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POLITICS, ECONOMICS AND INDUSTRIAL RELATIONS: THE
DEVELOPMENT OF COLLECTIVE BARGAINING IN THE GUYANA SUGAR
INDUSTRY

Union for Experimenting Colleges/U. Without Walls and Union Grad. Sch. PH.D. 1985

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POLITICS, ECONOMICS AND INDUSTRIAL RELATIONS:
THE DEVELOPMENT OF COLLECTIVE BARGAINING
IN THE GUYANA SUGAR INDUSTRY

A Project Demonstrating Excellence
Submitted to the Faculty of the
Union Graduate School

by

Rajendra Singh

In Partial Fulfillment of the Requirements
for the Degree of
Doctor of Philosophy

February 1985



ABSTRACT:

This study examines the development of Collective Bargaining in the Guyana Sugar Industry. It approaches the peculiarities of various transformational phase in the socio-historical trajectory of Guyana's social formation from the perspective of class relations. Against this background, the essentially inductive approach culminates in an analysis of the social relations of production from the period of colonial rule to the present time.

More specifically, this study focuses on the determination of wages for field and factory workers in the sugar industry. In 1939 wage determination became a function of union-management negotiations. That system continued until 1977. Thereafter there was a change in policy. With the introduction of the new system, the Government of Guyana and the Guyana Trade Unions Congress negotiated wages for the field and factory workers. This change denied the union representing the field and factory workers the right to negotiate wage increases.

As a four part study, this thesis describes and analyses Collective Bargaining in various specific and distinct time periods: 1) 1919, when the first trade union was recognised in Guyana; 2) 1939, when the first trade union was recognised in the sugar industry; 3) 1966, when Guyana gained political independence from Great Britain; and

4) 1977, when a new system of wage determination was introduced in the sugar industry.

In Chapter One, the study examines the establishment of the British Guiana Labour Union (B.G.L.U.) and its recognition by the Colonial employer - the Chamber of Commerce. It concentrates on the attitudes of the Colonial forces towards unionisation and the struggles of the work-force on Guyana's waterfront to win representation rights for a trade union.

But soon after the recognition of the B.G.L.U., the field and factory workers, despite the many limitations, began to intensify their fight for the recognition of a trade union to represent them. That union, the Man Power Citizens' Association (M.P.C.A.) became the legal bargaining agent for the field and factory workers in 1939. Chapter Two focuses on the recognition of the M.P.C.A. and also its loss of effectiveness subsequently as a militant workers' organisation.

In Chapter Three, the study deals with the effects of political and economic changes on labour-management relations in the sugar industry. In 1966 Guyana was granted political independence from Great Britain. With the removal of the colonial administration and the installation of a national government, the colonial sugar industry employers not only had to work with the national government, but they were also faced with a jurisdictional dispute between the

M.P.C.A. and the Guyana Industrial Workers' Union (G.I.W.U.), a trade union that supported the opposition political party.

In 1977 the Government of Guyana and the Guyana Trade Unions Congress negotiated the first minimum wage agreement for workers within the public sector including the field and factory workers. From all the evidence available the new model of wage determination ran contrary to the research findings of several wage theorists. Chapter Four examines those findings and applies them to the Government/T.U.C. wage agreement.

To conclude, this study uses historical analyses of the development of Collective Bargaining in the sugar industry, wage theorists findings, strike statistics, and research results to present arguments to show that there has been no fundamental changes between the (Colonial) system of wage determination that existed prior to 1939 and the present model, despite Guyana's changed political position and economic policies. In both models, government authorities fixed wages thereby denying the trade union the democratic right to negotiate wage increases for the field and factory workers. Furthermore, like the system that existed prior to 1937, the present model of wage determination has produced dissatisfaction and industrial conflicts that parallels the situation that exists in capitalistic economic structures.

ACKNOWLEDGEMENT:

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POLITICS, ECONOMICS AND INDUSTRIAL RELATIONS:
THE DEVELOPMENT OF COLLECTIVE BARGAINING
IN THE GUYANA SUGAR INDUSTRY

Introduction

Background of Thesis:

The current study will focus on an examination and analysis of the development of Collective Bargaining in the sugar industry in Guyana. Guyana is located on the North East coast of South America between Venezuela to the west, Brazil to the west and south and Suriname to the east. For most of its history, Guyana¹ was an agricultural British colony geared to sugar production.² Consisting of some 83,000 square miles, the country has always been extremely sparsely populated.³ Reflecting a situation that has changed little in the previous 150 years, the 1970 census indicated that more than nine out of every ten people lived in the region dominated by the sugar plantations.⁴

Theme of Thesis:

More specifically, this study will concentrate on the determination of wages for the field and factory workers in the sugar industry. In 1939 wage determination became a function of union-management negotiations. That system continued until 1977. Thereafter there was a change in policy. With the introduction of the new system, the Government of

Guyana and the Guyana Trade Unions Congress negotiated wages not only for the field and factory workers, but for all workers within the public sector. This change denied both the management and the union representing the field and factory workers the right to negotiate wage increases.

Objective of Thesis:

Using historical analyses of the development of Collective Bargaining in the sugar industry, the objective of this study is to present arguments to show that there has been no fundamental change between the system of wage determination that existed prior to 1939 and the present model despite Guyana's changed political position and economic policies. In both models, government authorities fixed wages thereby denying trade unions the democratic right to negotiate wages for the workers.

Under the current model, wages are fixed by the government and the Trade Unions Congress. In this process the trade union that represents the field and factory workers is not allowed to negotiate a collective bargaining agreement with management for the determination of wages. Indeed this was the case prior to 1939 when wages were fixed either by law or by the plantation owners. In the case where wages were set by law the courts responsible for passing legislation, were controlled by merchantile capital

and the plantation owners. In the other instance they were determined unilaterally by plantation owners who invested in sugar production primarily for profit.⁵

According to Harry Braverman, profit is an essential mark of Capitalism.⁶ Capitalism is defined as the exclusive appropriation, either individually or collectively, by one class of the means of production that are themselves the product of labour.⁷ Furthermore as Samir Amin argues, Capitalism exists wherever the means of production that have been produced by labour are managed by a section of the society rather than the whole society.⁸

Using this definition, in an essay on the Social Formation of Peripheral Capitalism, Amin submits that the capitalist relations of production have three essential features: (1) the social production takes the form of commodities; (2) labour power itself becomes a commodity, and even as the producer of the commodity, it is separated from the means of production; (3) the means of production themselves become commodities and are appropriated by a particular class. In other words, the means of production become Capital,⁹ which is in fact material equipment.¹⁰

With Capitalism, therefore, labour as a commodity produces other commodities which in turn are controlled by one class, the owners of Capital.¹¹ In these circumstances labour and capital are opposite poles.¹² Nevertheless,

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whether as commodities or the means of production Capital is labour.¹³ It is labour that has been performed in the past which becomes Capital through appropriation by the Capitalist class and then used to accumulate more capital. At the same time, since labour is purchased by the Capitalist to begin the production process, labour is Capital. Labour represents Capital which is allocated as payment for labour power. Therefore, labour power, provided by the working class, and sold as Capital to the capitalist class, is not only the animate part of Capital, but also the first raw material for exploitation.¹⁴

Theories of Exploitation:

In the capitalist society, the history of labour is characterised by exploitation, repression and struggle.¹⁵ In such societies, the capitalist class maximises the rate of extraction so as to increase its profits. Thus wages and working conditions are kept at minimal levels. But since the workers organise to protect their economic position, there is a constant struggle in which both classes fight to preserve their respective interests. Furthermore when the social relations of production emerge as a result of systems of unfree labour such as slavery and indentureship, the exploitation of labour, becomes even worse.

According to Andre Gunday Frank exploitation is an essential ingredient of capitalism.¹⁶ In examining the capitalist relations of production some theorists have almost exclusively concentrated upon external factors, such as the operation of world capitalist markets and actions of imperialist states to ensure the reproduction of underdevelopment in the Third World. Today the capitalist system is no longer located within the advanced industrial nations. The fate of capitalism now depends upon the outcome of struggles between imperialist and anti-imperialist forces located in underdeveloped countries.¹⁷

Other theorists have worked out a model of underdevelopment based on an analysis of local class structure, the effects of class and ethnic divisions and the role of the local state in social development. Frank, believes that regions and entire nations take the place of social classes in explaining the process of capital accumulation. The metropolis exploits the satellites: the core regions within underdeveloped countries exploit their own less developed regions.

But more importantly as the capitalist system expands within a particular society, it transforms the local class structure and the structure of the state. These changes take place within the context of the world system which, "operates through the class-directed institutions that impose the exploitative class relationship throughout the world."¹⁸

Before decolonisation, the extraction of surplus value was "relatively direct." The colonial forces were directly exploited by foreign capitalists. The local state was merely an extension of the imperial state. After independence the process of exploitation became complicated by the rapid growth of a local intermediary force, which lacked an economic power base, and depended on the state apparatus for power and influence in the society. This group found [and still finds] itself between imperial capital and the local workforce creating new contradictions.¹⁹

As was the case in Guyana up to 1966, the British expatriate firms that owned the sugar plantations took every opportunity to manipulate the local administration (established by imperial rule) to exploit the local work force. Upon becoming independent in 1966 the new government found itself in the same position as the colonial administration since it did not have control over the economic resources. Those resources were still owned by the expatriate enterprises. The result was a country managed by a local government but whose economy was dominated by a foreign capitalist class.

In an article entitled, "Liberal, Structural, and Radical Approaches to Political Economy: An Assessment and Alternative" James Petras and Kent Trachte, in examining the process of exploitation identify at least two types of

class alliances and their corresponding development strategies. In the neocolonial model, national bourgeoisie and imperial capital form an alliance to increase the exploitation of labour. The state's development plan includes investment incentives, removal of subsidies and maintaining conditions which ensure a cheap and pliant labour force. "Whatever the specifics, the foreign component is clearly dominant."²⁰

In the second strategy, the national bourgeois developmental approach, the state gains control of local accumulation in the interests of the private and/or state bourgeoisie. Under a nationalist front the state moves against foreign capital. The new development policy may include sharp tax increases for foreign companies, levies against profits and even nationalisation of assets. Nonetheless, the anti-capitalist approach of the state does not include an alliance with the working classes. While squeezing the foreign sector [it] also shares with the foreigners an interest in maximising exploitation of the labour force.²¹

Petras and Trachte's analysis of class alliance and developmental strategies fits the changes that took place in Guyana. Firstly, soon after independence in 1966, the government adopted an Economic Development plan (discussed fully in Chapter Two) that provided investment incentives and the removal of subsidies to encourage

investment of foreign capital. Indeed this strategy prolonged Guyana's dependence on foreign capital which continued to dominate the economy (Neocolonial model).

Secondly, during the early 1970's, the government began to nationalise foreign holdings in Guyana, but did not form an alliance with the working class. (Discussed fully in Chapter Three) - National Bourgeois approach.

But according to Harry Magdoff in his critique of Non-Capitalist Development Theory, most of the attempts of Third World governments to change their development strategies will fail. They will fail because they are trying to develop their economy within the context of the existing class structure which opposes any device but capitalist development strategies. The inherited exploitative class relationship will continue to affect productivity and the resulting foreign exchange crises will force the national government to become dependent on imperial capital. Despite the promises of Cooperative socialism in Guyana, "the contradictions and constraints which characterise their kind of society are such that the result is likely to be not a non-capitalist path . . . but a new variant of Capitalism that in the final analysis remains dependent on the imperialist centre."²²

As a consequence of the dependent nature of development adopted by national governments in the Third World countries, "different" state forms have emerged. The

precapitalist social formation has been shaken, but the two key classes of capitalist society which underdeveloped nations continue to preserve, (the elite and the working class) maintain an antagonistic relationship. This situation ". . . has enabled the elite which come to occupy state power to transform themselves into new dominant classes."²³ When this class takes control, according to Ian Roxborough, the best which could emerge from the trend of transformation in the Third World would be the consolidation of a new capitalist class dominant in domestic economy and in control of the state apparatus.²⁴

James Petras in an article entitled State Capitalism and the World Third makes a conclusion similar to that of Roxborough. State Capitalism is the unique development strategy of the "new intermediary stratum" dominating the state sector in the Third World. It represents the attempt to stimulate the economy based on the principles of capitalist development. But even though this group of leaders may adopt revolutionary mechanisms such as state ownership and centralised planning, its objective is to tie "the expansion of the capitalist market relations to the expansion of the state."²⁵ However, Petras does not agree that the state capitalist strategy of accumulation will succeed in developing the economy or enable the state to legitimise its rule. Instead the regime will become more

isolated as it adopts counter-productive tactics to keep itself in power.

In the following chapters this thesis will describe and analyse labour-management relations in Guyana. In particular it will analyse the development of collective bargaining in the sugar industry, a capitalist enterprise that facilitated exploitation of labour in Guyana. This thesis will also analyse the effects of Guyana's economic and political climate on collective bargaining in specific and distinct time periods: 1) 1919, when the first trade union was recognised in Guyana; 2) 1939, when the first trade union was recognised in the sugar industry; 3) 1966, when Guyana became an independent country charting its own future; and 4) 1977, when the Government of Guyana and the Guyana Trade Unions Congress entered into an agreement fixing wages for all workers within the State Public sector, including the sugar industry.

Chapter One will examine how the first trade union, The British Guiana Labour Union (B.G.L.U.), was formed and subsequently recognised in 1919 by the Chamber of Commerce. The chapter will concentrate on the attitude of the colonial government and the Chamber of Commerce towards the unionisation of waterfront workers who were "free" to agitate for union representation. It will also focus on the conditions of employment of workers employed in the fields and

factories of the sugar industry who were "bound" by a system of "unfree" labour.

Soon after the recognition of the B.G.L.U. on the waterfront the field and factory workers in the sugar industry, despite the many limitations, began to intensify their struggles for the recognition of a trade union to represent them. That union, the Man Power Citizens' Association (M.P.C.A) was recognised in 1939. Chapter Two will focus on the recognition of the M.P.C.A. by the sugar industry employers and its loss of effectiveness as a militant trade union. It will also discuss the formation of a rival union, The Guiana Industrial Workers Union (G.I.W.U.), as a challenge to and replacement for the M.P.C.A.

The country was granted independence and soon after became a Republic. Chapter Three will be devoted to an examination of the political and economic changes that took place, and the effects of these changes on the sugar industry and labour-management relations.

In Chapter Four, the change in the policy of wage determination will be examined. The Government and the Trade Unions Congress (T.U.C.) negotiated the first minimum wage agreement for workers in the public sector. From the evidence available the new model ran contrary to the research findings of several wage theorists. It is,

therefore, the purpose of the chapter to apply those research findings to the wage agreement and to identify the contradictions.

In concluding this study will argue that even though Guyana's socio-economic and political environment has changed, the P.N.C. government adopt policies that are counter productive to economic growth and development. In the process workers' rights are eroded. This situation leads to the kind of dissatisfaction and industrial unrest that is characteristic of capitalist societies.

FOOTNOTES

1. Throughout the text the name Guyana will be used, although between 1831 and 1966 the country was known as British Guiana. The territory was captured from the Dutch in 1803 and formally ceded to Britain in 1814.
2. Guy Standing, "Contrived Stagnation, Migration and the State in Guyana" in State Policies and Migration: Studies in Latin America and the Caribbean, (London, Croom Helm Ltd., 1982), p. 255.
3. Ibid.
4. Ibid.
5. Ibid.
6. Harry Braverman, Labour and Monopoly Capital: The Degradation of Work in the Twentieth Century, (New York, Monthly Review Press, 1974), p. 377.
7. Samir Amin, Unequal Development: An Essay on the Social Formation of Peripheral Capitalism, (New York: Monthly Review Press, 1976), p. 59.
8. Ibid.
9. Ibid., p. 60.
10. Ibid., p. 73
11. Ibid., p. 60.
12. Harry Braverman, op. cit., p. 377.
13. Ibid.
14. Ibid.
15. Paulette Pierce, "Socialism in a Racilly torn Society," (Ph.D. dissertation, City University Graduate Centre, 1983), p. 186.
16. Andre G. Frank, "Capitalism and Underdevelopment," American Economic Review, 60 (May 1970); pp. 231-236.
17. Ibid.

18. James Petras, Critical Perspectives of Imperialism and Social Classes in the Third World, (New York: Monthly Review, 1978), p. 13.
19. Ibid., p. 44.
20. Ibid., p. 45.
21. Ibid., p. 47.
22. Harry Magdoff, "Is There a Non-Capitalist Road?" Monthly Review, 30 (December 1978), p. 1.
23. Ian Roxborough, Theories of Underdevelopment (London: Macmillan Press, Ltd., 1979), p. 142.
24. Ibid., p. 145.
25. James Petras, op. cit., p. 86.

CHAPTER ONE

The Recognition of The British Guiana Labour Union:

Introduction:

In Guyana, through colonialism, the labour force was built using African slaves and Indian Indentured labourers. This system provided the colonial employers not only with a ready supply of cheap labour power but also a labour force that depended on the plantation owners for economic survival since there was no other source of employment in Guyana. While labour compromised its independence for economic survival, the Colonial administration reinforced its control over labour by passing legislation to ensure that labour was tied to estate employment.

From Guyana's earliest days of colonialism workers struggled to establish an independent labour force and to secure recognition and legitimacy of workers organisations-their trade unions. It was through the struggles of the labour force that a popular leader emerged to form the first Union, the British Guiana Labour Union (B.G.L.U.).

Chapter One will identify and analyse some significant governmental actions which had an effect on the development of the labour movement and its leadership.

Labour and Capital in The Sugar Industry:

Until 1966 Guyana was a British colony geared to sugar production on plantations located on the coastal plain, a narrow belt of land varying from two to forty miles wide. The environmental conditions of the coastal plain were ideal for sugar cane cultivation. With its natural drainage system the coastal plain became the geographic region in which the sugar plantations were established.

Of equal importance for its growth and development was an increasing demand for sugar from colonial markets. This is illustrated in the following table: (Table I)

Table I

Colonial Sugar Imports
(Annual Averages in 000 CWT).

Year	Imports
1701 - 1705	357.9
1706 - 1710	401.3
1711 - 1715	484.6
1716 - 1720	653.2
1721 - 1725	671.2
1726 - 1730	860.9

(Source: Compiled from various Colonial Office Reports--1700-1730, National Archives, Georgetown.)

Between the years 1700 and 1730 the Colonial sugar demand increased by 140.5 percent. The indigenous labour force was inadequate for the plantation owners to satisfy the increasing market demand for sugar. In order to provide the plantation owners with sufficient labour power the authorities

introduced into Guyana a system of slave labour to build a workforce which was not only inexpensive but also fully controlled by the plantation owners.

With the establishment of the slave mode of production and the importation of slaves from West Africa, the colonial administration then offered free land and exemption from the payment of taxes for a period of ten years in order to encourage foreign investors to maximise sugar production. This period of growth of sugar production, "Inaugurated what might be called the 'litoral phase' of Guyana's history and its economic analogues, the hegemony of the plantation."¹

But more significantly, the availability of free land, a ready supply of cheap labour and an increased demand for sugar on the colonial market encouraged capitalist expatriates to invest in the development of the sugar industry. With foreign capital the industry expanded so that, "by 1759 there were 120 plantations along the Demerara river and 300 on the East Bank of the Essequibo."² The number of the estates was later reduced by amalgamation. The smaller undercapitalised estates were absorbed by the larger units. This monopolistic control continued until only two multinational companies owned eleven large estates. (Discussed fully in Chapter Three) "The consolidation reflected a development of

productive forces, for the introduction of machinery . . . and the erection of large central factories."³ The consolidation of resources by the capitalist class did not only encourage a more efficient production process but also caused economic and, of course, political control to be concentrated in the hands of a few on whom the masses depended. With plantocracy in control of capital and providing the only source of employment in the colony, a paternalistic system of labour relations developed on the sugar plantations.

According to Guy Standing, a Senior Economist at the International Labour Office, Paternalism is a term encompassing a wide range of practices by which employers look after the interests of the workers in the interest of raising the rate of exploitation.⁴ "Paternalism involves the establishment of ostensibly personal bonds which tend to create "structured reciprocity," a network of obligations and to some extent a set of constraints to behaviour . . ."⁵

In the sugar industry, paternalism was always a feature of estate employment.⁶ Under the slave mode of production slave owners had provided slaves with minimal benefits, housing and food, to cajole them to work.⁷ The provision of part of the wage in non-monetary form was a means of preventing the workforce from saving to become independent of estate employment.⁸ The outcome of paying part

of the wage in non-monetary form was that the correspondingly reduced (and low) money wages prevented the accumulation of capital and savings to purchase land or means of production thereby restricting workers movement away from the estate. It was, therefore, a system devised by plantocracy to ensure that not only was labour always available at minimal costs, but it was also dependent on plantocracy for economic survival. In sum, "Paternalism was designed to preserve a semiproletarianised workforce, . . . and tie workers to estate employment."

