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MEMORANDUM TO THE UNITED NATIONS

by

DR. CHEDDI JAGAN

THE INDEPENDENCE ISSUE IN BRITISH GUIANA

INTRODUCTION

1. This Memorandum is to be read in conjunction with the Memorandum submitted on the 20th November, 1961, by the People's Progressive Party. A copy of this Party Memorandum is attached hereto as Appendix 'A' for reference.

RECENT DEVELOPMENTS

2. Subsequent to the distribution of the first Memorandum in December 1961 the Premier of British Guiana, Dr. C.B. Jagan, called upon Mr. R. Maudling, Her Majesty's Secretary of State for the Colonies in London on the 13th December and requested that the demand of the 83.6% of the electorate in British Guiana who had voted for immediate independence be granted. Mr. Maudling refused to fix any date certain for British Guiana's independence. Further, he refused to fix any date certain for a Conference to decide on such a date, but promised to raise the matter in the Cabinet and inform Dr. Jagan of their decision.

3. Implied in this answer was the possibility of the British Cabinet refusing to agree to the demand for **immediate** independence. As the Premier of British Guiana took the stand that independence is the right of the people of British Guiana and not something within the grant of Her Majesty's Government, he immediately appealed to the United Nations for help.

4. At the 1251st Meeting of the Fourth Committee of the United Nations it was decided to invite Dr. Jagan to address the Committee and Dr. Jagan did in fact address

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the Committee, as a Petitioner, during its 1252nd Meeting which was held on the 18th December, 1961 (See U.N. Document A/C 4/515).

5. At that meeting, also, a Draft Resolution (L/728) was tabled calling upon the Government of the United Kingdom to negotiate the issue of Independence with the Government of British Guiana. (See United Nations Document A/C 4/L.728) This resolution was debated during the 18th and 19th December and on the suggestion of the Delegate for Ghana no decision was taken but the matter was held in abeyance with the understanding that if the Government of the United Kingdom granted Dr. Jagan's demand for a Conference to fix a date for independence then the matter would not be put to the vote.

6. The Delegate for Ghana also asked that the Sixteenth Session should not be closed until the matter had been decided and it was therefore agreed to leave the matter on the Agenda to be dealt with after the Christmas adjournment.

7. On the 22nd December the Committee adjourned after having agreed to reconvene on the 15th January to dispose of unfinished business including the Resolution on British Guiana's Independence.

8. On the 14th January, the day before the Committee was due to reconvene, the Colonial Office of the United Kingdom Government informed Dr. Jagan that they had agreed to hold a Constitutional Conference in May and a Press statement to this effect was released at 0001 hours on the 15th January in London.

9. By letter dated 15th January, 1962 from Sir Patrick Dean, the Permanent Representative of the United Kingdom to the Secretary-General the Fourth Committee was

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informed that:

"The Secretary of State for the Colonies having considered the resolution of the British Guiana Legislature calling for early independence has informed Dr. Jagan that he is willing to hold a Constitutional Conference in London next May to discuss the date and the arrangements to be made for the achievement of Independence by British Guiana."

(See United Nations Document A/C 4/520 dated 16th January, 1962)

10. From the moment that it became known in British Guiana that the Government of the United Kingdom had agreed to a Conference to fix a date for Independence an intense and bitter campaign against Independence was commenced by the reactionary United Force Party led by Mr. Peter D'Aguiar. In this campaign the Press took an active part led by the "DAILY CHRONICLE" which is a newspaper hostile to Government, owned by a Company of which Mr. D'Aguiar is majority shareholder. The Government was bitterly attacked, emphasis being placed on the allegations that it was biased racially, communist, anti-democratic and a satellite of the Soviet Union.

11. Objective examination of the local newspapers for the relevant period will show that this campaign was completely irresponsible and contrary to all normally acceptable journalistic standards.

12. As a result of this campaign a state of unrest began to develop and racial animosity greatly increased.

13. On the 8th February Mr. Fenner Brockway, M.P., asked in the British House of Commons when the Constitutional Conference on the future of British Guiana would be held.

The Government answered officially:

"As was announced on January 15th, the British Guiana Independence Conference will be held in London in May of this year to discuss date and arrangements to be made for the achievement of Independence by British Guiana."

14. On the 31st January, 1962, the Government of British Guiana presented its Budget for the current year. This included proposals for increased taxation, for a Compulsory Savings Scheme and for preventing the widespread tax evasion which has long been a feature of life in British Guiana. It was designed to raise \$8 million B.W.I. more than in 1961 by taxation and \$3 million B.W.I. by the Savings Scheme. This was needed to meet a general demand by the Public Service for salary increases totalling about \$4 million B.W.I., and to meet public debt charges, to undertake vitally necessary maintenance works to Sea Defences, etc., and to finance the Colony's development scheme which was short of funds. A short precis of the financial position is attached hereto and marked Appendix 'B'.

