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The Situation and Prospects in British Guiana

Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE

Concurred in by the
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The Central Intelligence Agency and the intelligence organizations of the Departments of State, Defense, the Army, the Navy, the Air Force, The Joint Staff, and the FBI,

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THE SITUATION AND PROSPECTS IN BRITISH GUIANA

THE PROBLEM

To estimate the short-term outlook for British Guiana, with particular reference to the political orientation of Jagan and his party, the likely outcome if new elections were to be held, and the nature of possible alternatives to the Jagan government.

CONCLUSIONS

1. Racial conflict is likely to continue to be the basic factor in the political situation in British Guiana. The two major political parties represent the nearly equal East Indian and Negro communities and party rivalry has increasingly taken on a racial character. The British, who have exercised a stabilizing influence, will almost certainly withdraw and grant independence not later than mid-1963, since they apparently foresee strong adverse reactions with unpleasant international connotations if they try to extend the period of their authority in the colony. (*Paras. 5, 13-14*)

2. Premier Cheddi Jagan and the People's Progressive Party (PPP) represent the East Indians, who are more numerous than the Negroes and who have been consolidated politically by the February 1962 disturbances. Jagan and the PPP are likely to maintain control of the government, whether or not new elections are held. However, any one of a number of likely developments could precipitate another period of violence. (*Paras. 5, 11, 15, 18*)

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3. The PPP leadership has a clear record of Communist association and of Communist-line policies, but the evidence does not show whether or to what extent they are under international Communist control. We believe, however, that Jagan is a Communist, though the degree of Moscow's control is not yet clear. A Jagan government in the postindependence period would probably follow a policy of nonalignment in international affairs, but would probably lean in the Soviet direction. Its associations with East and West would be highly opportunistic and strongly influenced by its interest in obtaining aid for British Guiana. Its domestic program would be radically socialist and reformist. (*Paras. 6-7, 19*)

4. The People's National Congress (PNC), led by L. Forbes Burnham, is supported by a large proportion of the Negro population but by almost no one else. A PNC majority in the legislature, even with the support of the small United Force party (UF), is unlikely under presently foreseeable circumstances. If the PNC were to come to power its policies would probably be leftist and neutralist, though somewhat less radical and pro-Bloc than those of the PPP. (*Paras. 8-9, 15*)

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DISCUSSION

I. BACKGROUND

5. For over a decade political life in British Guiana has been marked by the racial split between East Indians, who make up about half of the population, and Negroes, who account for a somewhat smaller proportion. The most powerful political force has been the People's Progressive Party (PPP), led by the government's East Indian Premier, Cheddi Jagan. The PPP derives its strength mainly from East Indians, most of whom live in the countryside, but also has found some support among the Negroes. In the August 1961 election, the PPP won about 43 percent of the popular vote, thereby gaining a 20-15 majority in the legislature.¹ Since the elections it has demonstrated considerable political ineptitude and has failed to make headway against the enormous economic difficulties of the colony.

6. On the basis of available evidence, it cannot be determined whether or to what extent Jagan and other leading PPP figures are under the control of international communism. However, Jagan and many of his colleagues in both the PPP and the government have long associated with and indeed shown a predilection for persons and organizations identified with the Communist cause abroad. A number of them have traveled to the Soviet Bloc and to Cuba, where they have made a variety of official and semiofficial contacts. On occasion, they have publicly espoused the Communist line. Several of Jagan's associates in his party and cabinet have been more clearly identified as Communists than has he. For example, Ranji Chandisingh the Minister of Labor, Health, and Housing, was once a mem-

¹ The election in one constituency was set aside by court decision as a result of irregularity and the PPP majority is now 19-15.

ber of the British Communist Party, and Jagan's wife, Janet, has a long record of Communist association. Jagan has shown himself to be highly susceptible to influence by his advisers. In general, the pattern of behavior of the whole group suggests a deep attraction to the Communist way.