But despite the dependency of this system of labour and plantocracy's control over it, slavery represented a significant cost to the planters. Slaves rebelled against their conditions of work. The rebellions had to be put down with great loss of life among the slaves which itself created problems for the planters since that amounted to destruction of the source of labour power. Furthermore, the conditions of work also caused a large number of slaves to either die or to escape from the plantations. In the case of death the surplus population available for employment was reduced.

The problem of escape made it necessary for the plantation owners to spend additional money to hire additional supervisory staff to prevent escape from the plantation and in some instances, to find and return the slaves to their owners. As Standing notes, "In Guyana the slave trade mode of production possessed

pronounced deficiencies that hastened its demise. Slavery involved considerable costs to the planters. Slave mortality was high; productivity was low; and with escape into the vast interior always possible, cost of supervision were high."¹² In such a situation the cost of maintaining slave labour increased thereby reducing the rate of extraction and plantocracy's profits. In other words it became uneconomical to maintain the slave mode of production. But in addition to the increasing costs associated with slavery, the planters were faced with the problem of an unhealthy ecological environment which meant that they continued to suffer a loss of labour power through high mortality.¹³ Thus with the various costs which included costs of coercion and the corresponding risk of relaxation, the slave mode of production gave way without much struggle. It was the inefficiencies of this unfree system with its increasing cost that led to its termination in 1807.¹⁴

The Abolition of Slavery:

After emancipation there was a massive expansion of the peasantry as ex-slaves acquired land in the villages.¹⁵ In the quarter of a century that followed the sugar industry suffered one of its periodic slumps due to low sugar prices (exact figures unavailable) in the United Kingdom.¹⁶ Consequently sugar production was reduced

thereby causing more land not only to be available for cultivation but also cheaply available for purchase.¹⁷

Many ex-slaves were able to buy small plots, which were abandoned estates, with a few months' saving from wage labour.¹⁸ Others resorted to squatting while in many cases groups of ex-slaves combined to purchase large tracts of land, which were then parcelled out or worked on cooperative principles.¹⁹ As Standing argues, "The "village movement" as it was called, is remarkable for its rapidity, the extent of its expansion, and its success".²⁰

Yet neither the plantocracy nor the Colonial administration could allow it to flourish, for it threatened the very foundation of the colonial economy in Guyana.²¹ Indeed "the first crisis for plantocracy came with the village movement in which communal villages flourished."²² This movement away from the plantations reduced the surplus population available for employment on the sugar estates. As a result sugar production, and of course, profitability of the plantations were affected.

In 1838 the plantation owners began to negotiate for the importation of workers from India, another colonial territory where there was a surplus population seeking employment. In that year (1838) in an attempt to increase the supply of labour three hundred and ninety-six East Indian immigrants arrived in the colony and were assigned to six sugar plantations. This action by the Colonial

administration not only provided an additional source of cheap labour power to plantocracy and a means of exploitation to maximise profits but also introduced people of another ethnic background into the Guyanese society. The East Indians had joined the Africans to form the two major ethnic groups in the country.²³ The groups did not unite. African workers resented the Indians who, they claimed undermined wage rates.

The ethnic antagonism kept the working class disunited and allowed the colonial forces to play one ethnic group against the other. According to Ashton Chase, a trade unionist, politician and lawyer, the sugar planters were in a fortunate position of being able to play one group against the other and thereby substantially increase the rate of exploitation.²⁴ A divided labour force is not only a weakened movement, but one incapable of responding to the challenges which mercantile capital exercise over the masses. The plantocracy, through the importation of Indian immigrants reinforced ethnic hostility which subsequently created a social division of labour based on race. The ethnic conflict caused emancipated slaves to settle in villages (discussed earlier) or in some cases urban areas where they became artisans while the immigrants remained on or near the estates to become agricultural workers.

With the division of the workforce plantocracy was able to keep working conditions at minimal levels. The conditions of work for immigrant labourers called for nine to ten hours per day and wages were set at five company rupees per month (a company rupee had a nominal value of 50 cents). Although the rate was fixed with the workers, the plantation owners offered only sixteen cents cash with an allowance consisting of a food package. As was the case with the slave mode of production, low wages ensured that the immigrants did not accumulate savings to allow them to become self employed and independent of plantocracy.

But dependency was also reinforced by the provision of non wage benefit in the form of a food package. The food allowance did not only reduce the immigrant's wages but was also used to ensure a steady supply of labour. The immigrants could only qualify for the food allowance based on continuous reliable employment. Hence, wages which labour was entitled to and agreed upon with plantocracy were reduced (by the provision of a food allowance which was infact part of wages) thereby preventing the accumulation of savings and keeping labour dependent on plantocracy for economic survival. In sum, plantocracy divided labour's wages to preserve its own interest. In the case where it was paid in cash, it was kept so low that it prevented any accumulation of savings to allow the immigrants to invest in

business or means of production. On the other hand, where wages were paid in the form of a food package, such a package was granted only if the immigrants worked regularly on the sugar plantations. The net effect was that labour remained dependent on plantocracy for economic survival both in terms of money and food.

In addition to this dependent system of labour, the immigrants were required to work under extremely harsh conditions and many died. "Between 1838 and 1843, when some immigrants returned to India, 118 (including ship deaths) had died. This is an annual death rate of fifty-nine per thousand, a disturbingly high figure."²⁵

The deaths among the immigrant population not only amounted to a destruction of labour power which was the factor of exploitation in the production process and indeed the source of plantocracy's profits, but also a serious concern to the Indian government. On November 28, 1838 that government protested the harsh conditions and placed an embargo on further emigration of Indians to Guyana. With the restriction of the labour force by death and embargo, the plantation owners had to either develop a labour force locally or to secure another source of labour power outside of Guyana.

The Indian Immigration Ordinance:

The development of a local labour force would have meant increased employment costs to plantocracy since the

level of subsistence had to be improved to encourage the immigrants to remain and work on the plantations. Production costs would have risen sharply which in turn would have decreased the rate of exploitation and plantocracy's profits. Instead of providing better conditions to ensure a steady supply of labour the planters joined with the colonial government, whose income depended on plantocracy's profits, to secure an additional source of "unfree labour" through indentured immigration. The intention was to rebuild a surplus population that plantocracy could use to keep wages low and to maximise the rate of exploitation.

In 1891 the Indian Immigration Ordinance was passed by the colonial government to regulate the importation of labour from India. It was enacted by the Governor with the advice and consent of the court of Policy which was dominated by merchant capital and plantation owners. It was the masters who made the law to fix the conditions of work for the labourers bound to their estates. The ordinance called for the payment of prevailing wages (immigrant wages), a ten hour day for factory workers and a seven hour day for field workers. Although the law stipulated those conditions, plantocracy worked the indentured labourers far in excess of what the law prescribed. According to a newspaper article, "During the grinding season it is the rule with management of all

or most sugar estates to have labourers working in factories at least twenty hours every day."²⁶

Apart from keeping wages low by ensuring that the supply of labour was adequate, the colonial forces had used their legislative powers to pass the Indian Immigration Ordinance which fixed wages and working conditions. The action of the administration then discouraged the formation and recognition of trade unions²⁷ whose function it would have been to fight for and secure improved conditions of work. The colonialists argued that since the conditions of employment were already fixed by law, it was not necessary for trade unions to be established. In other words such organisations would have served no useful purpose and would not have been beneficial to the labour force.²⁸ Also the colonial authorities provided institutional means of settling disputes by the convenient device of making the Governor in the colony responsible for worker protection. Partly as a result of these practices, it was not until long after the termination of the Indian Immigration Ordinance, that trade unions started to represent the workers.²⁹

The Introduction-Free Wage Labour:

As legislation was passed by the colonial government to impede the development of a working class movement,³⁰ plantocracy simultaneously tried to ensure that the indentured labourers remain as estate workers even after

indentureship was completed. (five years for men and three for women). If the labourers were to move from the estate and work elsewhere, the surplus-population available for estate employment would be reduced thereby creating a shortage of labour supply on the plantations. Consequently, the plantation owners manipulated the conditions of indenture to prolong the period of obliged employment or offered inducements to reindenture.³¹ The manipulations were diverse. Most frequently the indentured immigrants were forced into chronic debt. Their low wages forced them to take advances to cover costs of subsistence.³² In such circumstances, indentured labour was compelled by debt to reindenture, a tendency further encouraged by the payment of a bonus to those reindenturing, a bonus just large enough to enable them to hold out the hope of acquiring sufficient savings to buy independence later as peasant farmers.³³

After the period of indentureship with minimal savings the workers were able to acquire their own plot of land. The acquisition of their own land in the villages reduced their dependency on the estates and the indentured labour system. Prior to that development the labourers relied on the plantation owners to provide housing which they got on the condition that they remain indentured to the estate. In the villages it was possible for the people to build homes, cultivate crops for themselves to augment their poor wages and keep their cost of living down. The net

effect of both the acquisition of land and the extra-estate self-employment made the indentured labourer less dependent on the plantation, and weakened the planters' control over them.

From the 1870's onwards with a threat of a labour shortage and rising sugar prices, technological innovations were undertaken in the industry. These improvements contributed to a reduction in employment. (Exact figures unavailable) As Standing submits, "If the 1870's was a period of technological innovation in the sugar industry . . . the innovation themselves caused a reduction in employment."³⁴ When the fall in sugar prices accelerated in the mid 1880's,³⁵ production decreased and the employment situation worsened. Scarce employment caused the indentured labourers to become under-utilised. There was not enough work to keep all the labourers fully employed. Further importation of labour would have meant increasing the surplus population available for declining employment. However, the planters had to maintain the workers, a provision of the law. As a result, employment cost increased without a concomitant rise in production thereby reducing the overall rate of extraction and the accumulation of profit. Thus just as the relative inefficiency of the slave mode of production had accelerated its collapse half a century earlier, it was the relative inefficiency of the indentured labour system that accelerated (underemploy-

ment and low profits) its demise in 1917,³⁶ thereby leading to its replacement by a free wage labour system.

The Economic Depression and Union Representation:

But while the workforce struggled to free itself from plantocracy's control and dependency, it was faced with other hinderances. Due to the global economic recession, and depressed levels of foreign exports, food items which Guyana imported, became scarce. The inadequate supply of essential items caused an increase in prices as illustrated in the following comparative price table: (Table II)

TABLE II

Commodity	Pre-War (1914)	August 1917 Increased to	% Increase
Flour	3c per pound	5c	66
Tea	48c per pound	96c	100
Salt	1c per pound	2c	100
Lard	15c per pound	36c	144
Butter	36c per pound	72c	100
Potatoes	3c per pound	11c	266
Condensed Milk	12c per tin	18c	50
Tinned Salmon	14c per tin	28c	100

(Source: Compiled from data presented in The History of Trade Unionism in Guyana, op. cit.) p. 44.

In 1917 alone, the price of some basic items increased, as shown in the following table: (Table III)

TABLE III

Commodity	January 1917	October 1917 Increased to	% Increase
Flour	5c per pound	10c	100
Kerosene Oil	4c per 1/2 pint	6c	50
Soap	2 for 3c	2 for 7c	133
Butter	40c per pound	56c	40
Milk	4c per pint	6c	40

(Source: Compiled from data contained in "Petition to The Chamber of Commerce" 1917; National Archives, Georgetown, Guyana).

The above tables indicate that prices rose astronomically. But since wages did not improve, the worker's buying power was reduced, and their standard of living deteriorated. At that time wages averaged \$4.80 weekly among waterfront workers whose employment was casual.³⁷ In a petition to the government, "Workers prayed for some relief in the nature of increased wages to meet the high prices which provision and other necessities of life were commanding."³⁸

While the cost of living increased there was no improvement in wages. Without any wage increase the workers had to continue to secure food and other items which by then were costing more and suffer reduction in their standard of living

The Working Class Leadership:

As the workers continued to struggle to improve their economic position, local leaders started to emerge.

On the waterfront, Hubert Nathaniel Critchlow, an Afro-Guyanese dock worker emerged as a waterfront leader where mainly Afro- Guyanese were employed.

According to Winslow Carrington, a former Minister of Labour, "Critchlow was . . . committed to the workers cause. He was also a politician who was committed to the socialist ideal . . . He showed great confidence in the Cooperative as a means of eradicating exploitation of workers by the unconscionable and harsh colonial administrators."³⁹ Furthermore, as Sir Grantly Adams, then head of the first West Indian Federation notes, "Comrade Critchlow was the first West Indian of working-class birth to have the courage, persistence and gumption to start and continue the press for a trade union movement in these parts."⁴⁰

Critchlow's objectives included; (1) Social Justice, with the masses owning and controlling the means of production; (2) a truly working-class government; and (3) Nationalisation of mines and other public utilities.⁴¹ In one of his more famous speeches, Critchlow spoke of workers joining, "To achieve an overthrow of the capitalist class."⁴² According to Critchlow himself, "It was not public favour or money that spurred him on with the cause, but the pressure and struggles which the workers were enduring."⁴³

C.V. Alert observed:

A 10 1/2 hour working day was in operation and a 1/4 day system existed whereby the worker could be struck off with only 1/4 day pay. Overtime work was ignored. Conditions for waterfront workers were even more deplorable. Truckers receive only 2 shillings a day and rarely got a full day's work.⁴⁴

Indeed the period had been a grim one in which there had been a recurring pattern of strikes, demonstrations and riot principally by dock and sugar workers over conditions of employment.⁴⁵

The constant agitation which eventually led to Trade Union recognition in 1919, is perhaps best illustrated in an address given to a World Trade Union conference in 1945.

Critchlow noted:

The background of the Trade Union in British Guiana begins as far back as 1905. Our working hours were 10 1/2. The system of a 1/4-day existed. There was no overtime for night work. We asked the Employers to change these conditions. The reply was that we must take them or go.

I organised a strike on the waterfront in December 1905. Our claims were for a decrease of working hours and an increase of pay, which was very low. Truckers (called boys, although adult men) made two shillings a day. They could scarcely get a whole day's work, taking cargo from the ship to the barn.

There was no Trade Union and the employers refused. So I got the working men and boys together, and they agreed that when there were six boats in the harbour, they must strike. They struck. A great thing and at that time I did not know that all the estates in the country followed us and struck on account of low wages. At a particular estate, the Ruimveldt estate, they shot at the people as they came down to town.

At the news of the shooting, the women started a riot. The Magistrate ordered the women's hair to be cut off. They 'catted' the men and sent them to prison. I, too, was arrested, but I was not charged.

In December 1906, a year to a day, they were saying that because of 'the catting' and imprisonment, we would not strike again. But there was another break-out. To quiet this break-out quickly and to frighten the workers, they brought wharf 'rats' to break the strike. I heard that if the people remained on strike for three hours they would get the increase. It showed that shooting and imprisonment could not settle the disturbance. The new strike happened because of the old grievances that were not settled. I was just about 20 years then. I was arrested and charged before Magistrate Hasting, but the case was dismissed. We got nothing. Conditions were not changed.

In 1914 the war broke out. In 1916, prices increased. I said to the fellows "we can't bear this thing anymore. It is impossible to feed anybody on two shillings a day. We must strike again. We can only bring pressure to bear".

But I made move since then. "Don't fight" I said. "Let me negotiate". I went to a Lawyer to get an application made out for certain conditions and sent this application to the Chamber of Commerce. The lawyer had said I should get a six penny from all the people who signed the petition. When I approached them, they declared it was foolish and they would only get shot again. But I told them that we must try once more.

Governor Sir Wilfred Collet arrived between 1916 and 1917. I managed to see him and told him about conditions. The Governor told the Chamber of Commerce to meet us and negotiate.⁴⁶

The Formation of the B.G.L.U.:

The British Guiana Labour Union was formed in 1917 as the first mass labour movement. Prior to 1917 as much as the workers struck

against the colonial employers, their efforts were not coordinated or structured in an effective way. As such, the strikes were not severe enough to create a real impact to force the employers to improve the conditions of employment. As the struggle persisted to launch a workers' organisation to give some direction to the workforce, the workers continued to strike and eventually, due to the frequency of disruption of services caused by the strikes, Critchlow again met with the Governor to discuss the work stoppage that was in progress on the waterfront.

According to Chase, "It was following this interview that Critchlow was imbued with the idea of formally establishing a trade union."⁴⁷ Critchlow noted, "A deputation of two or three of us went to see the Governor. He told us to start a Trade Union, charge an entrance fee and get the help of the Unions in England. It was a good idea. Masses of people were waiting outside to hear the results. When I told them, hundreds of them paid an entrance fee on the spot, and the British Guiana Trade Union Movement was started."⁴⁸

The newly founded working class organisation was not only the first trade union in Guyana but the first to be established in the British colonial empire. While it struggled for the waterfront workers locally, the birth of the B.G.L.U. also inspired workers in other colonial

territories to develop similar organisations. The result was new hope for better living conditions for the exploited masses in the colonies. Secondly, it represented the beginning of working class and ethnic unity which was a necessary prerequisite to counter the economic and political power of the colonial forces.

The Objectives of the B.G.L.U.:

The objectives of the B.G.L.U. were political as well as economic. According to the Rule Book of the British Guiana Labour Union: "The British Guiana Labour Union will carry out all the essential characteristics of a real live trade union organisation seeking to adjust wages, working hours and other conditions wherever and whenever possible and desirable by quiet negotiations and if need be and good sense justifies to strike to enforce same."⁴⁹

In addition to adopting a policy of bargaining for better conditions, Critchlow linked the trade union with the political party. This could be perceived in another section of the preface.

But a more important point still is the fact, every day more and more recognised that the workers have allowed the capitalist class to monopolise political power and have refused to use their unions to fight their battles as workers on the political as well as on ordinary trade union lines . . . that a genuine workers' organisation should be able, willing and determined to fight by all available means and a union finding itself called upon to fight the capitalist by strike should be equally ready to fight them by the right use of political machinery.⁵⁰

The objectives of the B.G.L.U. lead to the formation of the view that Critchlow promoted a class struggle by organised methods. However, Chase observed, "Because of the basic contradictions of the capitalist society in which it operated, inevitably the Union pursued a course which was partially socialist in outlook."⁵¹

With the propagation of a policy of uniting Trade Unions and political organisations, Critchlow introduced a new dimension to the class struggle. He began to solidify the working class forces and to combine the efforts of trade unionists and politicians to fight against the colonial administration. Thus in a society dominated by colonial forces, struggling to maintain the capitalist system, he advocated a redirection of the social relations of production in the interest of the working class rather than a continuation of a system which advocated profits for the capitalist class. In the process it was intended that political groups and workers' organisations would work together to overthrow the capitalist class. In this sense he was the inventor of socialism in Guyana. He created the foundation that inspired others such as Cheddi Jagan and Forbes Burnham to organise for the replacement of colonialism in the Guyanese society.

The Trade Unions Act:

Carlyle Harry notes; ". . .the colonial government [and the Chamber of Commerce] was suspicious and afraid of the objects of the B.G.L.U."⁵² "They [Chamber of Commerce] felt it would foster industrial unrest by producing professional agitators . . .and in turn fan their fancies into discontent."⁵³

In spite of the reaction of the colonial forces in 1919 the B.G.L.U. advocated for trade union legislation. The British Guiana government, Colonial-oriented and operating in the interests of merchantile capital, resisted attempts by the union to register itself. Even though a bill was proposed by the union for registration, the government did not act on it for one year. Without registration, the Chamber of Commerce could refuse to negotiate with the union on the grounds that it was operating illegally. Furthermore, any organisation by the workers and the union could have been deemed unconstitutional and subjected to penalties. Since the B.G.L.U. was not legally allowed to negotiate with the employer for better conditions, its bargaining power was undermined, and its effectiveness reduced.

The B.G.L.U. was fully aware of the collaboration between the Chamber of Commerce and the British Guiana government. The union by that time had developed a working relationship with the Labour party in England where the prin-

ciples of trade union legislation had already been accepted by that government. The officials of the B.G.L.U. met with the British Labour Party Members of Parliament. With their assistance the U.K. Colonial secretary was persuaded to accept the principle of trade union legislation for British Guiana. The British Guiana government was instructed by the U.K. government to present the Trade Unions Bill to the Court of Policy in May 1921. The Trade Unions Ordinance was passed and became a law on June 18, 1921.

Apart from introducing labour legislation in a British colony, the enactment of the ordinance culminated a successful struggle for the working class. Its appeal to the British Labour party for assistance, advocating a reformation in the labour policy of the U.K. government, not only strengthened the union's relationship with that foreign organisation, but allowed the B.G.L.U. to overcome the frustrating tactics of the local colonial forces and to secure legislation in the interest of a working class movement.

Summary:

The plantocracy with the assistance of the colonial government built an unfree labour force in the sugar industry. With the importation of labour from Africa and India, the plantation owners created ethnic antagonism which kept the working class divided to ensure the development of a

pliant labour force which encouraged the maximisation of profits. The workers were tied to the plantations by the provision of non-monetary conditions on which their employment depended. At the same time real wages remained low preventing the accumulation of capital and reinforcing labour's dependency on plantocracy for economic survival.