15. The Government was assisted by the United Nations adviser Professor Nicholas Kaldor who framed the proposals. While the Budget introduced new taxes it was calculated that it would cause an increase of only about 3% in the cost of living of the working classes; of this 3%, $\frac{2}{3}$ came from increased taxes on spirits and tobacco. Close examination of the Budget has brought favourable comment from the "NEW YORK TIMES" and from persons including Sir Jock Campbell, British head of the Booker Group of Companies in British Guiana and Mr. Anthony Tasker, the local head.

16. While there was a risk involved in any attempt at increased taxation in an economy as poor as that of British Guiana, Government had no alternative but to introduce the Budget. Attached as Appendix 'C' is a memorandum on the many efforts made to obtain outside assistance without material success. Since funds could not be obtained abroad the Government was forced to ask

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the people of British Guiana to assist themselves.

17. The United Force immediately seized on the Budget as a weapon to be used against the Government in the battle to block independence. A campaign of intense virulence and distortion was launched in the local Press. Many merchants raised their prices on all commodities irrespective of whether taxed or not. These reactionary elements with other opposition forces used the Budget issue as an excuse for an attempt to overthrow the Government.

18. The temper of the urban population of Georgetown was raised to such a pitch that the situation got out of hand and rioting and arson broke out on the 16th February in Georgetown which is the main area of opposition support. Nevertheless, the large majority of the population in the rural areas was unaffected and it cannot by any stretch of the imagination be held that the outbreak was general or had support from the majority of the population.

19. It is considered that the major cause of this breakdown in order was the division of power which is created by the present constitution. Under this constitution, control of armed forces is vested in the Governor and control of public prosecutions for major offences is vested in a Director of Public Prosecutions over whom disciplinary control is vested in the Governor only. Because of this it proved impossible for the Government to take effective steps to prevent the outbreak although this was foreseen by Dr. Jagan who warned of what was likely to happen in a statement to the House of Assembly on the 9th February, 1962. A copy of this statement is attached hereto as Appendix 'D'. In this context it must be noted (a) that the Government, some 18 hours before the situation got out of hand, insisted that the Governor send troops into the disaffected area and despite a firm promise by the Governor to send troops by 1 a.m. on the morning of the

disturbances they did not in fact arrive until 3 p.m. when fires were burning; (b) that despite the fact that a great deal of evidence exists as to illegal actions by political personalities connected with the Opposition no major prosecutions have yet been instituted with respect to the outbreak of the 16th February.

20. Immediately after this outbreak Mr. D'Aguiar on behalf of the United Force, commenced to demand that Independence be withheld because of the situation in British Guiana and this line was carried widely by the British Press.

21. On the 22nd February the question of British Guiana's Independence was raised before the Fourth Committee of the United Nations by the Delegates for India, the U.S.S.R. and Guinea. Sir Hugh Foot for the United Kingdom stated that no new decision about the proposed Constitutional Conference for British Guiana had been taken. In view of this Mr. Jha, Delegate for India, moved that Resolution (L/728) which was still pending should be considered concluded and this was agreed to without a vote.

22. On March 9th, shortly after the disturbance, Mr. Hugh Fraser, Under-Secretary of State for the Colonies, visited British Guiana and insisted that a Commonwealth Royal Commission be appointed by the Government of the United Kingdom in place of a United Nations Committee of Investigation which had been suggested by Dr. Jagan. All the members of the Commission did not arrive in British Guiana until May 16th.

23. Mr. Fraser also considered it advisable for the leaders of the three political parties to meet and decide on common ground, as far as possible, for the constitution for an independent British Guiana. A series of these meetings were held and eventually the leaders of the two

opposition parties refused to attend further unless the Government lifted the state of emergency which had been declared as a result of the disturbances. This the Government considered inadvisable and the talks were therefore stalemated.

24. On the 4th May, 1962, the Governor informed Dr. Jagan that "it was unlikely that the Constitutional Conference would be held in May as planned because (a) a Commission of Enquiry into the disturbances was to be set up to enquire into the circumstances; (b) the initial areas of disagreement between the political parties had to be narrowed; (c) financial talks had to be held. Dr. Jagan objected strongly to this postponement of the talks to an indefinite date, but, nevertheless, the Secretary of State for the Colonies went ahead and adjourned the Conference unilaterally by an announcement on the 8th May.

25. Dr. Jagan was subsequently informed that the talks would be held on the 16th July and as this was a date certain and the postponement was for a short time only no steps were taken to bring the matter to the attention of the United Nations.

26. During a special mission to the United Kingdom by Dr. Jagan during the latter part of May, the short term financial difficulties which had been referred to by the Governor and which had been occasioned by the opposition to the Budget were settled by negotiating an advance from the United Kingdom under terms which amount to an advance on revenue to be collected later in the year.

27. On the 30th June the Secretary of State for the Colonies informed Dr. Jagan that he had been informed that the report of the Commission of Enquiry would not be

available until mid-August and that he therefore proposed to adjourn the Constitutional Conference until "after the meetings of the Commonwealth Prime Ministers in September". Dr. Jagan once more objected in the strongest possible terms but without avail and the Conference remains adjourned to an unspecified date in the future. A copy of Dr. Jagan's letter to the Governor of British Guiana is attached hereto and marked Appendix 'E'.

