiding the fund" and that the industry had invested more than \$5 million from the SILWF in Government securities. "The Labor Welfare Fund has not got the money because the Government is using it . . . we want to know what is the amount . . . where is it invested, and if they are invested in Government securities, the Government must unfreeze them so that the peoples' welfare can also be met." The PNC acknowledged the investment by the fund in Government securities but reassured the opposition that the Sugar Producer's Association had agreed to purchase the securities if the fund should be in need of cash. Obviously, Bookers was struggling to accommodate the Government. "Debates," 24 November 1972.
70. Bookers News, 13 February 1974.
71. Scott, p. 168.
72. According to Edgar Readwin, then Chairman of Bookers' Sugar Estates, Campbell offered Jagan's Government the opportunity to purchase 49% of the company's Guyanese businesses in the late fifties. Harold Davis, then a

Booker manager, recalls that an offer for 33% was made in 1960. Readwin and Davis agree that Jagan rejected the offer of joint-venture because he feared his constituency would regard such a move as a sell-out. According to Brian Scott who conducted extensive interviews with Lord Campbell, Burnham's Government was also offered a joint-venture. Negotiations fell apart when Burnham insisted that the shares be given to the Government. The details of these offers are hazy--Jagan denies that such an offer was ever made and no records of the offers could be found at the London headquarters of Booker McConnell. Nevertheless it does appear that Bookers was read to participate in a joint-venture with the government holding up to 49 percent so long as Booker retained management control.

73. Booker McConnell, Ltd., Annual Report and Accounts 1964, Statement by the Chairman.
74. The Sunday Graphic (Georgetown), 18 October 1970.
75. Interview with Mr. Haynes, *ibid.*
76. Booker McConnell, Ltd., Annual Report and Accounts 1972, Statement by the Chairman.
77. Bookers News, 3 September 1975.
78. Scott, p. 134.
79. Bookers' Sugar, p. 61.
80. Booker McConnell, Ltd., Annual Report and Accounts 1960, Statement by the Chairman.
81. Bookers' Sugar, *ibid.*
82. Interview with John Huddart, *ibid.*
83. Norman Semple, "Industrial Relations in Guyana," paper presented at the Caribbean Regional Seminar on Labor Relation, Trinidad, 1973, p. 12.
84. The Graphic (Georgetown), 9 September 1970.
85. The Graphic, 16 September 1970. This was of course true so long as the Government retained the legal framework of industrial relations inherited from the colonial state.
86. The Graphic, 27 January 1971; the Chronicle (Georgetown), 14 February 1971.

87. Interview with Norman Semple, Chief Labor Officer, the Minister of Labor, Georgetown, Guyana, November 1980.
88. According to Cleveland Charran, the current General Secretary of the MPCA, Minister Carrington was motivated by a personal vendetta against Richard Ishmael, then the head of the MPCA and the Trade Union Congress. Jealous of Ishmael's power Carrington sought to strip the MPCA of its certification and membership. Interview with Mr. Charran conducted at the office of the MPCA, Georgetown, Guyana, October 1980.
89. The Graphic, 9 December 1973.
90. Ibid.; the Argosy (Georgetown), 10 February 1974.
91. The Argosy, 13 September 1970.
92. The Graphic, 25 September 1970.
93. For instance, whenever the GAWU's struggle with the SPA and the Ministry of Labor would reach a critical juncture, the PPP would take control over the campaign. "After seeing that the Minister of Labor was succeeding to a point with Mr. Lall in bringing about a return to work, Jagan decided to intervene and give instructions as to what should be done and to what should not be done." The Argosy, 13 September 1970.
94. The Argosy, 13 September 1970.
95. Between 1965 and 1975 the Government appointed six such bodies. Interview with Mr. Haynes.
96. The Graphic, 18 September 1970.
97. The Chronicle, 13 February 1971.
98. The Graphic, 14 March 1971.
99. The Graphic, 10 March 1971.
100. The Graphic, 18 February 1971.
101. The Graphic, 6 December 1973.
102. The Chronicle, 14 February 1971.
103. The Graphic, 28 February 1971.
104. The Graphic, 31 January 1971.