The cost of maintaining this unfree system of labour, which the planters envisaged would have been insignificant, became expensive because of its inefficiencies. The inefficiencies of the system reduced plantocracy's profits thereby hastening its own demise and causing the establishment of a work force based on a system of free wage labour. Initially the plantation owners benefited from the unfree system of labour. Later, due to unforeseen costs, this system became advantageous to the workers. The rising costs of maintaining the system reduced the accumulation of capital allowing the workforce to rid itself of plantocracy's total control without much opposition.

While the workers on the sugar plantations worked under a system of controlled labour, those on the waterfront were "free" to negotiate with their employers. On the waterfront a working class leader emerged to form a trade union which not only united workers of both ethnic groups but also led a class struggle against the colonial forces to secure trade union recognition and legislation.

It was the establishment of this workers' organisation and the introduction of trade union legislation in Guyana which created an environment conducive to the development and growth of the trade union movement in Guyana.

FOOTNOTES

1. Allan H. Adamson, Sugar Without Slaves. (New Haven: Yale University Press, 1972), p. 20.
2. See Guyana Chronicle. "A Short History of Guyana Sugar Industry". October 10, 1981.
3. "Contrived Stagnation, Migration and the State in Guyana" in State Policies and Migration, ed. Peter Peek and Guy Standing, (London: Croom Helm, Ltd., 1982), p. 263.
4. Ibid., p. 284.
5. Ibid.
6. Ibid.
7. Ibid.
8. Ibid.
9. Ibid.
10. Ibid., p. 286.
11. Ibid.
12. Ibid., p. 256.
13. Ibid.
14. Ibid., p. 256-257.
15. Ibid., p. 257.
16. Ibid.
17. Ibid.
18. Ibid.
19. Ibid.
20. Ibid.
21. Ibid.
22. Guy Standing, "Basic Needs and Contrived Stagnation in Guyana." in Journal of Peasant Studies, (Barbados, University of West Indies, 1979), p. 54.

23. For specific details of breakdown of population,
See Chapter 3.
24. Ashton Chase, A History of Trade Unionism in Guyana,
(Georgetown: New Guyana Company Ltd., 1964). p. 20.
25. Allan H. Adamson, op. cit, p. 43.
26. Chronicle, November 12, 1903.
27. See note 30.
28. Ibid.
29. Dwarka Nath, A History of Indians in British Guiana.
(London: Nelson and Sons, Chapter V.)
30. Partly as a result of the Indian Immigration Ordinance,
it was not until after the abolition of the indenture
system that Trade Unions started to represent workers.
See Dwarka Nath. (1950) Chapter 5.
31. Guy Standing, op. cit., p. 262.
32. Ibid.
33. Ibid., p. 264.
34. Ibid.
35. Ibid.
36. Ibid.
37. Ashton Chase, op. cit., p. 48.
38. Quoted in Ashton Chase, op. cit., p. 44.
39. Quoted in Critchlow - His Main Tasks and Achievements,
Carlyle Harry, (Georgetown: N.P. May 1976), p. 13.
40. Ibid., p. 4.
41. Ibid., p. 5.
42. Ibid., p. 25.
43. Ibid., p. 32.
44. C. V. Alert, Life and Work of Hubert Nathaniel
Critchlow. (N.P. N.D.), p. 11.

45. Desmond Hoyte, Trade Unionism and the State, (Georgetown: Critchlow Labour College Series, I, Publication 3, 1973), p. 28.
46. Address by H. N. Critchlow at the World Trade Union Conference, London in 1945, Quoted in Annual Report B.G.L.U., 1945.
47. Ashton Chase, op. cit., p. 48.
48. Address by H. N. Critchlow, op. cit.
49. Rule Book of the British Guiana Labour Union, First Edition (N.P. N.D.).
50. Ibid.
51. Ashton Chase, op. cit., p. 13.
52. Carlyle Harry, Critchlow - His Main Tasks and Achievement, (Georgetown: N.P. May 1976), p. 13.
53. Ashton Chase, op. cit., p. 50.

CHAPTER TWO

The Sugar Industry and The Recognition of The Man Power Citizens' Associations

Introduction

While the working class in Guyana struggled to democratise the workplace through trade union recognition and legislation, the colonial forces attempted to reduce the effectiveness of these institutions. But the working class fought to maintain its militancy and instead of a diminishing effect, the struggle led to the establishment of a political party which supported trade unions.

The working relationship between the trade union and political forces strengthened working class interests and reinforced class conflicts. Since their dominant position was threatened, the capitalist forces undermined the newly-created unity of the working class. They adopted strategies including coopting union leaders and recreating racial disunity.

Chapter Two will examine the growth of trade unions in Guyana. The factors that led to and encouraged their formation will be discussed. The aim of the chapter, however, is to focus on the recognition of the Man Power Citizens' Association as the legal bargaining agent for the field and factory workers in the sugar industry. The analysis of these

actions will provide a basis for understanding the continuation of class antagonism in the sugar industry.

The Growth of Trade Unions:

The British Guiana Labour Union (B.G.L.U.) was recognised in 1919 by the Chamber of Commerce. It functioned with the protection of the law in its struggle against the colonial employers following the enactment of the Trade Unions Act in 1921. From its inception, the B.G.L.U. was faced with a recession which led to high unemployment. According to Chase, ". . .the first World War gave way to a recession by mid 1920. . . .Unemployment was rampant."¹ The world wide recession had also affected the British economy on which Guyana's economic progress depended.

As a result of the recession following World War I, "by January 1921, there were over two million people unemployed in England."² Economic activity in the U.K. was depressed causing lower levels of importation from its colonial possessions including Guyana. Since economic development in Guyana depended on revenues generated from the exports of its products to the U.K., the economic situation then in Guyana was even worse. Production was affected since there were no other readily available markets due to the global recession. Consequently workers were laid off. On the waterfront the workers got 1 1/2 days of work per week while on the sugar estates they got two

half days of work.³ "By that time, the normal labour force had been reduced by about 40 percent."⁴

Unemployment led to the creation of a surplus population and eventually the position of the worker was threatened by the presence of a substantial number of people who were their potential replacements. However, "This problem contains at least the seeds of its own solution. As the worker's position gradually deteriorated, his own sense of discontent and insecurity increased."⁵

Despite high unemployment and the recession, the B.G.L.U. continued to fight for improved wages and better working conditions. The union called a strike on the waterfront for an increase in wages and the introduction of double-time rates for night work and Sundays. In an attempt to resolve the dispute, the B.G.L.U. appealed to the Governor to intervene, but he refused, claiming that it was improper for the waterfront workers to strike without notifying the Chamber of Commerce. The strike continued and eventually the police were brought out to control the workers, who resumed work without any changes in their conditions.

The state had intervened on behalf of the employer. Such action was based on the view held by the colonial government that it was its duty to protect the interest of the colonial employers. In that regard the then Governor of Guyana, Sir Fredric Hodgson declared ". . .It is my duty

as Governor of this colony and as the person who has to protect the property and interest of the mercantile community [colonial employers] to protect them."⁶ In sum, the colonial administration fought to preserve the interests of the colonial employers. To achieve that outcome, the administration had to ensure that unemployment was high so that wages could be kept at minimal levels.

According to Chase unemployment is an inescapable manifestation of the capitalist mode of production⁷ and a sine qua non of the capitalist system.⁸ With high unemployment and low wages, the rate of extraction was maximised. That in turn led to an accumulation of savings for the capitalist class.

The Reformation of Labour Policy:

In 1930 the struggle of the working class in Guyana was provided with support from labour forces in the U.K. A labour government was elected to office in the U.K. and the policy of the British government towards labour in the colonial territories underwent a change. With the labour government in power, Sidney Webb, a Fabian secretary of the colonies, injected new life, not only into the Guyana trade union movement but also into the trade union movement throughout the colonial empire. Webb advised the administration in the colonial territories to take steps as necessary "to smooth the passage of such organisations

[trade unions] as they emerge, into constitutional channels, maintaining that the trade unions would be a natural and legitimate development in the colonial territories as social progress took place."⁹ Webb's dispatch suggested that in territories where no trade unions had been established, legislation should be passed incorporating the principles of the 1871 British Trade Union Act. In the case where trade unions were already in existence, as in Guyana, comprehensive legislation may be necessary, including the compulsory registration of trade unions.

The reformation of colonial labour policy was due to the election of a progressive government to office in the U.K. that was sympathetic to labour forces in the colonies. Its officials, intent on democratising the work relationship in the colonies, advocated for changes in the interest of the working class.

In addition the colonial people were determined to fight against exploitation and for better conditions of work. There was agitation throughout the British empire for reformation of social and labour policy. Indeed [the dispatch] has often been referred to as being the first significant milestone in the history of colonial social policy. While Webb's circular provided a framework for some policy changes in the British possessions, "it had the effect of keeping economic and political demands separate,

thus ensuring that trade unions did not reinforce the nationalist movement."¹⁰

The change in policy of the U.K. government towards labour in the colonies encouraged the growth of trade unions in the colonial empire. This change also forced the employers in these territories to reconsider their position of non-acceptance of the workers' organisations. Nevertheless, Creech Jones argued. "A British Government facing the essential problems of the colonies--their ignorance and poverty . . . cannot get far in effective policy."¹¹ "The task of the [British] Labour government [and party] was merely to inspire these men [colonial people] with the hope that, as never before, London would give them the tools for their work, encourage them to evolve a wider concept of their functions and to help them plan economic and social development."¹² But as Paul Singh notes, "The reason given for this change was that the idea of combining together for economic purposes was so novel to workers in most territories, that, 'sympathetic supervision and guidance' would be needed. Otherwise, the unions might fall under the dominance of disaffected persons, by whom their activities may be diverted to improper and mischievous end."¹³

The Registration of Other Unions:

With the Webb's circular, and the change in colonial labour policy, the registration of unions in Guyana

gathered momentum. In January 1931, the British Guiana Workers League (B.G.W.L.) was registered and concentrated its efforts on organising the factory workers in the sugar industry. Even though it covered only a part of the workforce, the B.G.W.L. represented the first serious attempt of workers' organisation in the industry.

The principal architect behind the formation of the B.G.W.L. was A. A. Thorne. He had joined Critchlow to fight for the improvement of working conditions on the waterfront. Because of internal leadership problems in the B.G.L.U. Thorne left to form his own union--the B.G.W.L. The union fought for political, social and economic emancipation and fair recognition of partnership between labour and capital. It also had links with Socialist organisations connected to the British Labour Party.

Apart from the B.G.W.L., between November 1937 and October, 1938, seven trade unions were registered.¹⁴ "They all immediately became absorbed with the problem of survival in an extremely hostile economic environment."¹⁵ The depression of the 1930's had not only affected Guyanese trade unions but unions throughout the world. Its effects on the third world countries (and colonies) were even greater because these regions were dependent on the economies of the metropolitan nations.

As Paul Singh observed, "The aggravation of Guyanese and West Indian poverty during the prolonged depression

of the inter-war years engendered a sense of acute injustice . . . right across the British Caribbean. . . Economic distress turned unionists' minds to self preservation . . . growing unemployment and underemployment proved extremely unfavourable to the virility of the movement."¹⁶ Workers expected the trade unions to protect their economic position. Notwithstanding the struggle of the trade unions to maintain the workers' standard of living, these efforts proved useless. The unions were overpowered by the colonial employers because of the high unemployment resulting from the depression.

The Recognition of the Man Power Citizens Association
(M.P.C.A.)

Of the unions that were established in the late 1930's, the M.P.C.A. registered in November 5, 1937 was the most robust.¹⁷ It immediately won the support of the largest single group of workers in Guyana, the field and factory workers in the sugar industry. Between 1938 and 1943 its membership rallied at or over the 20,000 mark.¹⁸

According to Paul Singh, "The fact that the M.P.C.A. was operating in an industry employing the largest single labour force, ensured a huge following."¹⁹ Furthermore, "It [the M.P.C.A.] was operating in an industry that was then and even now is the mainstay of the economy of the country. . . Sugar accounted for 57.8 percent of our exported domestic product in 1937."²⁰

The founding of the M.P.C.A. was the first time descendants of slaves and indentured immigrants came together to form an organisation which they envisaged would protect their economic position and fight for the improvement of their conditions of work. This organisation was a major breakthrough in labour organisation not only because of the importance of the industry organised, but also for the fact that the Indian and African population had united for a fight against the capitalist forces.

The M.P.C.A. was founded by Ayube M. Edun, an Indo-Guyanese gold jeweller who was popular among the field workers. "Because of language barriers [Critchlow did not speak Hindi] Critchlow approached . . . Mr. A. Edun to organise the sugar workers into a union called the Man Power Citizens' Association."²¹ Also Edun had established himself as a champion of the rights of the sugar workers by writing against the sugar planters in two newspapers, the Guyana Review and the Labour Advocate, of which he was the editor and proprietor. While he believed in the private ownership of property and capital, he also advocated that labour must be fairly recognised.

The M.P.C.A. endeavoured to obtain just and equitable economic, social, and political rights from the colonial state and from the employers in the sugar industry. Immediately after its formation, the union began to organise the field workers, mainly Indo-Guyanese, whom Edun

felt, because of the same ethnic background would have been easily convinced to join the M.P.C.A., however, the employers did not favourably accept the newly formed union. A leading chairman of one of the sugar companies in a report to his directors in London argued that the efforts to organise the field workers, which he described as "disturbances," were due to "Communist Agitators."²² The reaction of the employer official was based on the view that the unionisation of the workforce would facilitate better conditions and reduce their profits.

Despite the reaction of the colonial forces the workers continued to express their discontent with the existing poor conditions of work. Strikes were prevalent. In 1938 alone, "There were 27 strikes at Leonora estate"²³ and Leonora estate was not an exceptional estate for strikes. The situation, represented the general discontent in the sugar industry.

On February 13, 1939 workers at Leonora factory went again on strike against their 11 1/2-hour workday. The strike was later joined by field workers who claimed that the payment offered by the employer was inadequate for tasks they were required to do. By February 15, 1939 both the field and factory workers on the Leonora estate were on strike. It is even more significant that the stoppages had resulted from disputes over the distribution of the indus-

try's revenues, which the employers attempted to maximise by paying low wages.

During the strike a confrontation ensued between the strikers and the police. Three persons were killed while a fourth died on the way to the hospital. As a result, a commission was appointed by the colonial government to enquire into and report on the circumstances that led to the massacre. In March, 1939 before the conclusion of the inquiry, the newly formed British Guiana Sugar Producers Association (B.G.S.P.A.), the organisation that represented the interests of, and negotiated on behalf of the sugar planters, entered into an agreement with the M.P.C.A. for the peaceful resolution of disputes.

The System of Industrial Relations:

Despite the establishment of a trade union, the system of Industrial Relations inherited from the U.K. remained intact. The system provided no legislated procedures for (1) the determination of union strength, (2) resolving jurisdictional disputes (inter union rivalry), or (3) compulsory recognition for the trade union with majority support. The workers were [and still are] free to join or not to join the union recognised by the employer as the sole bargaining agent and to continue to work without any penalties. When the issue was taken to arbitration, it was ruled illegal and against the

constitution of Guyana to force a worker to join a Trade Union. Article 13 of the Constitution of Guyana states that

Except with his own consent, no person shall be hindered in the enjoyment of his freedom of assembly and association; that is to say, his right to assemble freely and associate with other persons and in particular to form or belong to political parties or to form or belong to trade unions or other associations for the protection of his interest.²⁴

The constitution of Guyana encouraged a voluntary relationship between workers and their trade unions. Since there was no obligation to join the union, many progressive trade unionists regarded the legislative process, controlled by employers, as a means of preventing the development of a strong trade union movement. In such circumstances, some workers joined while others did not thus reducing the combined strength and effectiveness of workers' organisations in representing the working class.

The prevention of the development of a strong trade union movement was only one objective of the colonial government. The other objective was, ". . .to isolate the trade union from political hustlings. There was almost an evangelical proselytizing of the thesis that trade unions should remain aloof of Politics."²⁵ The basic objection to political activities by trade unions was that the more exciting character of politics tended to draw trade union leaders away from the essential activities of building a

viable organisation. It was argued that, "If newly established trade unions became political bodies, then they might never become effective trade unions."²⁶ There was also a genuine fear that political trade unionism might turn out to be no more than mob terrorism, a vehicle for the aggrandisement of ambitious, self seeking, local politicians and destruction of orderly political and economic progress. With the separation of trade unions from political organisations, the colonial forces intended to prevent the politicians from augmenting the strength of the trade unions, thereby reducing the threat of opposition to colonial interests.

Despite the intent of the colonial administration, "However strong these arguments were, they were hardly likely to have much effect, coming from critics who had a vested interest in maintaining their privileged positions."²⁷ Many aspiring politicians argued that improvements in wages and conditions of work could only be achieved by constitutional and political changes. Political democracy, universal adult suffrage, internal self-government and independence, the politicians submitted must be achieved if conditions of work were to be improved"[N]early all politicians of substance in the late 1940's were at one time or another connected with the Trade union movement."²⁸ The important point, from the

perspective of labour, is whether or not this alliance between the workers and the politicians had been mutually beneficial.

This cooperation between the advanced guard in the workers' political struggle and the trade union paid dividends. The union movement was strengthened, its militance sharpened. That two facets of the same movement moving in the same direction and with perfect understanding was a situation that alarmed the capitalist and imperialist government.²⁹

The unity between political organisations and Trade unions in Guyana was necessary since in addition to being the political rulers of the country the major employers were British nationals who had invested their money with the support of the British rulers. It was inevitable that the unions should see the attainment of their economic objectives as closely bound up with the political goals.³⁰ Furthermore both the employers and political rulers were interested in preserving both their interest in the capitalist mode of production. The result was that trade unions had to advocate not only for better conditions but also had to struggle to overthrow the colonial system which maintained the poor conditions. In that regard, trade unionists envisaged that with a change in the relations of production, the economic position of the working class would automatically be improved.

Working Conditions and Union Representation:

In 1946, however, potable water was still not available to most field and factory workers. The trenches

in which they washed provided their drinking water. In the fields, the workers were required to walk long distances, without any payment for lost time. In addition "sugar estates population in 1937 aggregated 67,756. By December 1946, it had increased to 71,480--an average increase of 414 per year; and by 1951, the population was 81,281--an average increase of 1,960 per year."³¹ However, the number of persons employed on the sugar estates did not change significantly. Employment in the industry over that period was as follows:

<u>Table I</u>		
Total Workforce	Female Workforce	Percent of Total Workforce
1946 - 25,983 Workers	7,820	30.1
1947 - 28,071 Workers		
1948 - 26,969 Workers	7,497	27.8
1949 - 27,214 Workers		
1950 - N.A.		
1951 - 27,940 Workers		

(Source: Compiled from Annual Labour Department Reports, 1946-1951, Ministry of Labour, Georgetown, Guyana)

Furthermore, during the same period, the cost of living skyrocketed, while the workers' wages did not increase significantly.

Table II

<u>Cost of Living Index</u> (Movement in Points)		<u>Wages</u> (Increases Applicable to Cost of Living Allowance Only)
<u>Year</u>	<u>Jan - Dec</u>	<u>Percent Increase</u>
1940	115 - 121	10
1941	127 - 143	
1942	144 - 194	
1943	201 - 185	15
1944	187 - 183	20
1945	184 - 190	
1946	199 - 212	
1947	213 - 221	
1948	223 - 230	50

(Source: Compiled from Annual Labour Department Reports (1940-1948) and Agreements, between the M.P.C.A. and S.P.A. Ministry of Labour, Georgetown, Guyana.)

Table II indicates that the cost of living increased by 115 points, while the cost of living allowance was adjusted by only 40 percent without any change in the base rates of pay. In other words, there was (1) an increase in sugar estates' population; (2) a restriction of employment and consequently higher unemployment; (3) an astronomical increase in the cost of living; and (4) an insignificant increase in the cost of living allowance. These factors resulted in a deterioration of the workers' standard of living. Yet between 1941 and 1955, the M.P.C.A. staged only a one-day strike³², even though the base

wages for field and factory workers in the sugar industry during the period could "euphemistically be described as starvation wages."³³

The continuation of the poor conditions of the workers was possible because the union's President, Edun, was replaced by Lionel Luckhoo, a pro-capitalist who was sympathetic to the position of the sugar industry employers. The M.P.C.A. that had once fought against the employers now aligned itself with them leaving the workers without effective representation.