28. During these negotiations the United Nations General Assembly went into recess and will not be reconvened until September.

PRINCIPLES INVOLVED

29. Strong objection is taken to the principle that the freedom of the people of British Guiana is in any way linked to the findings of the Commission into the disturbances. Implicit in this principle is the suggestion that as a result of the riots British Guiana may be deemed to be unfit for independence. To this suggestion the People's Progressive Party is strongly opposed and in this stand it is supported by the People's National Congress whose leader, Mr. Burnham, has stated that postponement of the Constitutional talks on this ground is both unjustified and unjustifiable.

30. It is considered that this continued series of adjournments are in direct breach of the statements made by the Government of the United Kingdom's representative in the United Nations as the result of which Resolution L/728 was withdrawn. They are also in direct contradiction of binding promises made to the Government of British Guiana.

31. It is considered that this policy of vacillation on the part of Her Majesty's Colonial Office is, in the

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circumstances, most unfortunate. The experience of other territories, and in particular of Trinidad, has been that a disgruntled and dangerous opposition tends to settle down and cooperate to a much greater extent once the decision to grant independence to the majority has been taken or is clearly in the offing.

32. In the context of this country, the continued unwillingness to concede the rights of a majority of over 84% of the people represented in the two major political parties, the People's Progressive Party and the People's National Congress, to their freedom is merely fostering the determination of the small reactionary opposition to resort to extra-constitutional means to block the people's will.

33. It is considered that the policy, or rather the lack of policy, now shown by the Colonial Office can have only one effect. It will lead to further disturbances. What is needed now is a clear, categorical statement by Her Majesty's Government that this country will be granted its independence at a definite date this year. It is well known that in matters of this sort there can be nothing worse than a policy which is weak and amenable to minority pressure. The unhappy history of Algeria is an example exactly in point. All these facts lead to the conclusion that a definite attempt is being made to block the Independence of this territory.

REQUEST FOR ASSISTANCE

34. It is now therefore requested that this matter be taken up by the United Nations and that steps be taken to bring pressure to bear on the Government of the United Kingdom to fix a date certain within this year for the Independence of this territory. If it is felt that the facts outlined above need to be checked or amplified, it is suggested that the Committee of Seventeen or part of it visit British Guiana immediately to investigate the situation on the spot and report back.

CHEDDI JAGAN

APPENDIX 'A'

MEMORANDUM TO THE MEMBER-NATIONS OF THE UNITED NATIONS ON THE INDEPENDENCE ISSUE IN BRITISH GUIANA

20th November, 1961

Introduction

British Guiana is a Colony of Great Britain on the North-eastern seaboard of South America. It is 83,000 square miles in area with a population of 560,000. The population is 80% literate. The principal exports are sugar, bauxite, manganese, rice, timber, gold and diamonds, of which sugar and bauxite make up about 75% of export income. The bauxite, sugar and manganese industries are controlled and almost entirely owned by foreign interests. This results in a disastrous drain of wealth out of the country. The national income is about \$224 U.S. per head, but inequitable distribution has resulted in a poverty-stricken working class. Unemployment is high, when last estimated in 1956, unemployment and under-employment stood at 18% and 9% respectively of the labour force. The population is increasing at the rate of about 3% per annum. The country is largely underdeveloped, and there are large proven resources of hydro-electric power, minerals and timber as yet untouched.

History

Originally Dutch, the Colony had a very large degree of self-government based on a limited franchise. This was a heritage from the Dutch administration. In 1928, this constitution was taken away and Crown Colony rule substituted under which substantial powers were vested in the Crown both directly and as emergency provisions.

2. In 1953 a relatively advanced constitution was given to British Guiana in response to increasing popular demand. This allowed limited ministerial control based on a Legislative Assembly elected by adult suffrage. The People's Progressive Party, led by Dr. Cheddi Jagan, won 18 out of 24 seats in the elections and went into office on a platform of democratic reforms leading to socialism. Four months later, British warships were sent to British Guiana and, without warning, the constitution was suspended and the People's Progressive Party leaders detained and restricted. This suspension was necessary, it was claimed, because the People's Progressive Party had planned to establish a totalitarian regime. This allegation was not substantiated, even by the special commission sent out by the British Government afterwards. Thus sections of the British Press which were hostile to the People's Progressive Party, nevertheless, wrote as follows:

The Times of October 21: "The 'Communist plot' ... is not exposed in the White Paper with the clarity and completeness that many in the country expected." A few days later after the debate on British Guiana in the British House of Commons, the Economist also admitted: "The White Paper has not cleared up many people's doubts." The New Statesman and Nation on October 24 also wrote as follows:

"Most of the White Paper (presented to the British Parliament) indeed, may be disposed of by one or two comments. Where there is evidence of conspiracy or incitement to violence, there could

and should have been criminal proceedings which would have tested the evidence in public. Where the allegations are merely of incompetence or of 'evil communications', the proper answer was made by Creech Jones in this journal last week. It is that at a certain stage of colonial development there is no satisfactory alternative to the risks, very real though they are, involved in giving self-government."