7. Jagan's behavior can be interpreted as that of a national reformer of Marxist persuasion who has been led by the assiduous efforts of Communists to see hope for his country in Communist programs and associations but who has not committed himself to the complete discipline of a higher Communist authority. Alternatively, it can be explained as that of a convinced Communist who purposefully refrains from acknowledging his commitments and who seeks to maintain a neutralist posture in order to maximize possibilities for Western aid, secure independence for British Guiana, and ward off Western interference. We cannot read the evidence to give conclusive support for either of these two interpretations. We believe, however, that Jagan is a Communist, though the degree of Moscow's control is not yet clear.

8. The principal opposition party is the People's National Congress (PNC) of L. Forbes Burnham, a Negro who is a radical reformer and who until 1954 was one of Jagan's lieutenants in the PPP and an advocate of extremist measures in government. The PNC is supported by most of the colony's Negro population in the cities (including most government employees) and in the bauxite mining areas. Outside Negro ranks it has virtually no following, and among many middle class Negroes its support is not firm. In the 1961 election it polled 41 percent of the vote and won 11 seats in the legislature. PNC policy has been largely that of opposing the PPP. What we can say of PNC policy if it

were to form a government must be based largely on Burnham's statements and on the content of his party newspaper. The PNC in office would probably feature a more moderate policy of domestic socialism than the PPP. Likewise, in the foreign field it would also be neutralist but somewhat less pro-Bloc than the PPP. Burnham has a reputation for opportunism and venality. His racist point of view, so evident in the past, forbodes instability and conflict during any administration under his leadership.

9. An additional opposition party is the United Force (UF), which seeks to be multi-racial. It is based largely on the small commercial class (including the Portuguese minority) which fears that Jagan would transform the country into a Communist state after independence. It won four seats in the 1961 election. Had the UF not run, the PNC might have won some of these seats but probably not all. In any case it would not have gained a majority.

II. FEBRUARY RIOTS

10. A tremendous increase in the racial tension in British Guiana and in the potential for conflict came as a result of a week of strikes and riots which shook the capital city of Georgetown in mid-February 1962. The immediate cause of the strikes was Premier Jagan's budget bill, but the riots were also rooted in the longstanding racial antagonism and in the dissatisfaction of many urban groups, notably public service employees and businessmen, with the policies of the PPP government. As the disturbances spread, they took on the character of a struggle between the Negro urban community and the East Indian Government and its rural supporters.

11. Paradoxically, the February crisis strengthened Jagan by consolidating the support of his East Indian followers. At the same time, it reduced his stature and tar-

nished his prestige as a national leader. His economic and financial problems are more acute now than before the riots. His government is hard pressed to meet current expenditures. Whereas before the riots almost 20 percent of the labor force was out of work, an even larger number are now unemployed as a result of the destruction in Georgetown. Jagan's plans for economic development have been set back, partly because he has been forced to trim his tax measures and partly because uncertainties about his country's political stability are inhibiting the flow of outside public assistance, on which development is heavily dependent. The February events have discouraged foreign investment.² Extensive capital flight is in progress and foreign investors are doing no more than attending to existing operations. A good many city merchants, East Indians among them, are inclined to cut and run rather than to stay and rebuild.

12. On the other hand, the crisis also left the opposition with reduced prestige. Its several leaders acted recklessly and in the end tended to neutralize each other. Those unions which are predominantly Negro actively collaborated with the opposition parties, but the rank and file of the largest single union, chiefly East Indians, did not. There have been rumors of dissension in the PPP and reports that the opposition might try to win some of Jagan's legislators away from him, but sufficient defections to cause the legislative defeat of the Jagan government are not considered probable in the near future under existing circumstances.