According to Cheddi B. Jagan, a former official of the M.P.C.A. ". . .I objected to the tendency of the union's leaders to collaborate with the sugar planters."³⁴ He summarised, "It could be clearly seen that the union's leadership was not prepared to fight for the workers."³⁵ Instead, it is reported that soon after the recognition, certain employers entered into an agreement with one of the foremost leaders of the ManPower Citizens' Association under which they undertook to pay him \$480.00 per month for four years. In this way he was removed from active trade union participation and could do nothing "inimical to the industry."³⁶ As Jagan notes ". . .one of its [M.P.C.A.] members had been taken on to the payroll of Booker Bros, McConnell and Co. Ltd. the giant firm which owned most of the sugar plantations."³⁷ Furthermore, "It was learned

that one of its [M.P.C.A.] foremost leaders was in the employ of Bookers' as an "industrial adviser."³⁸

Of equal significance, the Robertson Commission which was appointed by the U.K. Secretary of State for the Colonies, reported. "The M.P.C.A. has always found it difficult to rebut the charges of weakness and inefficiency. Its task of organising and dealing speedily with complaints of sugar workers, employed on sugar estates spread thinly along a long coastline are undoubtedly far beyond its meager resources. It has, we believe on occasion accepted money from sugar companies for some special purpose."³⁹

In addition to compromising the working class interest, the publicity of the exploitation of the masses was stifled. Ian Mikardo, a former Executive member of the British Labour Party observed:

I have before me as I write a journal called the Labour Advocate, which describes itself as the official organ of the M.P.C.A. . . . The main article in this paper is a straight-forward defense of two things--of capitalism in general and of colonial employers in particular.

Nowhere in the paper is there any reference to the low wages and unspeakable living conditions of the sugar workers of British Guiana.

Capitalism is described as 'a dynamic expanding system' and as a 'bold and imaginative society.' The article pays a series of warm tributes to the employers. It even gives them credit for the abolition of slavery, which in fact they fiercely opposed, establishing industrial safety, which in fact they haven't cared two-pence about and for nearly abolishing women and child labour, which in fact they have struggled to retain.

But the most interesting feature of the official organ of the M.P.C.A. is not its editorial matter but its advertisement. In this trade union journal there are 146 column-inches of text and 94 column-inches of employers' advertisements.⁴⁰

This change in leadership and the cooptation of the trade union officials enabled the colonial forces to manipulate the leadership of the M.P.C.A. to prevent the exposure of assault on the workforce, and to set back the struggles for a democratic workplace.

The Political Affairs Committee and the Guiana Industrial Workers Union:

It was this situation of weak and ineffective labour representation in 1947 that led the Political Affairs Committee (P.A.C.) to form the Guiana Industrial Workers Union (G.I.W.U.). The P.A.C., the organisational forerunner of the Peoples' Progressive Party (P.P.P.), was formed in 1946. Its objective was to unite the ethnic groups in Guyana, create working class unity and fight to overthrow colonialism.

Among the leaders was Jagan, an avowed Marxist/Leninist who advocated an end to colonialism and injustices to the working class. Jagan advocated, "The capture of state power by a political party for the purpose of propelling radical changes to alleviate the conditions of the poor. . ." ⁴¹ "It [Jagan's philosophy] is clearly not American capitalist democracy since it

rejects the free enterprise system. It is also not purely Leninism since it believes in a peaceful constitutional replacement of the colonial state rather than its violent overthrow."⁴² Furthermore, "The Marxist/Leninist analysis of the relations between economic power and political power pervades all Dr. Jagan's political thinking."⁴³ Political power is derived from economic power particularly from the ownership and control of the "commanding heights" of the economy.⁴⁴

According to Paul Singh, "The pattern unfolded to Dr. Cheddi Jagan was that white oligarchy, possessing immense political and economic power, ruling over a population. . . brought to serve and enrich that oligarchy . . . There was one law for the rich and another for the poor."⁴⁵ For Jagan the whole explanation of poverty is based on the Leninist principles of imperialism. "Guyanese are poor because of a highly organised system geared to exploit poor people and to plunder poor countries. The foreigners grabbed the most profitable sectors of production . . . The foreigners controlled the services (shipping insurance, credit and trade) and thus acted as parasites on the impoverished farmers, workers and consumers."⁴⁶

Jagan's philosophy resulted from his experiences of plantation life. "The plantation, for him, was two worlds; the world of exploiters and the world of exploited."⁴⁷

To remedy this economic disparity, Jagan accepted the principles of Marxism/Leninism.⁴⁸ With the establishment of an anti-capitalist political party, Jagan reinforced the struggle against colonialism. His affiliation with workers' organisations linked the political party with trade union forces and gave added support to the working class fight for improved conditions.

The P.A.C. and Jagan, with the formation of the G.I.W.U. concentrated all efforts to capture control of the M.P.C.A. The P.A.C. hoped that with the largest union in Guyana under its control, it would be able to bring the entire B.G.T.U.C. under its command. The time was right. By 1946, the M.P.C.A.'s membership had dropped from over 20,000 to about 600 because of workers' dissatisfaction with the leadership of the union. But even though the M.P.C.A. did not have majority support of the workforce, it remained the recognised union in the sugar industry. Indeed the M.P.C.A. had been reduced to what many described as a "company union," incapable of representing the workers effectively. As a result, the G.I.W.U. was registered as the 49th Union on April 5, 1948. This began a long and bitter era of union rivalry in the sugar industry. It was hoped that the G.I.W.U. would challenge and then replace the M.P.C.A. as the recognised union for the field and factory workers.

The G.I.W.U. was led by Dr. J. P. Latchmarsingh, an anti-colonialist closely associated with Jagan and the P.A.C.

The union immediately applied to the Sugar Producers Association (S.P.A.) for recognition but its request was rejected on the grounds that the M.P.C.A. had bargaining rights in the industry. The Labour Department also refused to consider representations made by G.I.W.U. on behalf of the field and factory workers. Chase noted: "There was no legal authority for this refusal by the Labour Department. It was obliged under the law creating the Department to inquire into all such matters and to seek to settle them."⁴⁹ The refusal by the Labour Department to accept representations from the G.I.W.U. was a clear indication that this government department functioned to protect the employers' interest.⁵⁰ The least it should have done were it operating legally was to indicate to the G.I.W.U. that it could not accept its representation, but as the Labour Department, it would investigate the complaint.

But the P.A.C. relied on trade unionism as a strategy for mobilising political support. It was committed to a transformation of the society from Capitalism to Socialism. In that regard, a democratic trade union movement was seen as an essential factor in making transformation of the society less difficult. Subsequently, the P.A.C. was successful in winning the support of the field and factory workers who became the first large group of workers loyal to it. However, it must be noted that the P.A.C. did not win their support because of its socialist ideology, but because

it consistently exposed and denounced the exploitation of labour. According to Ralph Premdas, "A socialist platform was too novel and removed from the conditions of Guyanese under-development to form a basis of mass appeal."⁵¹

The Formation of the Peoples' Progressive Party (P.P.P.):

By 1950 it had become very clear that more than industrial struggle was required to bring about a change in the society. It was envisaged by the leaders of the P.A.C. that the industrial struggle must be joined by even stronger political activity. Forbes Burnham, a leading Afro-Guyanese trade unionist was recruited. With Jagan and Burnham a broad based political party, the Peoples' Progressive Party, was formed to strengthen the unity of Indo and Afro-Guyanese working class. The P.P.P. began its fight for independence using trade unions, because unionism was an established institution in Guyanese society, one which the colonialists seemed to have accepted as a solid base for political struggle.

The, ". . .Peoples' Progressive Party [was] the first working class party to be established in this country dedicated to securing political independence and freeing the country from the shackles of imperialist and capitalist oppression."⁵² Paul Singh observed, "A new phase of development began with the birth of the Peoples' Progressive Party (P.P.P.) in 1950 and its bold uncompromising programme of political independence, economic development and the

creating of a socialist society. The social ethic of brotherhood of all men and the possibility of creating a just and prosperous society--provided just the kind of unifying force that could blazon a trail out of the tangle of petty preoccupations, factional struggles, racial competitiveness, and division impotence."⁵³

With a political party, racial unity, and full support of the progressive trade unions, the P.P.P. set itself the task of struggling against colonialism and for national independence and the establishment of Socialism on behalf of the descendents of slaves and indentured labourers. The party's objective was [and still is] to create, "a socialist society in Guyana in which the means of production, distribution and exchange will be socially owned and collectively used for the benefit of all."⁵⁴

The Relationship of Politics and Labour:

After the formation of the P.P.P. and its victory at the general elections in 1953, a change in the government of the colony took place. It was the first occasion on which the Guyanese masses were allowed to vote under the system of universal adult suffrage. They elected Guyanese to ministerial positions in the government. Prior to 1953, the government was appointed by the colonial secretariat in the U.K. In addition to winning electoral rights, the P.P.P. organised on the industrial front. The field and factory

workers, the main supporters of the P.P.P., continued to struggle for the recognition of a union of their choice. In November 1952, another strike was called in the industry to force the employers to concede recognition to the G.I.W.U.

In an effort to settle the jurisdictional dispute the P.P.P. government, comprising four trade unionists out of its six ministers, enacted the Labour Relations Bill on October 8, 1953. The Bill provided for 1) compulsory recognition; 2) speedy resolution of inter-union representational disputes; and 3) protection from persecution for officials involved in trade union activities. It was envisaged that the bill would lay the groundwork for the recognition of the P.P.P. aligned G.I.W.U., since many felt that the M.P.C.A. was incapable of winning the support of the field and factory workers in the sugar industry. On the Labour Relations Bill, Burnham submitted, "It guarantees a basic human right . . . This important democratic right . . . was not extended to the union [G.I.W.U.] in spite of all the years of agitation and in spite of all the confidence imposed in it by the workers."⁵⁵ Furthermore, "Employers were to be required by law to negotiate with the trade unions enjoying majority support; this support was to be determined by a procedure modelled upon that of the U.S. National Labour Relations Act."⁵⁶

The National Labour Relations Act was passed in the U.S. because it had become necessary for the terms and

conditions of employment to be regulated by collective bargaining. Workers should be allowed to organise strong and stable unions without the disrupting effects of strikes. It was appropriate for the U.S. government to restrain certain types of coercive action by employers to allow trade unions to organise. According to Lloyd Reynolds, "The National Labor Relations Act, known as the "Wagner Act" [sponsored by Senator Robert Wagner] gave employees the right to organise unions to bargain collectively through representatives of their own choosing and to engage in other concerted activities for the purpose of mutual protection".⁵⁷

In addition to the right to organise the Act made it an unfair labour practice for employers to interfere with, restrain, or coerce workers in the exercise of their rights to choose their own union, and for employers to refuse to bargain in good faith with the legal representative of the workers. In the event that there was doubt as to the legitimacy of the union the matter could be decided by means of secret ballot. For this purpose the National Labor Relations Board was established.

Furthermore as James Robinson and Roger Walker notes: "The N.L.R.A. apparently achieved the basic goal of promoting collective bargaining and union organisation. . . . Union membership increased almost fivefold and the number of workers covered by collective bargaining agreements increased more than threefold. As a result, the labour

movement, from a relatively weak position economically became a major force to be reckoned with in the economy."⁵⁸

In Guyana, however, the attempt by the P.P.P. government to provide legislation for compulsory trade union recognition was resisted by the colonial government and the sugar industry employers even though in two other colonial possessions, Jamaica and British Honduras, a system of elections to determine union recognition was set up voluntarily. They feared that the bill would cause the recognition of the G.I.W.U. A union effectively representing the field and factory workers would effect a reduction in the accumulation of capital. As Jagan states, "This bill touched 'King Sugar'."⁵⁹ The S.P.A. declared, "The colony was now in the hands of a government [really it was not] bent not on construction but destruction, and was moreover prepared to descend to any means to achieve its end."⁶⁰

The Labour Relations Bill and the Suspension of the Constitution:

The interest of the P.P.P. would have been served by the Bill. The P.P.P. government envisaged that the M.P.C.A. could not win an election in the sugar industry. As such the G.I.W.U. would have replaced it and become the largest single union of wage earners in the country. To conclude that the P.P.P. was only attempting to reward those workers, however, would assess the significance of labour policy of the P.P.P. inaccurately because the Labour Relations Bill

was intended to create and solidify an alliance between the working class and the P.P.P. government.

On the political front the bill was seen as a Communist measure propagated by the P.P.P. government. There was mounting opposition and the bill, "brought down the clouds."⁶¹ Of far reaching significance is a statement issued by the colonial office in connection with the situation in Guyana.

It has been evident that the intrigues of Communists and their associates, some in Ministerial posts, threaten the welfare and good administration of the colony. If these processes were to continue unchecked, an attempt might be made by methods which are similar in some other parts of the world to set up a communist state . . . In view of the latest development, Her Majesty's Government felt it was necessary to send naval and military forces to Georgetown.⁶²

On October 8, 1953. the same day the bill was passed, British troops were dispatched to Guyana to put down what they were told was a communist coup. On the following day October 9, 1953 the British Guiana constitution was suspended by the U.K. government and the Governor was empowered to remove the ministers of the P.P.P. government from office. The U.K. government, therefore, disregarded the wishes of the Guyanese people who had elected the P.P.P. ministers in a national election and devised a strategy to protect the interest of the British colonial employers by suspending the constitution. This action prevented the passage of the proposed labour legislation to grant

compulsory recognition to a union with the support of the majority of the workers.

Despite the suspension of the constitution, the colonial powers had to reckon with the fact that the P.P.P. was electorally invincible. According to the Chairman of Bookers, ". . .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."⁶³ Noting that " . . .we cannot run the risk of restoring the type of constitution that was suspended, the colonial government amended the constitution to restrict the powers of the democratically elected government."⁶⁴ Thus, the Chairman of Bookers admitted that the P.P.P. government was democratically elected, but even so he thought that the constitution must be amended to limit its authority. The sugar industry employers were opposed to democracy and fought in collusion with the colonial government to prevent it. Democracy would have meant better conditions of living for the field and factory workers and again less profit for them.

The Interim Government and the Reconstituted B.G.T.U.C.

With the removal of the ministers of the P.P.P. government from office, the colonial government constituted an

Interim Government of businessmen and elite civil servants to administer the affairs of the colony. British Guiana then reverted to a political system that inhibited the development of local politics.

The Governor remained the representative of the British government and retained the powers of veto and certification. Also some trade unionists who were opposed to the P.P.P. government and its intention to take control of the Labour movement quickly moved in. Through the influence of the International Confederation of Free Trade Unions (I.C.F.T.U.) and the Inter-American Regional Organisation of Workers (O.R.I.T.) the B.G.T.U.C. was disbanded on November 30, 1953. With the support of these foreign forces the reactionary local trade unionists destroyed the unity of a militant B.G.T.U.C., and reduced the effectiveness and representational powers of its affiliates. This action eventually affected the economic position of the rank and file workers.

The colonial forces saw that the P.P.P.'s major source of strength was organised labour. According to Chase, "The imperialist powers set out to emasculate the trade union movement."⁶⁵ Fear, brutality and persecution were used. "Some militant trade unionists were detained without trial, some were restricted to their places of residence, and others were served with trespass notices."⁶⁶ The supporters of the G.I.W.U. were detained

and harrassed. In this way the British government sought to crush the alliance between the P.P.P. and organised labour which had become a significant political force.

According to a contemporaneous article in the Daily Argosy," it is essential for the influence of the P.P.P. over the masses of the people of the colony be destroyed and this cannot be done by repressive official action. The influence of the party can best be counter-acted by a strong and free labour movement."⁶⁷

Apart from the attempts by the colonial, forces to destroy the unity of the P.P.P. and the workforce the B.G.T.U.C., the national labour organisation, was restructured in the interest of capital. It ensured that some trade unions were denied membership to the B.G.T.U.C. by incorporating in the new rules a provision that members not be affiliated to either the World Federation of Trade Unions (W.F.T.U.) (which the U.S. was denouncing as an international communist conspiracy) or the Caribbean Labour Congress. In this way the G.I.W.U. and other progressive trade unions which were members of the W.F.T.U. were excluded from the B.G.T.U.C. Without affiliation to the national labour organisation, these unions, were not allowed to be involved in the development and direction of the B.G.T.U.C. With the progressive unions prevented from joining the B.G.T.U. the

workers interests were not strongly represented and colonialism proceeded unchallenged by the workforce. Of course the M.P.C.A. became a leading member. As Phillip Reno observed, "The M.P.C.A. was chosen as the pivot of the British effort to strip the T.U.C. of its anti-imperialist character."⁶⁸

In addition to the change in the B.G.T.U.C., unemployment increased due to the closure of industries and mechanisation in the sugar industry. "The C.D.C. Stampa Sawmill and the Port Mourant sugar factory were closed. Rapid mechanisation in the sugar industry resulted in a drop in the labour force from 33,068 in 1939-1941 to 27,934."⁶⁹ But more importantly, as Braverman argues, "The mechanisation of industry produces a relative surplus of population available for employment at the lower pay rates . . . Mechanisation release masses of labour for exploitation in other generally less mechanised areas. . ."⁷⁰ Eventually, the availability of surplus population encourages the investment of capital in forms of the labour process which require masses of low wage labour allowing the employers to maximise profits.

Furthermore, "Masses of people are frustrated and ready to grasp at any slick theory which promises a better world Unemployment ranks are swelling. People are getting restless."⁷¹ Faced with this situation, the Interim government was allocated \$44

million for development of an infrastructure to create employment even though the 10-year plan of 1949 had allocated only \$26 million. "About \$30,000 was paid for the design of a brand-new seven storey hospital. And nearly \$1/3 million was paid to a British consulting firm to plan a highway. These projects never came to fruition."⁷² Money was allocated but it is important to note that the development plans did not include or even consider industrial and agricultural development. Although the colonial forces were not seriously intent on reducing unemployment, they wanted to pump-prime the economy and let it appear that progress was being made by the Interim government to undermine the support of the P.P.P.

In 1954 soon after the installation of the interim government the U.K. government appointed the Robertson commission to inquire what should be done in the colony. The effect of the commission was to lay the groundwork for a split in the P.P.P. After several hearings the commission recommended an indefinite marking of time so long as the P.P.P. maintained its leadership and policies. Paragraph 231 of the report noted, "We are, therefore, driven to the conclusion that so long as the P.P.P. retains its present leadership and policies, there is no way in which any real measure of responsible

government can be restored--without being subject to constitutional crisis."⁷³

The recommendation was clear-- normalacy would be restored only if the P.P.P. gave up its militant leadership and abandoned its anti-colonialist positions. Furthermore, the commission separated the leadership of the P.P.P. into two parts and described Jagan as extremist and communist, and Burnham as less doctrinaire and democratic. The tactic of this maneuver was to create a division in the leadership of the P.P.P. so as to weaken the political power of the party. In February, 1955 Burnham took advantage of this situation to form his own political party. The P.P.P. did, split into two factions, one led by Jagan and the other by Burnham. The name, Peoples' Progressive Party was retained by both factions. The P.P.P. (Jagan) and the P.P.P. (Burnham) were both established in February, 1955.

The split in the P.P.P. created a division among the working class along racial lines. The colonial forces had relied on ethnic disunity to reduce the strength of the labour force, but with the P.P.P. ethnic unity was forged. With a divided and weak workforce the capitalist forces continued their onslaught against the workers reinforcing the relations of production. Moreover, Latchmarsingh, the leader of the G.I.W.U., a union that was formed to provide effective representation to the field and factory

workers, chose to join P.P.P. (Burnham). Latchmansingh perceived that with Burnham, the P.P.P. (Burnham) would be elected to office. Burnham hoped that with Latchmansingh, the P.P.P. (Burnham) would win the support of the field and factory workers in the sugar industry strengthening its political position and at the same time undermining the P.P.P. (Jagan). According to Jagan, "Latchmansingh's opportunism was clearly disclosed in a statement he made to . . . during a period of short imprisonment . . . He was obsessed with the desire to return to ministerial office."⁷⁴

The Re-Election of the P.P.P. (Jagan):

Following the split in the P.P.P., a general election was scheduled for 1957. On that occasion the Jagan (P.P.P.) won nine out of the fourteen seats while Burnham (P.P.P.) secured three seats. Therefore, the P.P.P. (Jagan) was reinstalled in office; but real power remained in the hands of the colonial forces. This was because the current constitution of British Guiana provided for an Executive Council to be the policy-making body for the colony. The Executive Council comprised six elected members, one nominated member, and three ex-officio members. The nominated member was in the end appointed by the Governor who was granted, "unlimited reserve powers of certification and veto,"⁷⁵ while the three ex-officio members were representatives of the U.K. government. As

Jagan stated, "The six ministers were clothed merely with individual responsibility . . . devoid of all powers."⁷⁶ The government was deemed P.P.P. but in fact real power remained in the hands of the Governor. Constitutionally, the elected Guyanese ministers were merely his advisers. With the Governor in the Executive Council were three other Englishmen who held the most important portfolios. Therefore, even though the P.P.P. was elected to office by its constituents, the colonial government, through constitutional manipulations, did not allow its government to administer the affairs of the colony.

In addition to constitutional limitations, the P.P.P. (Jagan) government was subjected to the economic restrictions. Attempts by the P.P.P. government to secure funds for economic development were frustrated by the colonial government. Their economic and funds generation programme had to be approved by the Governor who had retained the powers of veto in the new administration.