105. The The Sunday Chronicle, 20 June 1971.
106. Semple, p. 12.
107. The Graphic, 21 March 1971.
108. Booker McConnell, Ltd., Annual Report and Accounts 1954, Statement by the Chairman.
109. Booker McConnell, Ltd., Annual Report and Accounts 1962, Statement by the Chairman..
110. Booker McConnell, Ltd., Annual Report and Accounts 1963, Statement by the Chairman. During 1963 Guyana suffered a political crisis and a prolonged drought; however, prices on the world sugar market were described as "sky-high."
111. Booker McConnell, Ltd., Annual Report and Accounts 1967, Statement by the Chairman.
112. This remained Bookers' policy up to the moment of nationalization. This statement by Bookers' Chairman in mid-1975 reflects this strategy of balanced operations: "While we had serious problems in trying to adjust our businesses in the UK to the twists and turns of Government policy we were able to rely on the improvement in economic growth in the overseas countries in which we work." Booker McConnell, Ltd., Annual Report and Accounts 1974, Statement by the Chairman.
113. Booker McConnell, Ltd., Annual Report and Accounts 1973, Statement by the Chairman.
114. Ibid.
115. Bookers' News, 1 August 1973.
116. Bookers' News, 19 March 1975.
117. Bookers' submission to the Government at the nationalization negotiations. Files of Booker McConnell, Ltd., London Office.
118. Figures taken from Bookers' submission to the Government.
119. See Bookers' News between 1970 and 1976.
120. The Graphic, 9 February 1974.
121. The Chronicle, 23 February 1974.

122. The Sunday Graphic, 15 September 1974.
123. Booker McConnell, Ltd., Annual Report and Accounts 1974, Statement by the Chairman.
124. Booker McConnell, Ltd., Annual Report and Accounts 1973, Statement by the Chairman.
125. Ibid., The Chronicle, 23 February 1974. On the other hand, Bookers had always considered it a privilege to pick up the shortfalls of other Caribbean producers. Thus when CSA quotas were renegotiated, Guyana could argue for a larger share of the protected market.
126. The Chronicle, 8 September 1974.
127. The Chronicle, 9 March 1975.
128. The Chronicle, 20 November 1977.
129. The Chronicle, 3 September 1975.
130. Parliament House, "Debates," Georgetown, Guyana, 23 May 1975. (Typewritten.)
131. Caribbean Business News, March 1975.
132. James Petras, "State Capitalism and the Third World," in Critical Perspectives on Imperialism and Social Class in the Third World (New York: Monthly Review, 1978), pp. 84-102.
133. Jay Mandle, "Continuity and Change in Guyanese Underdevelopment," Monthly Review, 28 (September 1976): 37-50.
134. Parliament House, "Debates," 19 December 1974. (Typewritten).
135. Parliament House, "Debates," 28 June 1974. (Typewritten.) The Sugar Levy Act of 1974 provides for a levy on sugar exports at the following rates: (1) 55% on proceeds in excess of \$365.00 per ton; (2) 70% on proceeds in excess of \$521.00 per ton; (3) 85% on proceeds in excess of \$625.00 per ton. Minister Hope was quick to point out that sales at the CSA price of £83 (pounds) would only be taxed at a rate of 4%.
136. Parliament House, "Debates," 28 June 1974.
137. Interview with Michael Caine, Chairman, Booker McConnell, Ltd., London, England, August 1980.