3. From 1953 to 1957 the country was ruled autocratically by a Governor advised by an appointed Council which included several persons who had been rejected at the polls. During this period, supporters and leaders of the People's Progressive Party were subjected to detention, restriction and victimization. Under this pressure leaders defected causing a split in the national movement as represented by the People's Progressive Party.

4. In 1957 a limited constitution was restored to British Guiana. This constitution, however, was less liberal than the 1953 suspended constitution. At the 1957 elections, the People's Progressive Party won 9 of the 14 seats, despite blatant gerrymandering of the constituencies. In illustration of this, Dr. Jagan alone polled in his constituency more votes than all the opposition members polled in all their constituencies.

5. During the term 1957 to 1961 increasing pressure was applied by the People's Progressive Party Government for a greater degree of freedom; and at the British Guiana Constitutional Conference in 1960, the British Government agreed to a constitution which gave a wide degree of internal self-government but reserved to Her Majesty's Government and to the Governor certain important sectors including external affairs and defence as well as over-riding powers to suspend the constitution and to legislate by Orders-in-Council.

6. In the election fought in August 1961, under this new constitution, the People's Progressive Party once more won, this time 20 out of the 35 seats, although, again, the electoral process was weighted against the party by the gerrymandering of constituencies. Under the constitution, Dr. Jagan became the first Premier of British Guiana.

7. During the election campaign in August 1961, three parties contested - the People's Progressive Party led by Dr. Jagan, the People's National Congress led by Mr. Forbes Burnham and the United Force led by Mr. Peter D'Aguiar. All these parties campaigned on the basis of and supported independence for British Guiana and this was stated clearly in their campaign literature and frequently in their candidates' speeches.

Present Position

The issue of independence for British Guiana has been dealt with during the Constitutional Conference in London in 1960. The British Government agreed:

- (i) to give British Guiana internal self-government in the new constitution which was brought into force in August this year.
- (ii) to accept the principle of independence for British Guiana.

Agreement on independence was however tied to the following formula as set out in the report of the Conference:

"On the assumption that constitutional changes are introduced as a result of this Conference, then if at any time not earlier than two years after the first General Election held under the new Constitution or upon it being decided that the West Indies Federation should attain independence, whichever period is the shorter, both Houses of the British Guiana Legislature pass resolutions asking Her Majesty's Government in the United Kingdom to grant independence to British Guiana, Her Majesty's Government will early thereafter call a further Conference to consider when it would be practicable to implement this request. Provided that the new situation caused by the decision that the West Indies Federation would attain independence would not be regarded as giving grounds for considering any change in the then operative British Guiana Constitution until it had been in effect for not less than one year."

The majority of the Guianese delegation objected to this formula but accepted it under protest. On the 16th June, 1961, it was announced that the decision that the West Indies Federation would attain Independence had been taken. Subsequent secession of Jamaica has however complicated the issue.

2. Since the London Conference, however, many territories, for example Sierra Leone and Tanganyika, which were constitutionally less advanced than British Guiana and with which British Guiana compares favourably in terms of social and economic development have achieved independence. In the Caribbean area itself, Jamaica, following its decision to secede from the West Indies Federation, has pressed for a promise by Her Majesty's Government to grant independence to Jamaica, and it has been announced in the Press that legislation will be introduced to this end not later than May 1962.

3. Immediately upon taking office, the People's Progressive Party government moved a Resolution in the Legislative Assembly as follows:

First Session 1961: Resolution No. IV - Resolved that this Assembly requests Her Majesty's Secretary of State for the Colonies to fix a date during 1962 when this country should become fully independent within the Commonwealth of Nations.

After full debate this Resolution was passed on the 3rd November by a majority of 26 to 4. The members of both the People's Progressive Party and the People's National Congress present supported the Resolution. These parties together secured 83.6% of the votes at the elections and together represent all the races of British Guiana. Further the People's Progressive Party is a multi-racial Party and in its ranks are representatives of all the ethnic groups. On the other hand, four members of the United Force, representing only 16% of the electorate, and in direct contradiction of their election promises, voted against the motion.

A similar Resolution was introduced in the Senate and passed on the 9th November by a majority of 9 to 1.

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Conclusion

It is felt that in view of the above facts Her Majesty's Government should now grant to the Colony of British Guiana the independence which has been demanded for so long. There are already in the United Nations a large number of countries smaller in area and/or in population than British Guiana. Both the literacy rate and the average income in British Guiana are above those of many present member nations of the United Nations. The ministerial system of Government has been in successful operation for over four years in British Guiana.

2. The help of your delegation at the United Nations is now sought in this battle for freedom. British Guiana is one of the last relics of colonialism in South America. It should now be independent in conformity with the expressed declaration of the United Nations and the Organisation of American States.

Cheddi Jagan Research Centre

The Hard Facts of the Budget.