The restrictions imposed by the colonial forces encouraged economic difficulties for the P.P.P. According to an International Labour Organisation survey, unemployment in Guyana in 1956 had reached a high of eighteen percent.⁷⁷ Urgent action had to be taken if the country were to progress economically. But the five-year plan (1956-1960) had allocated only \$G 91 million. The P.P.P. government argued that the allocation was inadequate and should

be increased to \$G 200 million. The arguments were rejected despite the fact that the colonial government had funds to give more than was requested to the interm government. (\$G 26 million was replaced by \$G 44 million in 1953). The Secretary of State for the colonies declared, "As much money as was required would be found so long as worthwhile schemes were available."⁷⁸ In the case of the P.P.P. government, however, such funds were withheld by the colonial government.

In an effort to secure financial resources for economic development the P.P.P. government imposed various forms of taxation. Imported foods were taxed to protect local producers. It was envisaged that not only would the economic position of the workers be improved but also Guyana would become more self-sufficient and reduce the disastrous effect of dependency that Third World countries have on the developed capitalist nations. This was [and still is] necessary for the economic development of Guyana.

The Peoples' National Congress (P.N.C.):

In addition to facing economic challenges the P.P.P. (Jagan) government and party, had to deal with political difficulties. The (P.P.P.) Burnham was organising to strengthen its political position. In 1957 it joined with the United Democratic Party (U.D.P.) which was led by John Carter, a pro-capitalist who attacked Burnham in 1954 as an agent of the Kremlin.⁷⁹ [John Carter

later became Guyana Ambassador to the U.S.S.R.] The amalgamation of the U.D.P. and the P.P.P. (Burnham) established the Peoples' National Congress (P.N.C.), with Burnham as its leader.

The colonial forces succeeded in forming a political party to counter the popularity of the P.P.P. (Jagan) Burnham was seen by the colonialists as more moderate than Jagan. With Burnham joining with a capitalist to form the P.N.C. the colonial administration was satisfied that the P.N.C. would cooperate with capital. The establishment of the P.N.C. finalised the division of the Guyanese working class along racial lines. The unity that was forged by the P.P.P. was destroyed. Afro-Guyanese saw Burnham as their new leader and the P.N.C. as their party while the Indo-Guyanese supported Jagan and the P.P.P. In a political address in 1968 Burnham emphasised:

That ours is a Socialist party committed to practicing Cooperative Socialism is declared, and the objects are fully and clearly set out. Some of these are:

- 1) To ensure and maintain through the practice of cooperative socialism, the interest, well-being and prosperity of all Guyanese;
- 2) To pursue a commitment to the Socialist ideal and more particularly, to ensure that the people of Guyana own and control for their benefit, the national resources of the country.⁸⁰

Both the P.P.P. and the P.N.C. declared themselves as socialist. The P.P.P. however, adopted the Marxist/Leninist

approach in creating a transformation of the society, and the P.N.C. adopted cooperativism.

The General Elections of 1961:

With the establishment of the P.N.C., the 1961 general election was contested by the P.P.P., the P.N.C. and the United Force (U.F.). Formed early in 1961, the United Force was led by Peter D'Aguiar who campaigned as an anti-communist and pro capitalist interested in big business. At the elections the P.P.P. won twenty out of the thirty-five available seats. Consequently Jagan was asked by the Governor to form a government. Once more, real power was kept by the colonial authorities.

The newly installed P.P.P. government continued its struggle for economic development. It tried to generate about \$G 10 million from taxation which in turn would be used to stimulate economic growth. The opposition political parties (P.N.C. and U.F.) attacked the P.P.P. government on the imposition of the taxes. The proposal which included the new taxes, was described as "anti-working class" and "communistic."

The budget proposal was based on the recommendations of Nicholas Kaldor, a Cambridge University economics professor whose services were obtained through the United Nations and, "Who could not be said to have any communistic pre-posessions."⁸¹ His adopted recommendations

included a "net wealth" tax at a rate of 0.5 percent on wealth exceeding \$50,000 and a two percent sales tax to avoid the evasion of income tax through false declarations. Along with mobilising resources within the country, a plan of compulsory savings was also introduced. Five percent of salary in excess of \$100.00 per month and ten percent of corporate income were to be deducted for government bonds which would generate 3.75 percent interest and be redeemable after seven years. The budget proposal also included exchange control regulations to prevent the outflow of capital. Although the budget was intended to generate working capital for economic development, Jagan also thought it would increase the cost of living index by 1 percent. He perceived that this increase would be outweighed by the resulting benefits.⁸²

The budget proposals faced widespread opposition which led to a general strike supported by the B.G.T.U.C. By 1961 the B.G.T.U.C. was controlled by the M.P.C.A. which the P.P.P.'s industrial arm, the G.I.W.U. was struggling to replace. It was led by Richard Ishmael, an anti-P.P.P. trade unionist. As a result of the strike, there were disturbances. "In all, 56 premises were destroyed by fire, 21 damaged Claims rendered to fire insurance companies totalled about \$G 11 million."⁸³

The capitalists opposed the tax on capital because these taxes would have generated revenues for the economic development of the colony in the interest of the masses. The proposals were perceived as a measure by the P.P.P. government to transfer income from the dominant class to the exploited peoples.

The 1963 Labour Relations Bill:

Although the P.P.P. did not pursue the passage of the Budget due to the disturbances, it was determined to represent its main supporters. Despite previous opposition, in March 1963 it introduced in the legislature a Labour Relations Bill similar to the one it had proposed in 1953. The bill would have forced the sugar industry employers to recognise the G.I.W.U. as the sole bargaining agent for the field and factory workers. Again the P.P.P. government failed to pass the bill. On April 18, 1963 another general strike, which lasted for 80 days, was called in protest against the bill by the B.G.T.U.C. Had this bill been passed, the M.P.C.A., which had lost its support, would have been displaced in the sugar industry. In order for the M.P.C.A. to retain recognition, Ishmael opposed the passage of the Labour Relations Bill.⁸⁴ As President of the B.G.T.U.C. his position was reinforced by the support of other trade unionists who were sympathetic to his position.

The Formation of the G.A.W.U.:

With the failure of the P.P.P. to pass legislation to allow the G.I.W.U. to gain recognition, it formed the Guyana Agricultural Workers Union (G.A.W.U.). In 1963 the G.A.W.U. replaced the G.I.W.U. which had lost its militancy after the division of the P.P.P. in 1955 and the defection of its President, Latchmarsingh. The G.A.W.U. was led by another pro-P.P.P. trade unionists, Harry Lall, who was closely associated with Jagan and the P.P.P. The leadership of the P.P.P. envisaged that with Lall as president and with the support of the party, the M.P.C.A. would be replaced by the G.A.W.U. Included in its objectives was (and still is), "The amelioration of the economic and social conditions of workers, the winning of new social and economic rights comprising notably the participation and control of workers in the management of state enterprises . . .the eventual elimination of the present social and economic inequality . . .and the complete emancipation of labour."⁸⁵

The 1964 General Elections:

Apart from struggling at the industrial level for the recognition of the G.A.W.U., the P.P.P. was faced with serious political challenges. General elections were scheduled for 1964, with the P.N.C. and U.F. opposing them. At the elections, the P.P.P. won 45 percent of the votes, while the P.N.C. and U.F. secured 40.8 percent and 12.5 percent

respectively. In order to form a government, 50 percent of the votes is required. The P.P.P. did not wish to join with the capitalist-oriented U.F. and was not able to form a coalition with the P.N.C. because it refused to join them. There was only one possible coalition. The P.N.C. pooled its votes with the U.F. and formed a government in 1964. This move forced the P.P.P. out of office after it had won three consecutive general elections. Burnham became the Premier and D'Aguiar, leader of the U.F., the Minister of Finance.

Summary:

With the passage of labour legislation in 1921, trade unions were permitted for the first time to become registered to seek legal recognition. In 1924, due to the global recession caused by World War I, workers were faced with a higher cost of living and depressed levels of income. Labour organisations could have done very little to improve the conditions thus operating during the recession reduced the union's effectiveness.

But colonial labour policy was reformed by the British Labour party that was elected in the U.K. creating an environment conducive to the growth of trade unions in Guyana. One of the unions that was established following the reformation of Labour policy in the colonial territories was the M.P.C.A. Its formation in 1937 represented a victory for the field and factory workers in the sugar

industry. With union representation, it was envisaged that better wages would be secured thereby reducing the rate of extraction and the accumulation of capital. The union also united both Afro- and Indo- Guyanese workers. With its militant leadership the struggle for industrial democracy was intensified. Wages and conditions that were previously fixed by law became a matter for collective bargaining between the employer and workers' representative. Union representation would, however, provide better conditions which could reduce the employer's profits. Thus the capitalist forces neutralised the militancy of the union by coopting union leaders thereby maintaining the extraction of profits and preserving the relations of production in the interest of capital.

With the interest of the working class compromised, the P.A.C. intent on preventing further onslaught on the workforce, founded a rival union to replace M.P.C.A. The P.A.C. advocated a replacement of the social relations of production since its leaders envisaged that it was the capitalist mode of production, maintained by British colonialism, that had to be overthrown before better conditions could be realised. Furthermore, the P.A.C. in 1950 established the P.P.P. whose objective it was (and still is) to transform Guyana into a socialist state.

As the P.P.P. adopted an anti-colonialist position, it simultaneously forged ethnic and working class unity to

struggle for political independence. Furthermore, it was this class unity that allowed the P.P.P. to win the 1953 general elections, however, its main supporters functioned without effective and genuine trade union representation. The sugar industry employers continued to deny the G.A.W.U. the recognition for the field and factory workers. They perceived that with the militancy of the G.A.W.U. better wages would be won thereby increasing employment costs and reducing the accumulation of savings for the employers.

The M.P.C.A. was allowed to continue as the bargaining agent. The denial of recognition of a union of the workers' choice created industrial unrests. To resolve the issue, the P.P.P. government introduced legislation that would provide recognition based on majority support. When this legislation was introduced, the U.K. government suspended the constitution of British Guiana and not only did the legislation lapse but also the P.P.P. government was removed from office. In addition to deposing the P.P.P. from office, the colonial forces attempted to neutralise the class conflict and keep the capitalist system intact by organising to divide the working class. Apart from creating an environment to facilitate the splitting of the P.P.P., the suspension of the constitution provided the groundwork for the formation of the P.N.C. and destroyed the ethnic unity that was forged by the P.P.P.

With the establishment of the P.N.C. and its coalition subsequently with the U.F., the P.P.P. was removed from office.

Before its removal, the P.P.P. reinforced the class struggle by forming the G.A.W.U., a union that replaced the G.I.W.U. which had lost its militancy through the manipulations of the colonial forces that caused a split in the P.P.P.

In addition to examining the establishment of the G.A.W.U., Chapter Two described and analysed the significant events of the 1921/1964 period. In the following, the struggles of the G.A.W.U. for industrial democracy will be further considered together with other changes that occurred in the sugar industry.

FOOTNOTES

1. Ashton Chase, op. cit., p. 61.
2. Ibid.
3. Ibid., p. 62.
4. Daily Chronicle, June 21, 1921. Quoted in Ashton Chase, op. cit., p. 64.
5. Ibid.
6. Ashton Chase, op. cit., p. 65.
7. Roger Walker and James Robinson, Labour Economics and Labour Relations, (New York: The Ronald Press Company, 1973), p.140.
8. Daily Chronicle, December 2, 1965.
9. Quoted in B. C. Roberts, Labour in the Tropical Territories of the Commonwealth, (London: London School of Economics and Political Science, 1964), p. 176.
10. Ibid., p. 7.
11. Arthur Creech Jones, "The Labour Party and Colonial Policy", in New Fabian Colonial Essays, (London: The Hogart Press, 1959).
12. Paul Singh, "Guyana: Socialism in a Plural Society" in Fabian Research Series 307, (London: Fabian Society, 1972), p. 7.
13. Ibid.
14. Five of these unions organised Government Employees They were the B. G. Seamen's Union, The Transport Workers Union, The Post Office Workers Union, The Medical Employees Union, and the Government Employee Association.
15. Paul Singh, op. cit., p. 6.
16. Ibid.
17. Ibid.

18. Ashton Chase, op. cit., p. 85.
19. Paul Singh, op. cit., p. 6.
20. Ashton Chase, op. cit., p. 85.
21. Carlyle Harry, op. cit., p. 11.
22. Report by Chairman, Bookers Bros., McConnell and Company Limited, 1938.
23. Ashton Chase, op. cit., p. 85.
24. See Laws of Guyana.
25. Ashton Chase, op. cit., p. 104.
26. Paul Singh, op. cit., p. 8.
27. Ibid.
28. Ashton Chase, op. cit., p. 104.
29. Ibid., p. 177.
30. Paul Singh, op. cit., p. 8.
31. Ibid.
32. While there were many strikes during this period, only one was called by the union. The workers took their own action.
33. Ashton Chase, op. cit., p. 142.
34. Cheddi Jagan, The West on Trial: The Fight for Guyana's Freedom, (Berlin : Seven Seas Books, 1975), p. 61.
35. Ibid.
36. Ashton Chase, op. cit., p. 90.
37. Cheddi Jagan, op. cit., p. 61.
38. Paul Singh, op. cit., p. 6.
39. See Robertson Commission Report, 1953.
40. Article titled, "Guyana Goose Club, (Tribune, November 1953).

41. Paul Singh, op. cit., p. 10.
42. Ibid.
43. Ibid.
44. Ibid., p. 11.
45. Ibid.
46. Ibid.
47. Ibid.
48. Ibid.
49. Ashton Chase, op. cit., p. 148.
50. Ibid., pp. 148-149.
51. Ralph Premdas, Caribbean Quarterly, 20 (September-December, 1974), p. 5.
52. Ashton Chase, op. cit., p. 177.
53. Paul Singh, op. cit., p. 11.
54. See Constitution of the P.P.P. adopted by the 20th Congress; August 6, 1979, p. 1.
55. Ashton Chase, op. cit., p. 123.
56. Cheddi Jagan, op. cit., p. 123.
57. Lloyd G. Reynolds, Labour Economics and Labour Relations, (Englewood Cliffs: Prentice Hall, Inc., 1970), p. 463.
58. James W. Robinson and Roger W. Walker, op. cit., p. 299.
59. Cheddi Jagan, op. cit., p. 123.
60. Booker Sugar, Supplement to Bookers Annual Report and Accounts, 1954, p. 64.
61. Cheddi Jagan, op. cit., p. 123.
62. Ibid., p. 125.
63. Booker McConnell Ltd., Annual Report and Accounts, 1955.

64. Daily Aorgosy, August, 1955.
65. Interview with Ashton Chase, July 1982.
66. Ashton Chase, op. cit., p. 221.
67. Daily Argosy, August 1955.
68. Phillip Reno, "The Ordeal of British Guiana"
(Monthly Review 16, July to August, 1964), p. 52.
69. Cheddi Jagan, op. cit., p. 154.
70. Harry Braverman, op. cit., p. 382.
71. Daily Chronicle, August 1952.
72. Cheddi Jagan, op. cit., p. 155.
73. Paragraph 231 of the Robertson Commission, 1954.
74. Cheddi Jagan, op. cit., pp. 164-165.
75. Ibid., p. 101.
76. Ibid., p. 188. Prior to 1955, the B.G. constitution had not provided for the inclusion of elected members in the Executive Council. The legislative council (as it was called then) was simply a debating society. It was said, with some justice, that laws were made not in the legislative council, but over rum swizzles at the Georgetown Club which the officials frequented.
77. Ibid., p. 191.
78. Ibid., p. 154.
79. Ibid., p. 409.
80. Forbes Burnham, Declaration of Sophia, Address by the leader of the P.N.C. at a special congress, December 1974.
81. Unpubished and untitled paper on the 1961 Budget.
82. Cheddi Jagan, op. cit., p. 210.
83. Ibid., p. 221.
84. Ibid., p. 211.
85. See Rules of the Guyana Agricultural Workers Union, July 12, 1978.

CHAPTER THREE

Independence of Guyana and the Nationalisation of the Sugar Industry

Introduction

Until 1976 the expatriate sugar industry employer had used the state machinery to preserve its dominant position. With independence in 1966 initially the national government adopted an economic policy based on the investment of foreign capital facilitating the continuation of external control over the country's economic growth and development.

In the following chapter the focus is on the actions and objectives of the dominant class that kept Guyana tied to the capitalist world. The dominant class includes both the owners of the sugar industry and some administrative officials who advocated a capitalist policy of continued dependency on foreign investment.

The theme of the analysis is that the administration relied on a combination of economic mechanism and policies to divide the work force in the sugar industry. Its objective was to allow the industry to remain profitable and maximise tax revenues. The superior economic position of the industry deprived the government of a political power base. There was an inherent conflict between maintaining a viable foreign-owned industry and acquiring

political power, a situation that required delicate balancing.

This chapter will describe chronologically the events of the 1966-1976 period. The analysis will provide an historical foundation for understanding the current labour-management relations in the sugar industry.

The 1966-1972 Development Plan:

In 1966 under the coalition government of the P.N.C. and the U.F., Guyana was granted independence from Great Britain. The class of political leaders who came to office (lawyers, professionals and businessmen) had no direct economic control of the dominant industries in Guyana. The institutional base for their power was not economic, but political, the control of the state apparatus. This class accumulated influence and power by means of governmental offices.

The new state began charting its own economic and political future. The population was approximately 674,680 comprising East Indians (50.8 percent), Africans (30.8 percent), Mixed (12 percent), Amerindians, (4.6 percent), Europeans (2 percent), Chinese, (.6 percent), and Portuguese, (.9 percent).¹ Of the total population, there were 174,000 persons over fourteen either working or available for work, but jobs were available for only 36,400.² Unemployment in March 1965 was 20.8 percent of the total labour force.³ According to Gustav Sallas, "The

unemployment was highest in rural areas and particularly in sugar plantations . . . where it was estimated at 32.5 percent of the labour force in the area."⁴ Moreover, the Reubens report noted that in 1950, 21,641 persons were employed in the fields of the sugar industry and by 1960 the figure had dropped to 16,001.⁵ With high unemployment, the surplus population available for work increased.

Apart from the problem of unemployment, industrial conflict continued between Guyanese workers and management. It affected the agricultural enterprises, mainly sugar which was (and still is) a major source of government revenues.⁶ In 1965 the strikes resulted in a total of 146 stoppages which accounted for 137,000 mandays lost.⁷ Of the fifty-nine strikes in Agriculture [which accounted for \$84.2 million or twenty-four percent⁸ of the Gross Domestic Product (G.D.P.)],⁹ fifty-eight involved workers on sugar plantations. Of forty-one strikes in manufacturing twenty were in sugar mills. A total of seventy-eight strikes affected sugar, the country's principal product.¹⁰ The industrial conflicts and work stoppages generally in Guyana and specifically in the sugar industry, deprived the government of revenues. Indeed the strikes disrupted production in an industry that was then (and now) the mainstay of the Guyanese economy.¹¹ Within that unfavourable economic climate, the government formulated its first Development Plan.

The Economic Plan was developed on the assumption that foreign capitalists would invest in manufacturing industries in Guyana which would not only provide revenue to the government but also create jobs for Guyanese workers. Indeed the U.F. (whose leader was appointed Minister of Finance) was committed to a capitalist strategy of development and preferred to keep Guyana tied to Great Britain and the United States of America. D'Aguiar noted: "It would be unrealistic for a government to involve itself into excursions in private industry. That should be left to those who were experts. Guyana has got to attract capital, but this will be impossible if the government involves itself in commercial affairs."¹² D'Aguiar was quite clear; the government for which he served as Minister of Finance was not knowledgeable in capitalist enterprise, and must, therefore, stay out of private industry. This was his condition for accepting the portfolio of Minister of Finance.¹³ In fact, most Guyanese believed that this was the policy of the United States. D'Aguiar was repeating the philosophy of the U.S. policy makers: Poor countries must have foreign investors.

D'Aguiar, determined to put his capitalistic beliefs to work, became the chief architect of the Development Plan. Based on the recommendations of W. Arthur Lewis, a pro-capitalist economist and champion of the Puerto Rican model in the Caribbean, the 1966-1972 Plan reflected assumptions

that economic growth in Guyana was dependent upon a large infusion of foreign capital invested in light, labour-intensive industries manufacturing goods for export.

Export-oriented Market and Development:

With the adoption of a Development Plan based on production for exports the Guyana government laid the groundwork to continue what is often described as "Peripheral Capitalism."

The basic tenets of Peripheral Capitalism included: (1) The world capitalist system is composed of two opposing parts, the wealthy core and the poor exploited periphery; (2) The core and the periphery are inseparably linked and can only be understood in terms of their relation to each other and (3) Capitalist expansion is inherently contradictory since it creates development in the core and underdevelopment in the periphery. In this contradictory system, the core exploits the periphery, and the core-peripheral relationship run through the entire world capitalist system in a chainlike fashion from the uppermost centre to each of the various national, regional and local centres.¹⁴ The centre expropriates economic surplus from the periphery and appropriates it for its own economic development. The periphery remains underdeveloped for lack of access to their own surplus.¹⁵ The inevitable consequence of this pattern of exploitation is deepening underdevelopment and increasing dependency for the periphery.