138. Booker McConnell, Ltd., Annual Report and Accounts 1974, Statement by the Chairman.
139. Interview with M. Caine; Parliament House, "Debates," 28 June 1974.
140. The Graphic, 26 April 1974.
141. Booker McConnell, Ltd., Annual Report and Accounts 1968, Statement by the Chairman.
142. The Chronicle, 23 February 1974.
143. The Graphic, 11 January 1974.
144. The Graphic, 4 May 1974.
145. Parliament House, "Debates," 17 March 1975. (Type-written.); The Chronicle, 17 November 1974.
146. The GAWU, "The Case of the Sugar Workers," n.p., n.d., available at Freedom House, PPP headquarters, Georgetown, Guyana.
147. Parliament House, "Debates," 17 March 1975. (Type-written.)
148. Ibid.
149. Caribbean Contact, August 1975; the Chronicle, 1 May 1975.
150. The GAWU, Press Release, July 1975, available at Freedom House.
151. Parliament House, "Debates," 23 May 1975. (Typewritten.)
152. The Jessel Group of Companies which owned 20% of the country's sugar industry and an assortment of other businesses were nationalized in May 1975. Oliver Jessels, a British "financial wizard," bought the companies in 1971 and embarked on a bold scheme to transform the companies. The problems started almost immediately. He complained of heavy taxes and insufficient incentives; hundreds of workers were fired supposedly to improve efficiency. The Insurance Company went bankrupt; and finally, Jessels defaulted on the interest payments to its creditors. Jessels disposed of his easily realizable assets and indicated that he'd like to be rid of his Guyanese holdings. Amid scandal and rumor, the Government

agreed to purchase Jessels' holding in Guyana for \$15 million. One million was paid in the vesting day and the balance was due within 10 years at 8.5 percent interest. The Chronicle, 9 March 1975; Parliament House, "Debates," 23 May 1975.

153. Parliament House, "Debates," 23 June 1976. (Type-written.)
154. Editorial, Thunder 7 (September-December 1975): 1-2.
155. Ibid.
156. The Graphic, 2 September 1975 and 17 November 1975.
157. The Budget Speech 1976.
158. The Graphic, 28 November 1975.
159. The Chronicle, 7 January 1976.
160. The Graphic, 30 November 1975.
161. Parliament House, "Debates," 18 December 1975.
162. Interviews with Harold Davis, Chairman, Guyana Sugar Corporation, November 1980, and Anthony Haynes, Chief Executive Officer, Booker McConnell, August 1980.
163. Bookers' submission to the Government at the nationalization negotiations. Files of Booker McConnell, Ltd., London, England.
164. Ibid.
165. Booker McConnell, Ltd., Annual Report and Accounts 1975, Statement by the Chairman.
166. Interviews with Harold Davis, Chairman GUYSUCO and Norman Semple, Chief Labor Officer, Ministry of Labor, Georgetown, Guyana, October 1980.
167. Interview with Harold Davis, Chairman, GUYSUCO.
168. Interview with Anthony Haynes, Chief Executive Officer, Booker McConnell, Ltd.
169. According to S. Bitar, MNCs must anticipate intensified pressures for local ownership and control as nationals increasingly master the technical, managerial and marketing skills involved in the operation of an industry. MNCs will, he advises, only remain

welcome to the extent that they make available new technology and markets which the host country will in turn appropriate. Thus Bitar sees a recurring and mutually beneficial cycle of cooperation and conflict between host governments and MNCs which will lead to the development of increasingly advanced industrial sectors in host countries. The first part of Bitar's prediction is supported by events in Guyana. Unfortunately, the continuation of foreign private investment in increasingly advanced industrial sectors has not materialized. Bookers has neither sought to bring new technology or capital into Guyana or the Third World in general for that matter. S. Bitar, "The Multinational Corporation and the Relations Between Latin America and the U.S.," in Conference on the Western Hemisphere, Issues for the 1970s, Held at the Center for Inter-American Relations, 29 April - 2 May 1971, pp. 85-104.

170. Prime Minister Forbes Burnham, "Republic Day Speech," 23 February 1976.
171. For instance, between 1970 and 1975 Bookers spent £5 million (pounds) to improve and expand its engineering division. The division made its first significant profit contribution in 1975, £1.86 million versus £182,000 (pounds) in 1974. Booker McConnell, Ltd., Annual Report and Accounts 1975.
172. Booker McConnell, Ltd., Annual Report and Accounts 1975, Statement by the Chairman.
173. Booker McConnell, Ltd., Annual Report and Accounts 1976, Statement by the Chairman.
174. The researcher was most fortunate to be granted access to Bookers' files on the nationalization proceedings which contained the submissions made by the company and the Government and the minutes of the meetings. The quotations and figures cited below are from this source.
175. Booker McConnell, Ltd., Annual Report and Accounts 1975.
176. Gavin Kennard, Minister of Agriculture, opening remarks, Bookers' files of nationalization negotiations.
177. Prime Minister Forbes Burnham, Radio broadcast, 26 May 1976.
178. Ibid.