The Budget as originally presented called for just over 65½ million dollars on the recurrent estimates - an increase of 8 million dollars on the 1961 Revised Estimates. (57 million). Of this increase, 4 million dollars is required for personal emoluments as follows:

(a) increased salaries etc.	2.6
(b) salaries for additional teachers and teachers salary increments	.9
(c) New posts	.4
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	3.9

say 4 million.

The other main heads which required increased provision are:-

(d) Public Debt. charges	1.4
(e) Services for Development Schemes	.8
(f) Maintenance of roads, buildings and sea defences	.7
(g) Civil Aviation	.3
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2. Revenue from the old taxes was expected to yield 58½ million dollars, i.e. 7 million dollars less than was required to meet recurrent expenditure and leaving nothing over to help finance development.
3. It will therefore be seen that with inescapable commitments for increased salaries and debt charges adding 5 million dollars of 8 million dollars increase on last year's recurrent expenditure and with the bulk of the remainder of the increase in the form of expenditure which cannot be avoided except at greater cost to the community, Government had no alternative but to introduce new taxes to raise money and certain amendments to tax laws to prevent evasion or avoidance of tax.
4. The new tax proposals were expected to yield 10½ million dollars. This sum would have covered the deficit of 7 million dollars on the

recurrent estimates and would have left over about 3 million dollars for Development.

5. The Development Budget as presented called for 31½ million dollars. Of this sum, 20 million dollars was in sight as follows:

(a) U.K. Exchequer loans	8.0 million dollars
(This sum includes the 3 million dollars loan to which formal approval has recently been given by the Secretary of State for the Colonies).	
(b) C.D. & W. grants	6.4
(c) Local loan	2.0
(d) Contractor-finance	2.5
(e) World Bank Loan	1.0
(f) U.N. Special Fund	.1
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	20.0 million dollars

In addition to this 20 million dollars in sight for development it was proposed to realise another 6½ million dollars for development as follows:-

- (i) The 3½ million dollars from revenue over and above that required for revenue estimates. (See paragraph 4 above).
- (ii) 3 million dollars from the national development savings scheme.

Thus the money available for development this year would have been 26½ million dollars - a sum still five million dollars short of the 31½ million dollars required for the Development Programme this year as set out in the Development Estimates.

7. The position since the withdrawal or modification of taxes is as follows:-

- (a) the yield from additional revenue will be reduced from 10½ million to 7.2 million.
- (b) As the deficit on the recurrent budget as presented stands at 7.1 million no money will be available for transfer to development.

8. At the moment the money in sight and available for development stands at 19.5 million dollars.

(a)	U.K. Exchequer loan (includes 3 million dollars to which <u>formal</u> approval was recently given by the Secretary of State for the Colonies).	8.0 million dollars
(b)	C.D. & W. grants (With a smaller programme less C.D. & W aid will be available as C.D. & W. aid is given as a percentage of the total cost of projects).	5.4
(c)	Local loan, including savings from National Development Saving Scheme now estimated at	2.5
(d)	Contractor finance	2.5
(e)	World Bank Loan	1.0
(f)	U.N. Special Fund	.1

19.5 million dollars.

9. So the money available for development is now $19\frac{1}{2}$ million instead of the $26\frac{1}{2}$ million originally envisaged. That is why there has to be further cutback on development expenditure and consequent retrenchment of workers.

MEMORANDUM ON ECONOMIC BACKGROUND TO
BUDGET PROPOSALS 1962

Unemployment

In 1956, Mr. McGale, an expert from the I.L.O. conducted a survey on unemployment and underemployment in British Guiana. He concluded that there were 18% of the labour force unemployed and 9% underemployed and noted that if there were no new opportunities for employment, other than 7,000 new jobs arising from planned development, there could be by 1966 up to three times the number who were unemployed in 1956. This Report also disclosed that about 41% of the unemployed was concentrated in the urban areas. This distribution of the unemployed between town and country tended to aggravate tensions between the predominantly African urban population and the predominantly Indian rural population, especially since in the short-term period development was perforce heavily concentrated on the agricultural and communications sectors (rather than on, say, industrialisation) which political leaders in the opposition criticised as a deliberate attempt to help Government supporters in the rural areas.

2. After the Elections in August 1957, elected Members of the Government stated publicly on several occasions both here and abroad that if the social and economic problems affecting the people of the country were not solved, an explosion would eventually occur. For example, this opinion was expressed and emphasised at a conference held in London in the summer of 1958 with the Colonial Office. (Representing British Guiana were the then Governor, Sir Patrick Renison, Financial Secretary, Mr. F.W. Essex, Minister of Trade and Industry, Dr. G. Jagan, and Minister of Natural Resources, Mr. Edward Beharry). Because of the economic and consequential social problems existing in the country, Dr. Jagan suggested that the old "91 million 1954/1960 Development Programme should be revised and expanded to "200 million but his proposal was rejected. Instead it was decided that the Plan should be reviewed in the summer of the following year (1959).