According to Michael C. Howard, "The reality, of course, was dependent development, as the productive sector catering to local needs was eroded in favour of export-sector which catered to the needs of and substantially controlled by international capital"¹⁶ In a similar analysis Amin argued, "The areas interested in an export product . . . experience periods of rapid growth. But . . . as soon as the product in question ceases to be of interest ... the region fall into decline: its economy stagnates, and even retrogresses."¹⁷ For example Sengal, prosperous in the days of the gum trade, became an exporter of cheap labour when gum was replaced by synthetic products. Also North-eastern Brazil, in the seventeenth century was the scene of 'economic miracle' but after sugar lost its importance, the region fell into a state of lethargy and today is regarded as a famine area.¹⁸

The position of Howard and Amin is reasonable. With foreign capital investing for the purpose of providing goods for an export market, local development is blocked.¹⁹ The owners of capital primarily interested in profits²⁰ disregard the needs of the local population²¹ to produce for external markets where the goods produced are in demand. In such circumstances, production in the local economy was restricted and, of course, dependent on foreign capitalist countries. It is this dependency

that facilitated continued underdevelopment.²² Furthermore in cases where the economy of underdeveloped countries (as Guyana) is geared to meet the demands of the developed world, there can also be disastrous economic regression,²³ when the external demand changes. Since the local investors were inclined to produce in accordance with the market demands, they would remove their investments if the resources were not locally available to meet the requirements of the external markets.²⁴ Thus as the example of the gum trade in Senegal and sugar in Brazil indicated, when the local economy is unable to respond to the demands of external markets, the resulting effect is economic stagnation and even regression.

Foreign Capital and Economic Development:

In order to meet the objectives of the Development Plan which emphasised production for exports, \$294 million was required of which only \$50 million could be generated internally due to various social and economic problems. The country had experienced a period of conflict between its two major ethnic groups between 1962 and 1964. The internal tensions retarded investment in the country in the mid 1960's.²⁵ Industrial conflict had affected production and hindered the accumulation of government revenues.²⁶ An annual Economic Survey summarised its difficulties in this regard quite appropriately ". . . [D]espite numerous

incentives and encouragement . . .[the economy] remained dormant with very little expansion and diversification."²⁷

With domestic savings insufficient to finance the plan for economic development and the government unable to borrow the required amount,²⁸ the Lewis plan called for potential investors to be attracted. "This meant ensuring political stability by blocking any hints to leftist sentiment . . .being able to offer an inexpensive workforce [high unemployment] . . .providing an infrastructure and asking for little taxes."²⁹ The government had to be prepared to offer temporary monopolies, subsidies, and tax shelter to induce foreign investors to Guyana.

According to Amin, "If productive investments are financed by foreign capital, they must inevitably lead, sooner or later, to an outflow of profits, so that growth is blocked."³⁰ For example, in Egypt between 1945 and 1952 the profits of foreign capital represented 20 to 30 percent of the total amount of the reward of capital, and exported (repatriated) profits represented 15 percent. Exports of the profits of foreign capital reduced Egypt's growth rate between 1882 and 1914 from 3.7 percent to 1.7 percent and from 3 to 4 percent to 1.4 percent for the period 1914 and 1950. Also for some countries in Central Africa the outflow of profits amounted to an annual average of 44.2 billion CFA francs, between 1960 and 1968; while public aid and foreign

investment going into these countries did not exceed 34.4 billion.³¹

Furthermore, Magdoff has shown that the accumulation abroad of the profits of American enterprises has been so great that it has made them over a twenty year period an economic power in the world.³²

Despite the government's expenditure to attract foreign capital,³³ the plan failed.³⁴ Indeed the infusion of foreign investment as was expected by the government did not materialise and the economy retrogressed. (For reasons, see earlier discussion) Jagan observed: "Industry, with the exception of the extractive bauxite industry is virtually at a standstill,"³⁵ and D'Aguiar declared, "The government incurred annual (1966) losses of \$14 million."³⁶ While national losses soared and taxes increased, the Minister of Finance, who subsequently resigned, disclosed that, "\$1.5 million were illegally spent on the east-coast highway and not properly accounted for" and "The Director of Audit in his report in 1967 disclosed that no vouchers were available for \$19.5 million of government expenditures."³⁷

The failure of the 1966-1972 plan was blamed on the U.F. and its preference to adopt a capitalist oriented strategy of economic development. According to Burnham, "The P.N.C. wanted to break the ties with Guyana's colonial past and establish a republic, but the U.F. insisted on

keeping the economy tied to the U.S. and Great Britain. More importantly, the P.N.C. wanted to start the journey along the socialist path of development . . ."³⁸

The 1968 General Elections:

The P.N.C. announced its socialist philosophy only after the 1968 general elections. At the election, the P.N.C. fought against both the P.P.P. and the U.F. It secured 55.6 percent of the votes, the P.P.P. 36 percent and the U.F. 7 percent. The P.N.C. subsequently formed a government to become the first single political party to take power in Guyana.

According to Jagan and supported by many other reputable authorities, "It has been clearly established that extensive fraud helped the P.N.C. to 'win' and to form a government alone. Without padded voters' lists, extensive proxy voting and ballot-box tampering, the P.N.C. could not have secured 50.4 percent [a majority] of the votes inside Guyana; . . . Without overseas votes the P.N.C. would not have had a working majority of seven seats."³⁹ The overseas votes, introduced by a constitutional amendment in 1968 and objected to by the opposition political parties, (P.P.P. and U.F) was described very unfavourably. A survey conducted by Humphrey Taylor, Director of Opinion Research Centre declared, ". . .so far as Britain is concerned, the

compilation of the register was a totally dishonest and corrupt operation and we have clearly established, the great majority of the people listed do not exist."⁴⁰ As D'Aguiar observes, "To call it an election is to give it a name it does not deserve; it was a seizure of power by fraud, not election."⁴¹

It must be noted that despite vehement protest by the P.P.P. and the U.F., the constitution of Guyana was amended in 1968 by the P.N.C. government to allow, for the first time, Guyanese citizens residing abroad to vote in national elections. Indeed it was "[T]hrough manipulations the P.N.C. secured 94 percent of the overseas votes."⁴² Moreover, "The P.N.C. resorted to manipulative practices . . . [It] created a list of 66,000 overseas electors, . . . This facilitated Burnham's victory."⁴³

The P.N.C. and Socialism:

With the 1968 elections, the P.N.C. was brought to power.⁴⁴ It formally declared Guyana a Cooperative Republic on February 23, 1970. The P.N.C. which had joined with the pro-capitalist U.D.P. to establish itself and later with the capitalist U.F. to acquire political power, adopted a leftist position⁴⁵ and advocated a cooperative "socialist" strategy of economic development due to increasing domestic political pressure.

According to the P.N.C., cooperatives would be used in the radical transformation of the colonial economic structure. As such the P.N.C. argued, "The small man's economic power would be in direct proportion to his political power. Otherwise independence and republic status are meaningless . . ."46

In justifying this political change, Burnham observed, "A just society cannot be achieved unless the majority of the people, the masses, the little men have a full share in ownership and control of the economy, a share which corresponds realistically with their political power."47

A re-arrangement and re-direction of the economic and social systems was necessary and urgent if the society were to be transformed from its pre-colonial economic structure to socialism. The cooperative justifies itself on a practical as well as the philosophical ground.48 "The cooperative gives us an opportunity to mobilise financial and human resources. . . In the case of our financial resources, one finds that too much of this goes into conspicuous consumption, into purchase of imported consumption goods. The cooperative can offer us an opportunity to put those resources into production, directing them into sectors of the economy which need pump-priming . . . human resources. . . the opportunity to apply many idle resources . . . to anything productive or naturally remunerative."49

It is significant that this political change by the P.N.C. was not liked by the United States, especially "the expulsion from Government of the U.F., its ideological base in Guyana."⁵⁰ But according to Jagan, "The American government [had] to tolerate certain P.N.C. aberrations and to continue to support the P.N.C. since there is no alternative except the P.P.P."⁵¹ and, "out of fear that its [U.S.] opposition would force the P.N.C. into an anti-imperialist unity with the P.P.P."⁵²

In addition to the unfavourable reaction of the U.S., the local political parties were outraged by the socialist proclamation of the P.N.C. Firstly, M. F. Singh, the new capitalist-oriented leader of the U.F. declared, "What utter nonsense! When did they do this! How did they do it! Socialism was never an issue at . . . the 'selections' . . . It was after the P.N.C. gave itself the two-thirds majority [by the 1968 elections] that the P.N.C. started forcing socialism down the throats of the Guyanese people . . . We all know that the P.N.C. was the party which . . . paraded the streets of Georgetown with the U.F. protesting against Cuba and Russia."⁵³ "The P.N.C. government while mouthing revolutionary slogans, . . . embarked on a reformist course. With the failure of its 7-year [1966-1972] Development Plan, it now lays emphasis on . . . cooperatives, instead of a planned proportional development of the economy."⁵⁴ Quite appropriately, Jay R. Mandle noted: "The adoption of

socialism in Guyana was wholly an administrative matter undertaken by the ruling party and government." Furthermore, the class composition of the P.N.C. remained as it were prior to the 1968 elections. According to Mandle, "Almost no change in the officials of the governing party, the P.N.C. . . . occurred . . . No intensive period of ideological debate took place nor did the change evoke a strong reaction along class lines in the country."⁵⁵

The Cooperative Movement:

Socialism was new to Guyana, but the cooperative movement was not. Long before 1970, in 1948, the colonial government had introduced cooperatives into the colony by passing the Cooperative Societies Act when the colonial authorities were certainly not intent on securing a transition to socialism.⁵⁶ The cooperatives were established to produce food which had become scarce due to unreliable shipments from England during World War II. It was a means of reducing poverty by creating employment through the production of food to placate a rebellious population. Cooperatives were allowed to fade away after the war when shipments became more reliable. Quite interestingly, Burnham affirmed, "Under British colonial rule, the cooperative was little more than a social welfare institution."⁵⁶

The idea that cooperatives were being used to bring about a transformation of the society, was advanced by Beatrice Potter who, in her book, The Cooperative Movement, first taught cooperators to be part of a wider social movement which was determined to transform Britain into a social democracy. Rejecting the idea that cooperatives by themselves could replace capitalism, the theory of cooperation (meaning voluntary associations owned and controlled by consumers) was developed as a form of social ownership, destined to play a large part in economic life along with state ownership in Guyana. The advocates of cooperativism declared, "There will be no sector closed to the cooperative, there will be no field of economic life held sacrosanct."⁵⁸

Cooperativism, the P.N.C. form of socialism, faces severe difficulties. In the first instance, the development of the cooperative system is limited by the fact that it had to work within a society in which economic organisation was [and still is] mainly capitalistic.⁵⁹ "A cooperative undertaking is not actuated primarily by the profit motive, but it cannot, as a voluntary organisation, work at a loss. The surplus [profit] which arises . . . and which is distributed in the form of dividend, should be incidental to the whole plan."⁶⁰ Instead, as Paul Singh notes, "There is greater likelihood, as is exemplified in the British experience, that

the dividend will become an object of cooperative enterprises, with the added danger that, [In Guyana] it may be artificially created, through higher prices"⁶¹

Secondly, the P.N.C.'s cooperative socialism envisaged a radical change in the competitive nature of the Guyanese capitalist society. It was the plantation capitalism with an uncompromising faith in individualism that must be changed to group participation and collective action. This clearly raises an awkward potential conflict of values. "The antithesis of competition is not always cooperation, it may be social ossification and the denial of individual rights."⁶²

Thirdly, the people coming together to form cooperatives, would be those who would generally need financial support if they were to undertake production. The government established the Guyana National Cooperative Bank to provide credit facilities to the "small men" who lacked the resources to offer acceptable collateral. The Bank operated along the lines of an ordinary commercial bank⁶³ requiring such collateral since they were obliged to protect the interest of the depositors. As a result the "small men" were deprived of the funds they needed to participate in the cooperative establishments since they did not have the required collaterals.

According to Standing, "[Cooperatives in Guyana] . . . have at most enabled the more active members to secure

credit or access to resources,⁶⁴ while . . .the mass of poor farmers [were] automatically debarred from using these sound credit facilities,"⁶⁵ Furthermore, ". . .the main form of cooperatives have been savings-and-thrift societies which have been a vehicle for channelling small savings from poor villagers . . .to the relatively powerful or influential members of communities."⁶⁶ Under the prevailing circumstances, the cooperatives allowed the dominant class to secure funds for investment while the "small men," unable to borrow, sold labour power, to the investors, thereby resulting in the net effect, as Gunnar Myrdal declared: ". . .to create more, not less, inequality . . .Ordinarily only the higher strata could avail themselves of the advantage offered by cooperative institutions and profits from the subsidies given for their development."⁶⁷

In addition to the cooperative movement enabling the dominant class to maintain a superior economic position over the masses, Clive Thomas in his study of Dependency and Transformation, submitted: "There is rarely any real cooperation in production, [and] ownership . . .what is particularly significant . . .is the dominance of what has been termed outside leadership in running and organising these cooperatives . . .[reducing them] to mere appendages of the state."⁶⁸ In the context of Guyana the situation is even worse. "Given the conspicuous failure of the P.N.C.

to win over the East-Indians [Indo-Guyanese], the cooperatives run the danger of limiting their clientele to members of one political party, [and race] and of transforming cooperation itself into a fascist alternative to genuine socialism."⁶⁹ In the circumstances, instead of building socialism, cooperatives reinforced political and race conflicts.⁷⁰ While it was the intention of the P.N.C. to use cooperatives as the vehicle for establishing socialism in Guyana, however, since the cooperatives were controlled by the P.N.C. which was (and still is) unable to forge racial and political unity, these institutions of social change created conditions that facilitated the continuation of antagonism between the two major ethnic groups in the country.

In addition, "It [cooperatives] has scarcely helped. There is little evidence that cooperatives have been a vehicle for providing more and better goods and services . . . There is not even evidence that they have fulfilled the principal political and economic role assigned to them, that of affecting a socialist transformation."⁷¹ Even one of the officials who ushered in cooperatives, Robert Dowden lamented, "Up to the present time it would take those who have great faith in the future to say "yes" in answer to the question "Can Cooperatives succeed in Guyana?"⁷² Indeed the P.N.C.'s version of the cooperative ideal is thus largely illusory.⁷³ But of even greater concern; is not so

much the failure of individual cooperatives but that the cooperative system was chosen as the very foundation on which to build socialism in Guyana.

The 1972-1976 Development Plan:

Notwithstanding the disadvantages of Cooperativism, in 1972, the government advocated a Development Plan that emphasised the cooperative movement as the vanguard of economic growth. The 1972-1976 Plan, which was not implemented due to the unavailability of capital, projected a total development expenditure of \$1,150 million over the five year period. With cooperatives as the vehicle of economic growth, the P.N.C. undertook to find and invest \$650 million and the private sector including cooperatives a total of \$500 million.

In the five years preceeding the 1972-1976 plan, a total investment of only \$527 million was made, of which \$220 million was received from the U.S. government.⁷⁴ Wilfred David, a one-time economic advisor to the Guyana government, dubbed the plan at best a "precipitous and overambitious acceleration of growth."⁷⁵ Furthermore, many Guyanese questioned the plausibility of the plan which allocated a mere ten percent of the projected capital expenditure to the cooperative sector and offered no details as to how workers would be included in the

decision-making apparatus and thus ultimately control the economy in accordance with socialist objectives.⁷⁶

The M.P.C.A., G.A.W.U. and the Sugar Industry:

While the government was proposing economic strategies to assist in the socialist transition, the sugar industry continued to be owned and operated by foreign capitalists whose policy it was to maintain the capitalist mode of production, maximise profits and exploit the working class. In order to increase profits, the sugar industry employers encouraged working class antagonism by allowing a union rivalry dispute between the M.P.C.A. and G.A.W.U. With workers disunity, and loyalty to the trade unions divided, the working class force was not effective enough to win better wages thereby creating a favourable environment for exploitation of labour and accumulation of savings for the capitalist employers.

Despite the socialist proclamation of the government, the union rivalry continued even though "It was quite obvious that G.A.W.U. enjoyed almost total support among these categories of workers."⁷⁷ According to a senior Labour official, "The employers . . . continued to recognise the M.P.C.A. with the sympathetic support of the government."⁷⁸ Publicly the government adopted a neutral position.

Even though the official position of the P.N.C. was neutrality, Carrington argued that workers whether in the

sugar industry or elsewhere had the right to a union of their own choice. However, he also held the position that it was not the responsibility of the government to grant recognition rights to unions. That was a matter for the Employers. Moreover the Deputy Prime Minister Ptolemy Reid noted that the cabinet's policy was to keep the scales balanced between the M.P.C.A. and the G.A.W.U.,⁷⁹ a position taken to maintain a good relationship with the M.P.C.A. and at the same time to placate the G.A.W.U. which had the potential to disrupt sugar production and thus Guyana's economy.

More significantly, the P.N.C. position of neutrality encouraged the extraction of profits by the employer much to the advantage of the government. With recognition of the G.A.W.U. effective representation would have secured higher wages and better conditions of work thereby reducing the employer's profits and causing decline in revenues to the government. On the other hand, the G.A.W.U. also presented a threat to the current mode of production.⁸⁰

In addition any success in its struggle would have provided added support for the P.P.P. In the circumstances, the government's neutral position benefitted both the P.N.C. and the employer. In the case of the P.N.C. not only did this position provide greater revenue to the government (through tax on profits) but it also impeded the effectiveness of its political opposition, the P.P.P. At the same time the

employer was able to accumulate larger savings as a result of the current wages and working conditions which persisted due to the continued recognition of the M.P.C.A.

Union Rivalry and Sugar Production:

The failure to recognise the G.A.W.U. led to an intensification of union rivalry strikes in the early 1970's.⁸¹ The M.P.C.A., was still the legal bargaining agent for the field and factory workers. With the M.P.C.A. effective representation was denied and working class interests compromised. The G.A.W.U. advocated for better conditions. It agitated for a transformation of the social relations of production and the overthrow of capitalism.⁸² As the G.A.W.U. struggled for recognition and industrial democracy, several strikes occurred which affected Guyana's economy. Given the importance of the sugar industry the government was forced to devise a strategy to deal with the jurisdictional dispute which disrupted sugar production in order to maintain tax revenues.

Carrington argued that the stoppages in the industry could be controlled if the G.A.W.U. were to be granted recognition.⁸³ It was expected in the Minister's scenario that G.A.W.U. would sign a Recognition and Avoidance and Settlement of Disputes Agreement (discussed below) which would institutionalise the conflicts and force

the union to follow the grievance procedure in redressing disputes rather than call strikes. The Minister's arguments did not fully convince his government. Nevertheless, they resulted in G.A.W.U. receiving defacto recognition with the Ministry of Labour, headed by a P.N.C. Minister, acting as its chief spokesman.

The new arrangement proved unsatisfactory.⁸⁴ This system of double representation was criticised by the M.P.C.A. Ishmael accused the Minister of Labour of undermining the bargaining strength and position of his union. "If he [the Minister of Labour] does not know that the P.P.P. 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"⁸⁵ In addition the G.A.W.U. was not satisfied with the representation of the Ministry of Labour. The officials of this P.N.C. ministry were unsympathetic to the struggles of the G.A.W.U. which was (and still is) aligned to the P.P.P. A victory for the G.A.W.U. would have reinforced the political position of the P.P.P. and be a disadvantage to the P.N.C.

In order to preserve its power the P.N.C. encouraged strategies to withhold recognition from the G.A.W.U.⁸⁶ Being aware of the G.A.W.U.'s potential to disrupt production in the sugar industry, the P.N.C. in an

effort to maintain industrial peace (and its revenues) resorted to the use of advisory committees and/or Commissions of Inquiry.

Third Party Referral:

From 1965 to 1975, every wage negotiation ended without a settlement at direct negotiations and had to be referred to an independent third party for a resolution.⁸⁷ In an editorial entitled Teams and Tomfoolery one writer noted, "Indeed the appointment of a new committee before the older ones have completed their task, necessarily predicates the failure of the older ones to do their jobs. By the same token, I may expect that the latest committee, by inference, forefated to abortion, has its successor ready on the assembly line."⁸⁸ The writer was referring to the establishment of the Zaman Ali committee that the government had appointed in August, 1970 when the Low-A-Chee Arbitration Tribunal, (to which the Employers and the M.P.C.A. had agreed) had not yet completed its investigations, much less its recommendations.