179. The Chronicle 27 May 1976.
180. The Chronicle 1 September 1977.
181. "P.P.P. Calls for a National Patriotic Front," Caribbean Dialogue 4 (June 1978): 36-39.
182. Parliament House, "Debates," 19 May 1977. (Typewritten.)
183. Caribbean Dialogue 4 (June 1978): 39.
184. Critics of the Government equate this behavior with acts of political sabotage. Mr. Sankar, Chief Industrial Relations Manager, GUYSUCO, attributes it to indolence and a desire to rip-off any system. Whatever the motivation, the corporation must spend scarce resources to detect and frustrate these attempts to hold down productivity.
185. "Proposed Constitution for Worker Participation in GUYSUCO," company files, Georgetown, Guyana.
186. Parliament House, "Debates," 19 May 1977.
187. The Government has also built provisions into the legislation which will allow it to dilute the three voices of labor anytime it so chooses.
188. Ibid.
189. Interview with D. P. Sankar, Chief Industrial Relations Manager, GUYSUCO, Georgetown, Guyana, November 1980.
190. Parliament House, "Debates," 27 August 1979. (Type-written).

Chapter 5

Conclusion

The transformation of the development strategy of the postcolonial state in Guyana unfortunately conforms to the grim predictions reached by Ian Roxborough, James Petras, Clive Thomas and Harry Magdoff in regard to the recent trend of radicalization in the Third World. Contrary to the official declarations proclaiming the end of class struggle and the great progress of the socialist revolution in Guyana, all of our evidence indicates that the Government's strategy of non-capitalist development has led to new forms of foreign dependency, economic stagnation and the increased repression of the working class. According to Roxborough, Petras, Thomas and Magdoff, this degeneration into neo-dependency is inevitable whenever the radicalization emerges as a bureaucratic response to the crises of underdevelopment and remains the project of the state sector elite acting as an independent class. The petty bourgeois state cannot sustain a confrontation with the imperialist system on its own. Notwithstanding the vitriolic rhetoric, the conversion to Marxism-Leninism and the adoption of socialist forms, such a narrow stratum quickly discovers that it cannot endure without either a mass base at home or friends abroad. The teetering state must either lean to the left or the right and for historical and current reasons the center of gravity favors the latter. Thus Guyana, like so many UDCs, has ended up with a Third World variant of state capitalism.

We firmly agree with Roxborough that it would be a practical and theoretical mistake to equate this foiled attempt at bourgeois revolution with socialist transformation or even with what some theorists of noncapitalist development refer to as "the transition to the transition."

Following a line of analysis suggested by Marxist and Dependency Theory, we found the explanation for the transformation of the PNC's development strategy in (1) crises emanating from the world capitalist market and (2) the dynamics of the local class and racial structure. As predicted by Petras' model of state capitalist development, the PNC began its leftist drift after a neocolonial model of capital accumulation failed to develop the economy. This was a necessary but insufficient condition for a direct confrontation with the imperialist system. The PNC jettisoned its ultra-rightwing partner in the coalition government and, in 1970, declared Guyana a Co-Operative Socialist Republic; but alas most of the changes were purely symbolic. Years later, the private sector and the "small man" continued to wait for a convincing explanation of tri-sectoral development, particularly in regard to how the cooperative movement (currently a bureaucratic nightmare) would be transformed into the dominant economic sector. The local constellation of political forces favored a much more radical approach. The PPP, the major opposition party, goaded the ruling party to nationalize the commanding heights of industry and to seek refuge in the Soviet Social-

ist bloc. The local bourgeoisie, composed of despised racial minorities, was powerless to resist. Nonetheless, the PNC clung to moderation and said it would seek 51 percent participation in foreign-owned industry. Demba, a Canadian-owned bauxite mining subsidiary, was nationalized in 1971 only after important personalities in the imperialist camp lent their support and Alcan boldly insulted Guyana's national dignity and sovereign rights.