Attempts to get Financial Aid

3. Efforts to obtain development finance from other sources were made and the "Swiss Bank" in London indicated that they would be prepared to lend the British Guiana Government under a United Kingdom Government guarantee a sum amounting to £6 million. The United Kingdom Government, however, stated that it was not in keeping with its policy to guarantee such loans. Following upon this refusal, Dr. Jagan sought permission of the British Government to make a direct approach for a loan to the International Bank for Reconstruction and Development (World Bank). This request was approved and a preliminary application was prepared at the Colonial Office and forwarded to the World Bank.

4. Dr. Jagan and Mr. Beharry (at the time Ministers of Trade and Industry and of Natural Resources respectively) then proceeded from London to Washington and had discussions with officials of the World Bank and U.S. Government Agencies - the Development Loan Fund (D.L.F.), the Export/Import Bank, International Cooperation Administration (I.C.A.) etc. Previous to this visit an application was made in early 1958 to

the D.L.F. for economic assistance amounting to \$34 million (U.S.) for water control and road construction projects. Discussion of this application did not bear any fruit. The Controllers of the Fund expressed the view that the amounts involved were too large, but did not give any indication what sum was likely to be obtained and to what extent the application was to be modified. Discussions with the other Agencies were equally fruitless.

5. Towards the end of 1958, an Economist from the World Bank, Mr. John Adler, visited British Guiana and in a confidential report suggested that any new Five Year Development Programme was likely to be within "110 to "125 million (B.W.I.). On the eve of his departure from British Guiana, he said:-

"I have been informed about the Government's tentative Development Plan for the next 5 year period. It would be presumptuous for me to comment on the programme in detail but from what I have seen it is clear to me that the top priorities have been correctly selected. There is no question in my mind that the provision of more agricultural land through drainage and irrigation and the improvement and expansion of the transportation system, particularly through better and more roads, deserve top billing."

6. In early 1959, U.S. Government Officials from the State Department also visited British Guiana. Discussions on the Government's application for economic assistance were again held but no definite commitment was made.

7. In the summer of 1959 the present Five-Year 1960/1964 "110 m. Development Programme was approved in London. The Programme was limited to "110 m. on the advice of Mr. Berrill, a Cambridge Economist, who had come to British Guiana as an Adviser to the Government in early 1959. Mr. Berrill argued that at the then prevailing rate of interest (6%) British Guiana could not afford a bigger Programme and were it to embark on a larger Programme it would run into serious financial difficulties as too large a proportion of its recurrent budget would have to be devoted to the payment of debt charges. The elected Members of the Government did not share Mr. Berrill's assumptions about the rate of economic growth for the future and projections of revenues and debt burden in the long-term (15-20 years) period. The Colonial Office admitted that the British Guiana Government needed a larger Development Programme to cope with its present social and economic problems, but expressed the view that neither was the British Government in a position to loan more than the sum of £8 m. (of which £4 m. was approved and £4 m. was to be considered later) nor was British Guiana in a position to finance a bigger programme.

8. Dr. Jagan argued for a bigger Development Programme on the basis of a lower rate of interest. He was told that the British Government could not reduce this rate because of an Act of Parliament which determined the rate of interest on Treasury Loans.

9. Dr. Jagan again visited Washington in the summer of 1959 and held talks with Officials of the World Bank and U.S. Government Agencies. At a meeting with State Department Officials he was told that a sum of about "6 to "8 m. (U.S.) would be made available to the British Guiana Government towards the cost of the construction of an interior road from Parika to Lethem. This did not in fact materialise. A request was also

made to the Commodities Division Office of International Resources in the State Department in order that the country's imports of flour and stock feed from U.S. ("3.5 m. U.S. p.a.) may be given under United States Public Law 480 so that the proceeds of the sale could be used for development projects. This request was turned down. It was explained that any assistance under the law must be over and above the existing volume of imports. An approach was made to the Export Credit Corporation for these imports to be supplied on credit but this was also turned down on the ground that it cannot be justified since British Guiana had no currency difficulty to overcome. The Export/Import Bank was sounded out for help in financing equipment for a flour-mill and a feed-mill. The response was not encouraging. The answer given was that the congressional interests and U.S. flour millers were likely to be critical of such assistance.

10. At one stage a U.S. Official in British Guiana indicated that economic assistance might be forthcoming for the Tapacuma Drainage and Irrigation Project. Later, when the Project Report was ready Government was informed that assistance for this Project was not likely to be forthcoming because of possible congressional objections to a scheme which would be solely devoted to the cultivation of rice of which the U.S. had a large surplus.

11. An application to the Export/Import Bank in June 1961 for rice milling equipment - cleaning, drying and storage - amounting to about "2 m. B.W.I. has not yet been considered.

12. In 1959 together with the then Financial Secretary, Mr. F.W. Essex, Dr. Jagan visited the Federal Republic of Germany and held discussions there for economic assistance. In Italy discussions were held at about the same time for economic assistance for the taking over of the Demerara Electric Company, now termed the B.G. Electricity Corporation. A small World Bank loan of "2½ million (B.W.I.) was approved in 1961. This was, however, to be used only for credit to private individuals and cooperative societies for the purchase of equipment and implements for agricultural, forestry and fishery development.