The government's strategy did not succeed in removing union rivalry or strikes. In 1970 strikes cost the industry \$12 million.⁸⁹ It became even more serious when the Zaman Ali report was published and it was discovered that the members of that independent third party were organising a new trade union in the sugar industry. It

was thought that the union would be an affiliate of the P.N.C.⁹⁰ This result not only worsened the problem of multi-unionism which diffuses the power of the working class but also attempted to establish a union fully controlled by the P.N.C.

The committee originally denied any involvement in the attempts of the union organisation. However, Zaman Ali later emerged as the President of the Union of Agricultural and Allied Workers (U.A.A.W.) and insisted that the union be affiliated to the P.N.C.⁹¹ Ishmael observed, "The M.P.C.A. knows that the P.N.C. 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."⁹²

In addition to the M.P.C.A., the S.P.A. lamented the attempt to form another rival union, claiming that the industrial conflicts would be, "aggravated more and more by P.N.C.-P.P.P. conflicts in the sugar belt manifested through "trade union" struggles."⁹³ The S.P.A. was concerned because it was caught in the middle of P.P.P./P.N.C. politics, but of greater concern was the fact that if it did not achieve the 1971 production of 390,000 tons, it would suffer a loss.⁹⁴

The contentious Zaman Ali report was released on June 20, 1971. It recommended a three-year ban on the G.A.W.U. and the M.P.C.A. During the interim period it recommended an intensive educational programme for the workers. While that was in process, disputes would be handled by an elected workers council. After the educational plan was completed, the government would establish means by which a union of the worker's choice would be determined. Secondly, the committee recommended the creation of a permanent wage board to supervise conditions in the industry and prosecute violations. When possible the board would also make decisions. Both management and unions would have the right of appeal to the board in the event a dispute arose. In such cases, the decision of the board would be final and legally binding upon both parties. Thirdly, the committee recommended that all estate cultivation be turned over to cooperative production groups of small cane farmers.⁹⁵

The report was regarded by the M.P.C.A. as a challenge and a severe erosion of all the essential rights and functions of trade unions in the industry. Additionally, the sugar companies' right to manage would be restricted. Many trade unionists and officials of the industry regarded the committee's recommendation as not only jeopardising but also eliminating unions by means of workers councils, and eliminating private ownership by means of cooperative

schemes. Furthermore, the wage board would have controlled the collective bargaining relationship between the employer and the union in the industry.

As a reaction to the government's reliance on third party referrals, the G.A.W.U. in 1972 created new and additional challenges for the sugar industry employers. It adopted a different strategy, which was responsible for the production short fall of 60,000 tons.⁹⁶ Instead of paralysing production by industry-wide stoppages, it called strikes at individual estates from time to time rotating them from estate to estate. "The technique was quite effective . . . the M.P.C.A. and the employers found it impossible to stem this tide or to mollify its effects".⁹⁷ At the same time this strategy, reduced the the economic hardship of the workers since the union called shorter strikes. Also rotating the strikes eliminated the effect of putting the burden on all workers at the same time as it had been in the past when industry-wide strikes were called. Yet the short "closures" of the estates which disrupted the harvesting of canes had crippling effects on the entire productive operation of the estate. Even though the strikes did not result in the recognition of G.A.W.U. or improved conditions they reduced the industry's revenues adversely affecting the revenues to the government.

Public Ownership of Natural Resources:

Despite the socialist philosophy of the government it allowed the sugar industry employers to operate without recognising a union of the workers' choice.⁹⁸ Additionally, Guyana's natural resources remained under the ownership and control of capitalist-oriented foreign companies. It was not until 1970 that the government proposed to one of the expatriate firms Demba (a subsidiary of Canada's Alcan Alumimum Company) a purchase arrangement which would have given Guyana fifty-one percent of the Company's assets based on recorded book value. It was intended by the government that the total cost of the proposition would be met from future earnings rather than payment at the time of purchase. Alcan responded with terms which included an offer to sell fifty-one percent of its total shares to the government provided that (1) the government accept the responsibility before-hand to undertake the expansion of calcinated bauxite mining, the cost of which was estimated at \$50 million; (2) all of Demba's assests, valued by Alcan at \$100 million, be transferred to a new entity as debt to be paid by the government (the debt would attract an interest similar to a commercial loan), and (3) the new entity jointly owned by Alcan and the Guyana government be exempted from all forms of taxation, royalties, and other government imposed costs.

Alcan's position was very clear. The government could have fifty-one percent of the shares at a cost of \$150 million, while it will have forty-nine percent of the shares in the new company without investing a single dollar, and yet receive full compensation together with interests. Even the pro-capitalist U.F. denounced the terms. It claimed 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"99

While Alcan's hard bargaining was unfavourably received by the U.F. which had previously opposed nationalisation, the P.P.P. accused the government of collaboration with imperialism and demanded outright nationalisation rather than joint ownership. Jagan declared, "Nationals who buy shares or become Directors in joint ventures generally also become denationalised and imbibe the ideology and mores of foreign investors."100 With negative reactions from both opposition political parties to the terms of sale proposed by Alcan and no alternative to its demands the government nationalised Demba on July 15, 1971.

Eventhough Demba was nationalised the government's ideals and intentions were still challenged by the operation of Bookers McConnell Ltd., the expatriate firm that owned the sugar industry and a major source of income to the Guyana government. By way of illustration the following

table shows the contribution of the foreign-owned sugar industry to Guyana's Gross Domestic Product (G.D.P.).

Gross Domestic Product 1960-1974 (Millions in E.C. \$)

Years	19	'60	'61	'62	'63	'64	'65	'66
Total								
G.D.P.		262.4	287.9	305.2	273.1	300.2	325.1	342.1
Sugar		46.3	50.0	52.2	62.3	44.4	47.8	42.8
% of Sugar		17.64	17.36	17.19	22.9	14.79	14.70	12.51
Years	1967	'68	'69	'70	'71	'72	'73	'74
Total								
GDP	374.9	405.2	437.9	467.4	500.4	483.4	530.6	806.3
Sugar	52.3	47.8	60.4	57.8	73.4	70.5	61.9	230.3
% of								
Sugar	13.91	11.80	13.79	12.37	14.79	14.58	11.67	8.56

(Source: Compiled from Annual Reports from the Ministry of Economic Development, Statistical Bureau, Georgetown, Guyana.)

The sugar industry, over the fifteen-year period, contributed about 15.89 percent of Guyana's total G.D.P. Consequently, if the government were to proceed with its socialist thrust, it had to consider "domesticating this giant" which dominated the economy of Guyana.

The Economy and the Sugar Industry:

While sugar production was [and still is] vital to the country's economy, (as discussed earlier) it is an export-oriented commodity produced to satisfy an unstable foreign market.¹⁰¹ In 1973, negotiations to conclude a new International Sugar Agreement (I.S.A.) had failed and the U.S. had threatened to cut the Caribbean sugar quota (which

included Guyana) by 40,000 tons. The prices on the free market fluctuated from £93 to £374 per ton during 1973 while the Commonwealth Sugar Agreement's (C.S.A.) price remained at £61 per ton.¹⁰² In these circumstances, shipments of sugar to the United Kingdom were discontinued until a higher price could be agreed upon. At that time the world price was £200 per ton and to sell at the C.S.A. price of £61 per ton on the world market would have been ridiculous.

In February 1974 the United Kingdom agreed to increase the C.S.A.'s price to £83 per ton. [For this and other prices, see Bookers Sugar Estate daily price reports.] By August 1974 the price of sugar reached a high of £360 per ton and by November 1974 the world price was £650 per ton. Shipments were again suspended to the United Kingdom because of the low C.S.A. prices. Guyana's remaining quota for the year was 136,000 tons. After negotiations the C.S.A. price was increased to £140 per ton and the quota was reduced to 85,000 tons, leaving Guyana with 51,000 to be sold on the world market at the wind-fall prices. With higher prices production became even more critical not only to the employers but to the government. Also the G.A.W.U. (and the P.P.P.) bargaining power was strengthened because of its control over the labour force. A strike would have a devastating effect not only on the sugar industry but on the government especially at a time when the balance of payment deficit was high.

The Sugar Levy Act:

Guyana ended 1973 with a balance of payment deficit of \$80 million and a record low of \$39 million foreign reserves.¹⁰³ As Frank Hope, the Minister of Finance notes, "We face this real problem of finding more than \$150 million extra to keep the economy going in 1974."¹⁰⁴ In an effort to increase revenues and since the price of sugar had reached an all time record high of £650 the government passed the Sugar Levy Act in 1974. The law provided for a levy on sugar exports at (1) fifty-five percent on the proceeds in excess of \$365.00 per ton; (2) seventy percent on the proceeds in excess of \$521.00 per ton; and (3) eighty-five percent on the proceeds in excess of \$625.00 per ton. Higher sugar prices would allow the government to collect greater revenues. At the same time the government ensured that the sugar companies would also benefit from the current high prices. Some incentive had to be provided to encourage the owners of the industry to invest in higher production if the revenues of the government were to be maximised.

According to the government, "Nothing that we have done implies an objective of imposing any undue burden on the industry; what we are taxing is the super-profits."¹⁰⁵ The levy was accepted by Bookers if not openly, certainly by their own actions. In 1974 over two thousand additional acres of land were put under cane cultivation.¹⁰⁶ Also

in 1974 Bookers made a profit of \$7.6 million,¹⁰⁷ even though the levy was imposed and the local selling price of sugar was considered the lowest in the world. "Indeed, when the U.K.-based companies did just enough to maintain their businesses, the Booker Group [mainly sugar] in Guyana contributed forty-three percent of the parent-company's profits."¹⁰⁸

While Bookers remained a profitable enterprise, the Sugar Levy Act enabled the government to collect \$407 million,¹⁰⁹ in revenues but the field and factory workers did not benefit from the windfall prices.¹¹⁰ The Minister of Finance announced in 1974 that \$30 million levy would provide (it did not) homes and better pensions for the workers.¹¹¹ Immediately the G.A.W.U. called a strike. Included among its demands, were recognition of the G.A.W.U. and the removal of the levy. But neither demand was met. Instead the government reacted with a hard line approach. It declared, "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."¹¹² With such an approach the workers resumed work without a settlement.

In 1975 the G.A.W.U. struck again disrupting production to such an extent that output was reduced by 40,000 tons¹¹³ of sugar at a time when production was very

profitable.¹¹⁴ In addition the M.P.C.A. began talking with the G.A.W.U. about the possibility of a merger.¹¹⁵ It is significant that while the G.A.W.U. and the M.P.C.A. were rivaling each other for recognition in the field and factory, the Sugar Levy Act appeared to have brought some unity between the two organisations. The leadership of the unions perceived that with the imposition of the levy, the sugar companies would argue that the industry's economic viability was not improved even though sugar prices reached a record high, and would reject any demand for improved wages and conditions of work.

The talks must have been fruitful because in March 1975 the four unions operating in the industry, the G.A.W.U., the M.P.C.A., the N.A.A.C.I.E.¹¹⁶ and G.H.U.¹¹⁷ came together to enforce their claim. Their demands as presented to the Minister of Labour were that:

(1) The levy must be replaced by an excess profit tax which would be deducted after the calculation of the companies' profit-sharing with employees; The proceeds should be placed in the Price Stabilisation Fund (P.S.F.) and Labour Welfare Fund (L.W.F.) in equal proportion; (2) The money the government had accrued from the levy should be divided as follows:

- (a) Fifty percent to be paid to sugar workers, in proportion to their income;
- (b) Twenty-five percent to be placed in a special revenue fund to provide for a cost-of-living allowance for all workers in Guyana whose earnings are less than \$91.08 per week;

- (c) Twenty-five percent to be placed in the P.S.F. to cushion any fall in future prices.¹¹⁸

In response, possibly to the unity of the four unions, and also as a means of providing the machinery to settle disputes and avoid strikes, the government passed the compulsory arbitration legislation on March 17, 1975. Prior to March 17 the labour law provided for arbitration by mutual consent of the parties, but with the amendment the Minister of Labour was vested with the authority to refer any dispute to arbitration, even if there were no consent from the disputants. The amendment also empowered the Minister to select the arbitrator(s) and decide the terms of reference of the arbitration tribunal. The amendment of the law gave government through the new powers vested in the Minister of Labour the sole right to decide how disputes would be settled and who would determine the terms of settlement. The P.N.C. government, like the colonial administration before it, had resorted to legislation to protect its interests (revenue accumulation) and maintain the rate of exploitation.

The alliance of the four unions did not last. The demand to the government for a replacement of the Sugar Levy Act lapsed. The M.P.C.A. disassociated itself from the strike that was in progress and became the first union to go to arbitration under the amended labour legislation. With full resumption of work the binding Crane Arbitration

Tribunal was appointed by the Minister of Labour to enquire into the dispute between the S.P.A. and the M.P.C.A. and to make an award. In July 1975, the Arbitration award valued at \$16 million for the two-year period was released.¹¹⁹ Workers represented by the M.P.C.A. (field and factory workers) received a twenty percent wage increase for 1974 and ten percent for 1975.¹²⁰

The M.P.C.A. had no other alternative but to accept the award since it was binding on both the S.P.A. and the union. However, the G.A.W.U. rejected it and called yet another strike. On that occasion the union's demands included a change of the award by the government and the nationalisation of Bookers, McConnell and Company Limited.¹²¹ The G.A.W.U. submitted that the award was disadvantageous to the workers. [Had it not been for the levy, which transferred funds from the industry to the government, the profits of the sugar companies would have been greater, and they would have been able to pay higher wages.] While the sugar companies made a profit of \$7.6 million, the highest in five years,¹²² the workers were awarded an increase of \$1.19 per day for 1974 and 66c per day for 1975.¹²³ Secondly, the multi-national sugar company was seen as failing to contribute adequately to national development.¹²⁴ It repatriated its profits and failed to re-invest sufficiently.¹²⁵ Furthermore, it

represented a source of power beyond the control of the indigenous leaders.¹²⁶ It, therefore, became a target for nationalisation.

The Nationalisation of Bookers' McConnell:

In anticipation of nationalisation the government amended the law for the takeover. Article 8 of the constitution was revised. That article, which guaranteed prompt and adequate compensation for land compulsorily acquired by the state, was amended to provide for (1) lands to be assessed at the 1939, rather than the present-day 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.¹²⁷ The amendment of the constitution caused Bookers' London office to become very concerned about its holdings in Guyana, especially at a time when sugar prices were beginning to fall¹²⁸ and a levy was imposed on its sale of sugar overseas.

In February 1976 Michael Caine, Chief Executive Officer of Bookers McConnell, visited Guyana to discuss the matter with the government. His position was absolutely clear. His parent company would not agree to subsidise its companies in Guyana. Bookers requested the government to adjust the new levy. The government refused to entertain such a proposition. Caine then offered a forty-nine percent

ownership in shares, as Alcan had done in 1970 with Demba. That was unacceptable to the government after its experience with Alcan. Instead, the government asked Bookers to continue to operate status quo ante for two years. Bookers refused and as Caine notes, "Increasing government intervention . . . resulted in the commercial viability of Bookers (Guyana) being taken out of control."¹²⁹ Caine was no doubt referring, to the new sugar levy imposed in 1974.

Bookers had been concerned about the sugar levy from the time it was introduced. But ". . . 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 company to make a reasonable return."¹³⁰ While Bookers made a profit of \$7.6 million in 1974, in 1975 and 1976, it projected a loss of \$4.8 million and \$15.5 million respectively if the levy were not adjusted.¹³¹ That loss was totally unacceptable to Bookers London office.

According to Caine, "He [Burnham] got us into such a position; we had to tell him to take sugar."¹³² But on May 26, 1976 (nationalisation day) Burnham declared, "We take this step to fully domesticate this giant that has in the past dominated our political, economic, and social life,"¹³³ But what the government had actually taken over was an undiversified and highly dependent industry, fully integrated into the capitalist world system. Soon after

nationalisation the government found itself caught trying to maintain viability in an industry [as discussed later] tied to a world market over which it had no control. Its sugar was still produced for exports to the traditional markets over which the government had no influence. On the other hand, the markets were controlled by the core countries prior to nationalisation, and this situation ensured that the prices were favourable to allow the sugar industry in Guyana to realise a reasonable rate of return on investments. With the markets under the control of the core countries, Guyana's dependency on the capitalist centre, therefore, continued even after the nationalisation of Booker McConnell Ltd.

Furthermore as Burnham observes, ". . . nationalisation took place . . . without any bitterness or petty spite, but as a matter of course. This was inevitable."¹³⁴ According to Thomas it could not have been with spite and bitterness because as much as Bookers was nationalised, it simultaneously negotiated a management agent contract with the government of Guyana.

Management contracts entail a considerable tendency toward monopolistic restrictions in favour of the multinational firms.¹³⁵ These agreements limit the government and the local enterprise on the export of locally produced goods.¹³⁶ One consequence is to reinforce the bias against developing an industrial export capacity in these

countries. Another is to strengthen the country's dependence on the skills of a particular firm. "It is readily apparent that these policies are not capable of yielding any significant changes in the structure of production relations."¹³⁷ Instead as Thomas observes: "To the extent that this [management agent contract] prevails, it is possible for these agreements not to diminish the power of foreign decision-making in these enterprises!"¹³⁸

In addition to instituting restrictions on the government, "Experience has shown that these services often constitute a significant income drain."¹³⁹ For instance in Tanzania, where there is a socialist programme for phasing out foreign dependence, management contracts have been concluded on such bases as the total rate of sales (turnover) rather than charging an agreed flat fee for services rendered.¹⁴⁰ Yet the Guyana government did not only enter into a management contract with Bookers McConnell, it subsequently renewed the agreement with the result of reinforcing Guyana's dependency on capitalist enterprises.

Summary:

With political independence under the P.N.C./U.F. government in 1966 Guyana's Economic Development Plan was formulated. It was based on a policy of large foreign investment utilising intensive labour in businesses producing primarily for exports. That would, it was argued,

generate foreign reserves for the country and at the same time reduce its high unemployment by providing additional jobs for the local population.

Instead the plan kept Guyana's economy dependent on foreign forces just as it was during the colonial era when foreigners provided the capital for development. With overseas investors the profits that accrued from the foreign capital continued to be expatriated. Furthermore, the capitalist forces continued to make the decisions regarding areas of development. Investments, therefore, were made in the more profitable enterprises while the other areas were neglected facilitating the exploitation of the viable industries and reinforcing the stagnation of the less profitable ones.¹⁴¹

After the expulsion of the U.F. from government and the general elections in 1968, the P.N.C. managed to form a government, in which all the ministers of the government were officials of a single political party. The P.N.C., after declaring itself socialist, formulated a new plan in 1972 using cooperatives as the means of stimulating the growth of the economy and tried to create a foundation for a transition to socialism.

Cooperatives did not succeed in achieving the main objective of improving the economic position of the "small man." The cooperatives failed not only because they were [and still are] merely an alliance of individuals which

allowed a few who were more active and efficient members to secure credits for investment and markets for their products, but also they operated in a society in which investments were made primarily for profit. There was a conflict of interest. While the relations of production in the Guyanese society remained capitalistic and the poor continued to be exploited, the cooperatives which functioned in that same environment were expected to revolutionise the society to the advantage of less influential poor masses. What was really needed if a transformation were to materialise was a re-orientation of the society which would have allowed cooperatives without any conflicts to aid the acceleration of socialist development and result in improving the economic position of the working class. In keeping with the adopted socialist thrust the government nationalised the commanding heights of the economy. After the nationalisation of the sugar industry the same problems existed as before nationalisation. But the more important question is what will happen to trade unionism in an industry now that the socialist state has replaced the capitalist employers.

FOOTNOTES

1. Cheddi Jagan, op. cit., p. 58.
2. Compiled from Reports of The Ministry of Economic Development, Georgetown, Guyana.
3. Ibid.
4. Gustav A. Sallas, Labour Law and Practice in Guyana, (Washington: U.S. Department of Labour, Bureau of Labour Statistics, 1967), p. 14.
5. -- See The Reuben Report, 1962.
6. The sugar industry contributes an average of approximately 16% of Guyana's G.D.P. For a further discussion on the sugar industry and the G.D.P., See page 100 and Ashton Chase, op. cit., p. 85-87.
7. Compiled from Reports of The Ministry of Labour, Georgetown, Guyana.
8. Compiled from Reports of The Ministry of Labour, Georgetown, Guyana.
9. Gross Domestic Product (G.D.P.) is defined as the total value of all goods and services bought and sold.
10. Gustav Sallas, op. cit., p. 26.
11. The sugar industry contributes an average of approximately 16% of Guyana's G.D.P. For a further discussion on the sugar industry and the G.D.P. See page 100 and Ashton Chase, op. cit., p. 85-87,.
12. Cheddi Jagan, op. cit., p. 368.
13. Chronicle, October 12, 1975.
14. Andre Gundar Frank, Capitalism and Underdevelopment in Latin America, (New York: Monthly Review, 1969), pp. XI and XV.
15. Ibid.
16. Michael C. Howard, "Transnational Corporation: The Influence of Capitalist World Economy," (Fiji: Foreign Forces in Pacific Politics, 1983), p. 286.