The sharp radicalization of the PNC's development policy followed a series of dramatic disruptions in the world market. Guyana had been struggling against a chronic balance of payments crisis since the late sixties; however, by the start of 1974, it appeared that the economy would completely collapse if some counterbalance to the oil fueled spiral of global inflation was not found immediately. As if by divine intervention, the pendulum of world trade swung to the advantage of the producers of primary commodities. Sugar exporting countries were especially blessed as the price of the sweet substance soared on the world market. Under these circumstances, the PNC's policy grew quickly in confidence and defiance. In January 1974, the Government intervened in the marketing of sugar; in June and in September, it enacted a levy first on sugar and then on bauxite exports to prevent the repatriation of super-profits. Foreign companies were entitled to a reasonable return on their investments but the lion's share of this unusual surplus would, the Government explained, have to stay within

the country to finance its development plans. When the Reynolds' subsidiary refused to pay, the Government was forced to nationalize its property and assume complete control of the country's bauxite industry. This left the sugar industry as the last major challenge to the PNC's oft-stated policy of local ownership and control of national resources.

As PNC and Booker officials were once fond of pointing out, their relationship demonstrates what foreign capital and a Third World government can do when they join forces. It also reveals what is likely to pull them apart. The PNC-Booker alliance was forged in the heat of the struggle for control of the post-colonial state and it lasted for the next twenty years essentially unchanged. Many PNC leaders first tasted power and privilege as members of the elite Booker team. And the sugar policy of the independence government reflected this spirit of identification and cooperation. Burnham's program for the de-colonization of the sugar industry was a modest restatement of Campbell's program of Guyanization. On the economic front, the Government appreciated that Bookers was operating the most efficient and profitable sugar industry in the Caribbean and decided to fully support the company's plans for expansion. On the political front, the PNC and Bookers shared an interest in the continued suppression of the GAWU, the trade union springboard of the PPP. Even the economic crises of the early seventies did not significantly disrupt this cozy

relationship. Unlike Reynolds, Bookers accepted the levy as reasonable and proceeded with its expansion as the Government urged. Top management figured that the company and the Government had no important, conflicting goals in the industry and the PNC still desired to keep it as a buffer between itself and the GAWU/PPP. Of course the PNC was shaking the socialist sabre but Bookers, unlike the general public, was aware that the Government continued to court foreign capital and to offer some of the most attractive investment incentives around.

Bookers' analysis was basically sound; however, it underestimated the disruptive potential of the GAWU in the context of an unstable market and the level of the PNC's suspicion in regard to all multinational companies. In addition, the Government had developed expensive spending habits during the commodity price boom. As prices began to drop, the Government realized that it could less and less afford production stoppages. The ruling party had two choices: either it could grant GAWU recognition and thereby hopefully neutralize its opposition in the industry or it could drastically reduce next year's expenditures in anticipation of greatly reduced revenues from sugar. Without consulting with Bookers or its old buddies in the sweetheart union, the Government scheduled elections to settle the jurisdictional dispute in the sugar industry. For the moment at least, the PNC had bought industrial peace and the PPP's fraternal support with GAWU's recognition. Thus girded

for battle, the Government refused to compromise when Bookers pointed out that its estates were losing millions of dollars and asked that the levy be readjusted. Burnham needed the revenue to finance the greatly increased level of public sector investment. More importantly, given his prior experience with Alcan and Reynolds, Burnham was convinced that Bookers was hiding profits. Unwilling to yield an inch, the Government decided to nationalize all of Bookers' property in Guyana.