III. PROSPECTS

13. The British presence is a check on the violent political forces that seethe near the

²British foreign investment in Guiana amounts to between \$400 and \$500 million and is mainly in sugar production. Canadian investment (about \$80 million) and US investment (about \$30 million) is mainly in bauxite and sugar.

surface in British Guiana. British departure will be the prelude to a period of uncertainty and possibly of violence during which the country will be establishing its international orientation. Nevertheless, the British appear determined to get out. They are not anxious to continue to put money into British Guiana, and they calculate that the present cost to them of \$7 million a year would be increased to \$20 million per annum if they reimposed direct government. They assert in private that British Guiana is in the US, not the UK, sphere of interest and they probably consider that its future is not properly their problem, but one for the US. At the same time, London is less inclined than is the US to believe that communism will achieve dominance in the colony. Finally, it fears that to delay independence very long would arouse indignation in many parts of the world where colonialism is a sensitive issue.

14. The British may see fit to hold on for a time by postponing the May 1962 conference, which was to have discussed plans and timing of independence. Even if the conference is held on schedule, independence may be deferred. Jagan has agreed to an investigation of the recent riots by a Commonwealth commission, but the the scope of the inquiry is such that it is not likely to necessitate much delay. Independence might also be delayed by the failure of Jagan and opposition leaders to get together on a new constitution. A vote of no-confidence in the government could also hold up proceedings, but we believe that Jagan will move cautiously on matters of domestic policy to assure control of his majority in the legislature. In any circumstance, however, we do not anticipate that the British will delay much beyond the end of 1962.

15. For any of the above reasons, the UK may find it desirable to hold new elections. New elections held on the same basis as were those in August 1961—with the same parties and same electoral system—would probably

return a Jagan government again, even in the face of a PNC-UF electoral coalition. The PNC is urging a proportional representation system, under which it believes it could turn the PPP out, but the latter is unlikely to accept any form of proportional representation that would seriously prejudice its electoral chances.

16. After independence Jagan is unlikely to be over tender about guarantees of constitutional rights for the opposition. With the British mediator gone, he will probably seek to move toward consolidation of his control over the country. No subsequent election is likely to be as free as those that were held under the watchful eye of the British.

17. Nevertheless, Jagan will be under some restraints not to ride roughshod over the wishes of the public—Negro as well as East Indian. The size and potential strength of the Negro community were well demonstrated by the February riots, and Jagan will fear to bring the Negroes into the streets against him again. He is also aware that the rank and file of his party—and indeed the East Indian community as a whole—is not Communist and may react against unpalatable Communist or socialist measures. Furthermore, he has the problem of developing and controlling a security force.³ He has apparently been considering a largely East Indian security force of some kind, but must be aware of the dangers implicit in such a move, especially since the existing police force is principally made up of Negroes. Jagan's impetuous enthusiasm for his own reform programs and the temptation to work through and for the East

³In addition to the 1,500-man local police, the security forces in the colony now include a Volunteer Guard of about 500, some 200 British troops normally stationed near Georgetown, and about 600 of those brought in at the time of the disorders. Jagan has threatened to recruit his own police or to create a national army and in response the British are proposing to enlarge the local police by 500.

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Indian community may be moderated by the realization that, if the country is to be held together, important concessions must be made to the Negroes. Still, his recklessness and impulsiveness are notorious and could at any time overrule his judgment.

18. We do not believe that we can project our estimate very far beyond the period of independence. Jagan will almost certainly maintain his predominant position in the PPP, and can probably prevent an opposition government from taking over. However, any one of a number of likely developments could precipitate another period of disturbance like that of last February. We see no prospect for a coalition of moderates of both parties and both races.

19. We believe that a Jagan government in the postindependence period would be likely to identify itself—as it has in the past—with anticolonialist and independence movements. It would probably follow a policy of nonalignment and seek to benefit from relations with both the West and the Communist countries, but would probably lean in the Soviet direction. For some time Jagan has been seeking trade and aid from the West and he has expressed interest in joining the Organization of American States and in participating in the Alliance for Progress. He has also been seeking trade and aid from the Bloc. He has just signed a trade contract with East Germany and other deals with Bloc countries are likely to follow.

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