13. In the latter part of 1961 Dr. Jagan and the Minister of Trade and Industry visited Canada and the United States in search of economic aid. At about the same time the Minister of Natural Resources visited Germany, Italy, and France for the same purpose.

14. Unfortunately, little besides technical assistance has materialised out of the Government's efforts to secure aid abroad.

One tangible offer of assistance was made. In the summer of 1960, the Cuban Government proposed a loan to the British Guiana Government of an initial sum of "5 million (U.S.) (at a rate of interest of 2% repayable in ten years in the form of timber products) to finance the establishment of an industrial timber project. The Cuban Government was also prepared to finance the external costs (cement, generating equipment etc.) of a hydro-electric project estimated to cost about "32 million (B.W.I.). There was resistance to these offers for political reasons from various quarters including the former General Secretary of the Trades Union Council (T.U.C.). The British Government was of the view that such offers should be examined minutely and promised to pursue the matter with the Cuban Government. Unfortunately nothing more was heard of this from the Colonial Office until the 26th June, 1962 when a discouraging reply was received.

/The....

The amount of technical, as distinct from financial assistance received from abroad, especially from the United Nations, is, however quite impressive. It included U.N. Special Fund assistance for a bar siltation project, a soil survey, an aerial magnetometer (geophysical) survey and a land development pre-investment survey. Each of these projects involved expenditure of U.N. funds exceeding "340,000 B.W.I. In addition technical assistance in a wide field was received, e.g. in petroleum exploration; industrialisation, fiscal and financial policy, statistics, marketing, forest inventory, water resources (including hydro-electricity) development, public administration and economic planning. Technical assistance in the field of social assistance, education and mineral resources development have also been approved.

"Contractor Finance"

15. Having failed to obtain enough direct loans to finance the Development Programme, Government through the previous Minister of Trade and Industry (Dr. Jagan) sought to obtain assistance in the form of "contractor finance." This attempt was successful to a certain degree. A Consortium made up of Associated Electrical Industries, Taylor Woodrow and International Combustion Company is financing the take-over and expansion of the Electricity Corporation. The Grupo Del Conte, a Venezuelan firm, is now engaged in the construction of a road from Parika to Makouria on the right bank of the Essequibo River as a result of a "contractor finance" arrangement with the Company.

Attempts to block assistance to Government

16. While the Government was seeking to raise loans from abroad, attempts were and still are being made to prevent such assistance being given. It has come to the knowledge of Government that attempts have been made by persons close to the United Force to persuade the Grupo Del Conte not to undertake to finance any project here and to influence the World Bank not to grant any loans to the Credit Corporation. More recently; newspaper reports have indicated that Mr. L.F.S. Burnham, O.C., the leader of the P.N.C., during his last visit to the U.S. some weeks ago had urged that no U.S. assistance should be given direct to the British Guiana Government, but rather that it should go to Trade Unions and Cooperative Societies. This is illustrative of the attitude of the opposition towards the Government's attempts to secure financial aid for the country's development.

GIS COMMUNIQUES

Friday, February 9, 1962.

NC. 6

The Premier Dr. the Hon'ble C.B. Jagan made the following statement to the Legislative Assembly this afternoon:

"It has come to the knowledge of Government that violence is actually being planned on a general scale by certain elements acting for a minority group. In addition, it is understood that attempts against the Premier's life and the lives of certain of his Ministers and supporters are contemplated.

These acts of violence are intended to secure the overthrow of the legally elected Government by force and tax proposals in the budget are being used as a screen for the general plan. These plotters intend to call a general strike for Monday, February 12, Since there is no likelihood of this strike call being widely supported by the workers, certain elements of the business community plan to shut down their business houses. The intention is in effect to stage a general lock-out on the excuse that strike has created conditions which prevent continued business operations. Every step possible is being taken to bring the Civil Service in on this strike and if these designs are successful the total result will be to cause widespread dislocation of the colony's economy.

Such a course of action will be very likely to end in riot and violence. The people who plan this operation must be aware of this. It seems that they are seeking to cause turmoil and unrest in order to halt our march to Independence and economic well being for all. This small clique is determined to preserve their positions of privilege. They want to create another Congo here. They talk about freedom and democracy but are determined to use unconstitutional means to achieve these ends. They feel that they can depend on foreign support.

In the circumstances, the Government intends to take energetic steps to forestall this plan and I am now appealing to all reasonable public-minded citizens not to allow themselves to be persuaded or fooled into taking part in what can only be a disastrous and futile effort on the part of a small misguided and selfish element in the community to turn back the clock of history".

COPYOFFICE OF THE PREMIER,
Public Buildings,
Georgetown.CONFIDENTIAL

July 2, 1962.

Your Excellency,

I received your letter on Saturday. Further to what I told you this morning at your office, these are my comments. I am not only disappointed but disturbed. The request for a date to be fixed for Independence and an Independence Conference was first made by me in the latter part of last year in London. Mr. Maudling then refused to give definite dates and stated that the matter would have to be discussed at Cabinet level.