In its determination to exploit the short-lived reversal in the usually worsening terms of trade, the Government ended up nationalizing 80 percent of the economy. Despite the claims of the ruling party, no socialist plan directed this development--the state sector grew like Topsy. Socialist garb was picked up to conceal the fact that the emperor had no new clothes and to legitimate the PNC's unprecedented moves to maintain itself in office, i.e., party paramountcy. This does not, however, detract from the fundamental character of the changes which have occurred. Guyana has entered a new phase of peripheral exploitation. Foreign private capital no longer directly exploits the Guyanese labor force. Multinational companies have discovered the benefits of a commercial arm's length relationship based on fixed term contracts and now reap dependable profits without the nuisance of an equity involvement in the country. This way foreign capital needn't dirty its hands in local politics or bear the responsibility and expense of suppressing the labor force. Apparently the only private

firms now interested in investing in Guyana are members of the multinational mining consortiums currently conducting explorations to discover if sufficient quantities of uranium and off-shore oil exist for commercial development. For the time being at least, the local private sector has also followed Bookers' lead and adopted a hands-off policy. Consequently, the state sector which depends heavily upon private and public international lending institutions and bilateral aid must undertake most investments.

Clearly Guyana has not escaped the web of dependency and exploitation. Today the world capitalist system extracts its tribute in the form of debt repayment, interest, commissions and fees. Nonetheless, we do not chide the Government for having signed contracts with foreign companies or having borrowed from the international financial market. A total and abrupt break with the world capitalist system is not possible. However, it is possible for a revolutionary regime to significantly alter internal class relationships so as to prepare itself for serious and sustained confrontation with the imperialist system. It is in this respect that the PNC has completely failed and it is primarily for this reason that we criticize the regime as state capitalist. Thus one of the most significant changes to occur in the class structure as a result of the radicalization has been the emergence of a "shirt-jac elite," a state sector stratum typically apolitical but dependent upon the ruling party for its recent gains in power and income.

Members of this select group were elevated almost overnight into such positions as Chairman of the Board, Chief Executive Officer, Technical or Personnel Director or simply Manager as the Canadians, Americans and British returned home.

If this newly privileged group has its way, the state sector will remain dominant. They will oppose any attempt to return the bauxite or sugar industries to foreign control (i.e., managing agent contracts) or to transform the industries into cooperatives as promised by the PNC. When questioned about the authenticity of the party's commitment to restructure the economy along cooperative lines, the top management of GUYSUCO and the country's chief economic planner would only smile and laugh indulgently. The managerial and technical personnel of the state-owned corporation understand that the real challenge confronting them is to run efficient operations and to increase the surplus available to the Government. In pursuit of this goal they act in ways which reflect their training at foreign capitalist institutions and apprenticeship under the former expatriate owners. Some have picked up the revolutionary phrases popularized by the PNC during the period of confrontation but all those this researcher talked with remain more comfortable with classical business management, econometric planning models and holidays at the Barclays.

While the power of the bureaucratic elite has expanded along with the growth of the state sector, the "small man" has found himself more hemmed in than ever before. State

ownership and control of the economy within a context of authoritarianism undermines public life. The same repression which chokes off political participation grabs hold of the economy and smothers productive energy. Workers recoiled with fear as the same Government which was intensifying its attack upon basic civil rights took control of one enterprise after another. Would a Government which had reduced national elections and the Parliament to a charade respect their rights to democratic trade union leadership let alone worker participation in management? If the police and other civil servants were required to swear loyalty to the PNC, would not their job likewise depend upon deference to PNC paramountcy? Theorists of Noncapitalist Development such as Jay Mandle may believe that a wave of the administrative wand can transform a capitalist state into a socialist vanguard but the Guyanese workers know better. The increasingly anti-imperialist stance of the ruling party did not lead it to renounce its repressive policy toward the trade union movement (TUM). On the contrary, as PNC radicalism reached its zenith, the Government sought to more thoroughly emasculate the TUM.

Since the formation of the party in the mid-fifties, the PNC has relied upon an alliance with the most reactionary elements in the TUM. Together with the coopted union leaders and the United Force, the PNC drove out of office the party which had sought to lay a legislative foundation for a strong TUM. Once itself in office, the PNC supported

the leaders of the sweetheart unions with the resources of the Ministry of Labor and when necessary with the coercive power of the state. The PNC's socialist rebirth did not change this pattern. The TUM was offered a new "partnership" with the Government or total extinction. According to the PNC, now that it had decided to build socialism in Guyana the TUM would have to give up its old confrontational tactics and demands for wage increments and give complete support to the Government's development plans. If any union should refuse, then participants in "political strikes" can expect to be treated as saboteurs and enemies of the state. Moreover, workers in state-owned enterprises are now "asked" to join political education courses, to make donations to the PNC's campaign chest and to attend political rallies where they can hear the Great Leader extolled in word and song. At one such rally, the researcher had the opportunity to observe the horrified but hushed reaction of the audience as it listened to a rendition of "Oh, Holy Night" wherein Burnham's name had been substituted for that of Christ!