As I was dissatisfied with so vague a promise, I raised the issue before the United Nations, and, you will probably remember, there was every possibility of a vote adverse to the United Kingdom in the Fourth Committee. A matter of hours before the question was due to be put to the Committee, we were informed that Mr. Maudling had agreed to hold the Conference on the 15th May. It is important to note that this was a date certain and that in view of this promise the matter was not pursued before the Fourth Committee.

Subsequently, the Colonial Office offered the excuse that because a riot occurred here discussion of the country's independence should be postponed. The talks were adjourned from the date actually set to an "unspecified" time in July, "if possible". It must be noted that I objected strongly to the principle implicit in this postponement and that my stand in this regard was supported by Mr. Burnham, the leader of the majority opposition party. Nevertheless, over my objection, the talks were postponed and in the House, Mr. Maudling is reported to have said that while I did not consent I "acquiesced". This was a subtle distinction which I must confess is beyond me. You will remember that I might have been prepared to agree to postponement had it been to a fixed date in July but that I was firmly opposed to any postponement from a fixed date to some unspecified time. My primary purpose was to see the outcome of the Trinidad talks but you will remember that I objected to the eventual holding of the Conference being tied in any way to the findings of the Riot Commission.

Although I objected the talks were in fact adjourned. I was heartened some time ago to be informed by you that the date had actually been fixed for the 16th July. Now, however, I am informed that the date of the Conference is to be postponed until "after meetings of the Commonwealth Prime Ministers in September". Once more there is postponement from a date certain to an unspecified date. Once more, from the context of the telegram copied to me, there arises the unacceptable principle of making the Conference conditional upon the availability of the Commission's report.

I wish now to protest to you in the strongest possible terms and I wish to ask you to forward this protest and the relevant portions of this letter to Mr. Maudling directly.

/I.....

I wish to repeat that this continued policy of procrastination is in breach of Her Majesty's Government's undertaking to the Fourth Committee which was both explicit and implied in the statement made to delegates by Her Majesty's representative at the United Nations. I wish further to point out that the continual adjournments are in direct breach of Her Majesty's Government's undertaking to me as elected representative of the people of this country.

I wish further to point out that to continue to imply that the postponement of this country's independence is in any way related to the findings of the Riot Commission is to put a premium on arson, violence and looting. The moral cannot but be drawn by those involved that if legislative control is unpopular the proper tactic to use is to ignore the rule of law and rely on insurrection. In support of this contention I wish to cite the following:

- (a) The delay in supporting the civil power by the necessary military force after I had requested the same of you was one of the factors which directly contributed to the extent of the disturbances. This has been interpreted by many people as a recognition by Her Majesty's Government of the basic rectitude of the opposition's position and as a tacit attempt to assist them in their attempt to overthrow the Government by violence.
- (b) The failure of the Director of Public Prosecutions who is responsible only to you to take adequate legal steps against those members of the community who openly broke the law, encouraged and participated in violence on February 16.
- (c) Acceptance by Her Majesty's Government of the principle that independence must be delayed until after the Riot Commission's findings which in a sense implies that the Commission was sitting in trial of the Government and not of the insurrectionary elements responsible for the violence.

Subsequent to having last fixed the date for our Independence Conference, Her Majesty's Government allowed to be published without denial or published in the TIMES for June 26th, the statement that the British Guiana Conference would be held during July. This statement caused protest from the supporters of the United Force here and from newspapers controlled by them, and to rescind the decision now and postpone the Conference for a second time is likely to create in the minds of this minority faction the feeling that their pressure has persuaded Her Majesty's Government to abandon the avowed decision.

May I point out that this policy of vacillation on the part of Her Majesty's Colonial Office is, in the circumstances, most unfortunate. The experience of other territories, and in particular of Trinidad, has been that a disgruntled and dangerous opposition tends to settle down and cooperate to a much greater extent once the decision to grant independence to the majority has been taken or is clearly in the offing. In the context of this country, the continued

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unwillingness to concede the rights of a majority of over 84% of the people represented in the two major political parties, the P.P.P. and P.N.C., to their freedom is merely fostering the determination of the small reactionary opposition to resort to extra-constitutional means to block the people's will.

I wish formally to warn you that the policy, or rather the lack of policy, now shown by the Colonial Office can have only one effect. It will lead to further disturbances. What is needed now is a clear, categorical statement by Her Majesty's Government that this country will be granted its independence at a definite date this year. You are, I am sure, as well aware as I that in matters of this sort there can be nothing worse than a policy which is weak and amenable to minority pressure. I have only to refer you to the unhappy history of Algeria to point this out.

I hope that you will send my comments to the Colonial Office together with my objection and I propose to regard the matter as open until I hear further from you.

If in spite of these considerations Her Majesty's Government insist on the postponement I shall feel myself justified in any such action as may be possible to me in pursuing the just demands of the people.

Yours faithfully,

(Sgd.) CHEDDI JAGAN

His Excellency the Governor;
Sir Ralph A. Grey, K.C.M.G., K.C.V.O., O.B.E.,
Government House,
Georgetown.