The PNC is fixed on a perilous course. The bourgeois image of the state as a neutral and benign entity floating above the class struggle has been shattered. The separation of politics and economics has been dissolved. Thus when the Government argued that the increased surplus generated by the price boom in the sugar and bauxite industries had to be used for the economic development of the entire nation, workers answered with a strike. In the absence of popular-

ity and legitimacy, the PNC resorted to repression to pull off its development plans. The struggle between workers and the state over the windfall profits of the seventies culminated in 1977 when the Government called in the armed forces and Black scab labor to break the 136 day long strike in the sugar industry. As the workers had predicted, a large share of the increased revenues went to pay for the expansion of a military and bureaucratic apparatus riddled with corruption and inefficiency.

It also comes as no surprise that the development projects undertaken during this period have failed to generate the promised economic growth. Despite the high rate of investment by the state sector during the seventies, the economy stagnated in 1977 and 1978 and achieved only a modest rate of growth in 1979. Obviously the Government is facing a serious production crisis and it is not only due to the brutally repressed "political strikes." Up and down the line, workers and supervisors realize that politics is the name of the game. Members of the PNC move up quickly without due regard to performance and escape disciplinary action. Sugar workers carefully cultivate the parameters of the cane fields but slyly leave the work in the center undone. Machinery is not properly maintained and tools and spare parts mysteriously disappear. The PNC's and TUC's exhortations for increased productivity fall on deaf ears.

What then (aside from pure coercion) keeps the PNC in office? According to Petras, the contradictions of a state

capitalist regime are so acute as to shortly lead to its overthrow. As the conflict between the workers and the state grow more intense, the political elite will attempt to fragment working class unity by appealing to racial and ethnic loyalties. This will not however, according to Petras, save the regime for long. Socialist consciousness will win out over primordial fears and a revolutionary socialist alliance will seize state power. Petras will have to learn patience. Guyana's experience thus far has only substantiated the first part of his prediction. Whenever workers have overcome the formidable obstacles to strike action and pushed the regime to the brink of collapse, the PNC has been able to successfully play the race card. In brief, the Black's main fear of "coolie domination" has enabled the PNC since 1968 when it first rigged national elections to maintain the support or at least the complicity of the Black population despite its most flagrant abuse of power.

The proponents of the model of plural society are likewise only partially correct when they focus upon the racial and ethnic determinants of social processes in Third World societies. There is nothing mysterious or inevitable about their activation or more importantly their persistence. In Guyana, race first took on political significance during the fight for independence and control of the post-colonial state. The imperialist powers and the Burnham forces needed to divide the mass-based movement and they

reached for the racial cleaver. Today, both the PNC and the PPP work diligently to stoke the fires of primordial fears in order to maintain their popular base. PNC and PPP speakers never tire of reminding their audiences of the "days of terror" when Blacks and Indians attacked each other's communities with genocidal vengeance. And during the most recent electoral campaign, the PNC warned that the "days of darkness" would return if the ruling party should somehow lose the elections. The cover of a PNC campaign booklet left at every house in Georgetown featured a collage of newspaper clippings from 1964 covered with dripping blood. A crude, but no doubt effective reminder of the "days of terror."

We conclude that the prospects of Guyana's immediate future in regard to either economic or political progress are not good. At present any armed resistance to the state would, as the PPP often warns, most likely lead to racial civil war. However in regard to the long-term future we are more optimistic. Perhaps as the generation born after 1964 matures and the aging leaders of the PNC and the PPP are forced to retire from politics (or die) a way out of Guyana's racial quagmire may open up. Whether this is done under the banner of socialism, democracy or Guyanese nationalism is not as important as is the liberation of the population from its oppressive political and racial relations which currently support the maintenance of exploitative class relations.

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