17. Samir Amin, op. cit., p. 238.
18. Ibid.
19. Michael C. Howard, op. cit., p. 290.
20. Since the investors were capitalist, it is reasonable to conclude that the investments were primarily for profits.
21. Samir Amin, op. cit., p. 238.
22. Andre Gundar Frank, op. cit., p. xi-xv.
23. Samir Amin, op. cit., p. 238.
24. Ibid.
25. Jay R. Mandle, op. cit., p. 112.
26. The government was unable to borrow because of the lack of reserves due to its inability to produce. Production was affected by the racial conflicts.
27. Jay R. Mandle, op. cit., p. 110.
28. The government was unable to borrow because of the lack of reserves due to its inability to produce. Production was affected by the racial conflicts.
29. Michael C. Howard, op. cit., p. 268.
30. Samir Amin, op. cit., p. 247.
31. For a further discussion of the effects of repatriated profits on the local economy. See Andre Gundar Frank, op. cit., Chapter 5.
32. Ibid., p. 248.
33. For a further discussion on the expenditure. See Cheddi Jagan, op. cit., Chapter 3.
34. Ibid. See also Forbes Burnham, Declaration of Sophia, op., cit., p. 7-10
35. Cheddi Jagan, op. cit., p. 382.
36. Ibid., p. 384.
37. Ibid., p. 386.

38. Forbes Burnham, Declaration of Sophia Address by the Leader of the P.N.C. at a Special Conference, (Georgetown: December 1974), pp. 7-10.
39. Cheddi Jagan, op. cit., p. 390.
40. Ibid., p. 390.
41. Ibid.
42. Quoted in West on Trail, Cheddi Jagan, op. cit., p. 391.
43. Paul Singh, op. cit., p. 16.
44. Jay R. Mandle, op. cit., p. 112.
45. Ibid., p. 110.
46. Quoted in Hugh Payne, Historial Background to Cooperative Socialism in Guyana, Georgetown, Guyana: National Archives, 1975).
47. Forbes Burnham, "A. Vision of The Cooperative Republic in Cooperative Republic of Guyana," ed. L. Serwar, Georgetown: N.P. 1970), p. 12.
48. Forbes Burnham, "Cooperative Republic: Guyana 1970 -- A Survey of Aspects of Our Way of Life," (Georgetown: Guyana Lithographic Company, Ltd., June, 1970), p.10.
49. Ibid.
50. Cheddi Jagan, op. cit., p. 407.
51. Ibid., p. 408.
52. Ibid., p. 406.
53. Debates, November 17, 1977.
54. Cheddi Jagan, op. cit., p. 405.
55. Jay R. Mandle, op. cit., p. 113.
56. Guy Standing, op. cit., p. 308.
57. Forbes Burnham, Cooperative Republic, p. 10.
58. Ibid.

59. Jay R.Mandle, op. cit., p. 114.
60. Paul Singh, op. cit., p. 18.
61. Ibid.
62. Ibid.
63. Daily Chronicle, March 19, 1972.
64. Guy Standing, "Basic Needs and Contrived Stagnation in Guyana," (Caribbean Issues, December 1978).
65. Paul Singh, op. cit., p. 19.
66. Guy Standing, op. cit., p. 12.
67. Gunar Myrdal, The Challenge of World Poverty, (Pantheon Books, 1970), p. 105.
68. Clive Y. Thomas, Dependence and Transformation, The Economics of the Transition to Socialism, (New York, Monthly Review Press, 1974), p. 288.
69. Paul Singh, op. cit., p. 19.
70. Using Thomas' Theory, this is a possible conclusion.
71. Guy Standing, op. cit., p. 49.
72. Rubert A. Dowden, "The Cooperative Movement in Guyana," (National Library in Georgetown, N.D. N.P.), p. 33.
73. Paul Singh, op. cit., p. 19.
74. J. E. Greene, The Politics of Economic Planning in Guyana, (Social and Economic Studies 23. June, 1974), pp. 286-303. Guy Standing and Richard Szal, Poverty and Basic Needs -- Evidence from Guyana and the Phillipines, (Geneva: I.L.O. 1979), pp. 78-79.
75. Wilfred David, "Comprehensive Planning for National Economic Development: The Guyana Experience" in Studies of Post Colonial Societies ed; Aubrey Armstrong, (Yoaunde Cameroon: African World Press, 1978), p. 289.
76. Kemp Hope, op. cit., pp. 125-133.
77. Norman Semple, " Industrial Relations in Guyana," (paper presented at the Caribbean Regional Seminar on Labour Relations, Trinidad, 1973), p. 12.

78. Ibid.
79. The Graphic, September 9, 1970.
80. See Rule Book, G.A.W.U. Available at G.A.W.U.'s Headquarters, Georgetown, Guyana, p. x-xi.
81. Jay R. Mandle, op. cit., p. 115.
82. See Rule Book, G.A.W.U., op. cit.
83. If the union were the recognized bargaining agent, it would, according to the Minister, have to follow the procedure in settling all disputes. The procedure would allow for the resolution of grievances through arbitration without the use of strikes.
84. The Graphic, September 16, 1970.
85. The Argosy, September 13, 1970.
86. The strategies included taking a neutral position. This made it difficult for the G.A.W.U. to win recognition since the employer maintained that the M.P.C.A. was the recognised bargaining agent and continued to deal with that union.
87. Between 1965 and 1975, the government appointed six such bodies.
88. The Graphic, September 18, 1970.
89. Annual Report and Accounts, 1970. Bookers McConnell Ltd., p. 10.
90. The Graphic, February 18, 1971.
91. The Graphic, September 6, 1973.
92. The Chronicle, February 14, 1971.
93. The Graphic, February 28, 1971.
94. The Graphic, January 31, 1971.
95. The Sunday Chronicle, June 20, 1971.
96. Norman Semple, op. cit., p. 7.

97. Bookers Submission to The Government at The Nationalisation Negotiations. Nationalisation Files, Georgetown, Guyana.
98. For reasons discussed earlier. See page 92.
99. Debates, February 27, 1971.
100. Cheddi Jagan, op. cit., p. 405.
101. The sugar market is generally described as unstable because of the fluctuating prices. As such it becomes difficult to forecast with any certainty the income of sugar producing countries from sales on the world market.
102. The Chronicle, February 23, 1974.
103. Debates, December 19, 1974.
104. Debates, June 28, 1974.
105. The Chronicle, February 18, 1974.
106. Bookers McConnell Ltd., Files available at the Guyana Sugar Corporation, Georgetown, Guyana.
107. Booker McConnell Ltd. Annual Report and Accounts 1974, Statement by the Chairman.
108. Ibid.
109. Bookers Submission to The Government at The Nationalisation Negotiations. Nationalisation Files, Georgetown, Guyana.
110. There was no significant increases in wages. For 1974 the increase was \$1.19 per day and for 1975 .66 per day. These increase were not offered by the employer at direct negotiations but was a result of an arbitration award.
111. The Graphic, April 24, 1974.
112. Ibid.
113. Editorial, Thunder 7, September -- December 1975. pp. 1-2.
114. Bookers McConnell Ltd. Annual Report and Accounts 1975, Statement by the Chairman.

115. The Chronicle, November 17, 1974.
116. The National Association of Agricultural, Commercial and Industrial Employee (N.A.A.C.I.E.) was registered on December 9, 1946 and originally known as the Sugar Estates Clerks Association. The union represents (1) Supervisors (2) Process Foremen and Sugar Boilers Allied Workers. Out of a total workforce within these categories of 3000, only about 2000 are members of the union.
117. The Guyana Field Foreman and Supervisors Union (G.F.F. & S.U.) formerly the Guyana Headman's union (G.H.U.) is recognised as the sole bargaining agent for the industry's Field Foremen. Originally the union was registered on November 16, 1945 and claims membership for about 300 of the 450 Field Foremen in the industry.
118. The case of the Sugar Workers (N.D. N.P. available at G.A.W.U., Georgetown, Guyana).
119. The Chronicle, July 12, 1975.
120. See Crane Arbitration Award available at the Guyana Sugar Corporation Ltd. Georgetown, Guyana.
121. The Chronicle, January 14, 1978.
122. The conclusion was made following an examination of the Annual Report and Accounts of the Bookers McConnell Ltd. over the previous five years.
123. See Crane Arbitration Award, 1975.
124. The Chronicle, January 6, 1976.
125. Ibid.
126. Ibid.
127. Debates, December 18, 1975.
128. For specific details on the fall in sugar prices. See Bookers Sugar Estates daily price reports.
129. Interview with Michael Caine, Bookers Chief Executive Officer. London 1980 by a researcher.
130. Bookers submission to the Government at the nationalisation negotiations. Nationalisation files, Georgetown, Guyana.

- 131. Ibid.
- 132. Interview with Michael Caine.
- 133. Prime Minister Forbes Burnham, Republic Day Speech, February 26, 1976.
- 134. Ibid.
- 135. Ibid.
- 136. Ibid.
- 137. Ibid.
- 138. Ibid.
- 139. Ibid.
- 140. Ibid.
- 141. For further discussion, See Samir Amin, op. cit., p. 238-240.

History and

Introduction

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CHAPTER FOUR

The Nationalisation of the Sugar Industry and The Recognition of the G.A.W.U.

Introduction

The nationalisation of Bookers McConnell represented a change in ownership with the government of Guyana controlling the administration of the sugar industry. But even with local ownership the class composition of management did not change. It was the same personnel that managed the expatriate firm who were appointed to administer the operations of the industry for the state. These developments then suggest that nationalisation was in the interest of the state with the traditional hierarchial methods of decision-making firmly in place.¹

In addition to the management structure remaining intact, the nationalisation of the sugar industry also provided another base of political dominance for the P.N.C. government.² With the state apparatus already under its (P.N.C.) control, the nationalisation of the major revenue earner created an economic base of power for that party. On the other hand it must be remembered that sugar was (and is) an industry in which the workforce largely supported the P.P.P. In the circumstances, nationalisation of the industry provided another convenient environment for direct conflict

between the P.N.C. (controlling management) and the P.P.P. (controlling the workforce).

Chapter Four will describe some significant actions of the government which helped to preserve its control over the administration of the industry. It will also include the examination of an agreement entered into between the Government and the Trade Unions Congress and a system of Worker Participation that reinforced the class relations in the industry. The analysis will focus on some contemporary theory and research results to provide a groundwork for understanding the industry's current labour-management relations.

The Establishment of G.U.Y.S.U.C.O.:

After the full acquisition of Bookers McConnell, the Guyana government established the Guyana Sugar Corporation Limited (G.U.Y.S.U.C.O.). A chairman (former Personnel Director of Bookers) and a Board of Directors (all former Bookers' Directors) were appointed by the P.N.C. government to manage the industry.

In addition to no significant change in personnel, following nationalisation there was also no radical change in operating structure and ideology.³ Instead the managers of the capitalist firm who were trained by Bookers McConnell and who fought to preserve the relations of production, were put to administer the "socialist" state enterprise. Indeed workers failed to capture power in the state sector.⁴ What

has happened is that the new state-based policy makers are now filling positions whose job descriptions and functions have remained unchanged with nationalisation while the workers continue to be excluded from policy making processes.⁵

The absence of workers' participation at all levels of decision-making represents in itself partial evidence of the presence of a state-based elite managerial class.⁶ The people exists as labour power, a "workforce", and not an end in themselves.⁷ In the circumstances, labour power remains a commodity and the economistic alienation persists.⁸ But in addition to the class composition of management remaining intact, the administrators of the new enterprise remained dependent through management contracts on capitalist multinational firms.⁹ The result was a continuation of techniques of management that preserved the relations of production.¹⁰

Of far reaching significance also, is that it is not clear whether nationalisation was mandated because of the demand made by the G.A.W.U. (discussed in Chapter Three) or because nationalisation of all natural resources was promised by the government by 1970.¹¹ What is obvious, however is that most Caribbean governments even those which did not consider themselves Socialist had taken action to own and control their sugar industries.¹² Nevertheless with local ownership the P.N.C. took control of a dominant economic force. Primarily using the state sector (including sugar) the P.N.C. has forged, for the first time, a local economic

foundation for political power.¹³ Moreover it [nationalisation] provides the economic undergirding for the emergence of a new class rule in the country.¹⁴ As Mandle argues, ". . . Such acts were part of the process by which the local governing class was extending and solidifying its base of power."¹⁵ On the other hand, the P.P.P. supported by the workforce in the industry became politically stronger.¹⁶ The P.P.P.'s position was further strengthened because, by then, the G.A.W.U. had won recognition¹⁷ for the field and factory workers as the legal bargaining agent.

According to a contemporaneous article, ". . . Between the years 1973 and 1976 alone, the G.A.W.U. had called an astronomical number of 462 unofficial strikes in the sugar industry¹⁸ resulting in the loss of 1,424,000 mandays and \$13,031,928 in wages¹⁹. . . [This] accounts for 237,555 tons of sugar . . . at a value of \$260 million²⁰ . . . The quantity of sugar lost . . . is almost as high as Guyana's total sugar production in 1973-265,704 tons."²¹ Among the issues for which the G.A.W.U. had called strikes during the 1973-1976 period were: (1) better conditions of work; (2) the distribution of profits and its recognition. The strikes had caused a disruption of production which created economic problems not only for the workforce but also for the employer. While the workers lost wages, the employer suffer a loss in production. A shortfall in production together with falling sugar prices²² cause Bookers McConnell to project

a loss of \$15.5M for 1976. Bookers would not operate at a loss.²⁴ Since the government desired Bookers to continue its business in Guyana (discussed in Chapter Three), it had to consider taking some action to prevent strikes to allow Bookers to maximise its profits by increasing production.

Having failed to forge industrial peace by: 1. legislation; 2. third party referrals; 3. supporting the M.P.C.A.; 4. attempting to establish its own union; and 5. partial recognition of the G.A.W.U., the government was left with no alternative but unconditional recognition for the union. Consequently, the government ordered that a poll be conducted to resolve that long outstanding union-rivalry dispute.²⁵ On December 31, 1975 the Ministry of Labour conducted the poll.²⁶ The G.A.W.U. won 98.7 percent of the vote.²⁷

But while the government's action to hold the election caused the recognition of the G.A.W.U. it also created a new precedent for labour-management relations in Guyana. Prior to 1976 the Ministry of Labour was only authorised to conduct a survey to ascertain the financial membership of a union. It was on that basis that an employer in the case of a union rivalry dispute, would consider granting bargaining rights.²⁸ With the election additional powers were given to the government's ministry

whereby instead of a survey, it could now conduct an election to resolve jurisdictional disputes.

The Recognition of the G.A.W.U.:

Immediately after the result of the poll was made available, the S.P.A., in accordance with the existing collective bargaining agreement, notified the M.P.C.A. of its intention to terminate the relationship. The S.P.A. then invited the G.A.W.U. to negotiate a Recognition and the Avoidance and Settlement of Disputes Agreement. After several rounds of negotiation, the S.P.A. and the G.A.W.U. signed the recognition agreement on February 27, 1976.

The G.A.W.U. Negotiations:

In accordance with the Recognition Agreement the G.A.W.U. submitted a Memorandum of Demand in April, 1976 to the Employer. It included a wage claim of \$91.08 for a five day work week representing an increase in wages of 175 percent.²⁹

In justifying its wage claim the union relied on a consideration of wages paid to workers employed by the nationalised Bauxite industry, wages paid by other sugar producing countries within the Caribbean region, and the nature of the tasks workers were required to perform. Firstly, the Bauxite industry had been nationalised and put under the same kind of management as the sugar industry. The

union thus contended that there was no justifiable reason for the minimum wage in the sugar industry to be \$6.61 per day³⁰ while the workers in the Bauxite industry were receiving \$12.87 per day.³¹

Secondly, Guyana's sugar was sold on the same markets as the sugar produced in Trinidad, Jamaica and Barbados³² but sugar workers in those countries were compensated much more than their counterparts in Guyana.³³ According to Jagan, "In Trinidad wages had increased by one hundred percent, and in Barbados, Trinidad and Jamaica, the wages were equivalent to about \$12.00 and \$13.00 per day."³⁴ Furthermore, "In Barbados, the cane-cutters were getting two times as much as their counterparts in Guyana for cutting and dropping, whereas in Guyana, they were cutting and loading."³⁵ Jagan maintained that the workers in the neighbouring sugar producing countries were paid much more than the sugar workers in Guyana and in the case of the Barbados sugar workers, they were required to do less.³⁶

Thirdly, the union contended that production in the sugar industry was vital to Guyana's economy. Since the industry is a major earner of foreign exchange,³⁷ Ram Karran, President of the G.A.W.U. argued, "Production in the industry, unlike most other concerns, required higher remuneration."³⁸

Despite the submissions made by the union, the industry denied its claims, basing its rejection on the low selling

price of sugar and the devaluation of the pound.³⁹ According to the industry's Chief Industrial Relations Manager, Leonard A. Dyal, "The world price of sugar was very low and the pound had been progressively devalued since 1974."⁴⁰ Also, "the world price of sugar was lower than the cost of production."⁴¹

Furthermore a spokesman for the industry maintained:

"Sugar workers in Guyana should consider the number of fringe benefits they receive which have a money valueAfter considering the Annual Production Bonus, the Special Spring and Autumn Bonus and Sickness Benefits . . . such benefits amounted to approximately twenty percent of the workers' weekly earnings."⁴²

As was the case with the expatriates, the local management kept real wages low by providing non-wage conditions.⁴³ To qualify for the non-wage benefits the workers had to work regularly (at least 82 percent of the days work was available). The system then ensured a steady supply of cheap labour thereby allowing the state to maximise production and accumulation of capital. Also with the prevailing low wages, ⁴⁴ the dominant class prevented the workforce from accumulating savings and thus keeping them tied to estate employment and the paternalistic system of labour-relations. (Discussed earlier in Chapter 3).

Notwithstanding the low wages, the industry made an offer of five percent increase in wages⁴⁵ which the union rejected terming the proposal ridiculous.⁴⁶ The union countered with further submissions. It argued that

between 1970 and 1976 sugar workers received a forty-seven percent increase in wages⁴⁷ (1970-NIL, 1971-5%, 1972-5%, 1973-7%, 1974-20% and 1975-10%) while the Consumer Price Index (the official Price Index) for the same period had increased by 62 percent for food and beverages, 98.7 percent for tobacco, and 70.1 percent for clothing.⁴⁸ This meant, that the workers standard of living was deteriorating and would continue to do so if the five percent offer were accepted.

In regard to the devaluation of the pound, the union contended that this was a political decision made by the government. The workers had no control over the government's actions and that should not have affected the wage demand.

The industry subsequently made an offer of seven percent⁴⁹ and the union indicated that "it was amenable to splitting the difference."⁵⁰ But the difference was too large for an acceptable split, so further "horse-trading" took place until both parties agreed to a wage increase of thirteen percent for 1976.⁵¹ In addition to the across the board increases, Tradesmen comprising about ten percent of the workforce⁵² received a merit increase base on performance as was traditional in the industry.

That there was "horse-trading" between the parties in arriving at an agreement is of course obvious. According to Richard Walton and Robert McKersie, "It ["horse-trading"] is a reasonably satisfactory way for the two parties to

accommodate each other in the collective-bargaining process." ⁵³ In the "horse-trading" model, technically referred to as a "Distributive Bargaining Model," the Union presents its initial demands for contract changes and bargaining begins with arguments and supportive data to convince the employer.

The "horse-trade" begins after the Employer presents its case and continues until the difference is insignificant enough to allow one of the parties to concede, thus concluding a collective labour agreement. Furthermore, Neil W. Chamberlain observed: "Collective bargaining is inevitable a power relationship . . . This power aspect of Industrial Relations is fundamental and inescapable." ⁵⁴ Indeed, one party's bargaining power is the other party's williness to agree on the other party's terms. ⁵⁵

According to Harold B. Davis, the chairman of G.U.Y.S.U.C.O., "The agreement would cost the industry approximately \$9 million at a time when . . . the price of sugar was very low (£98 per ton)." ⁵⁶ Indeed the G.A.W.U. had won a victory. It secured wage increases at a value of \$9M at a time when sugar prices were low. Therefore, the conclusion of the labour contract strengthened the G.A.W.U.'s bargaining position and loyalty among the working class. ⁵⁷

Government/T.U.C. Agreement:

With G.A.W.U.'s victory at the negotiations, the field and factory workers, the largest single working class

group⁵⁸ not only continued to support the G.A.W.U. . but also the P.P.P. That in turn provided that political party with additional source of economic power to intensify its struggles for political democracy and freedom of the working class. However, the strengthening of the P.P.P. presented further challenges to the P.N.C.

In order to counteract the growing influence of the P.P.P. in the sugar industry the government and the T.U.C. negotiated a collective bargaining agreement for all public sector enterprises.⁵⁹ The agreement covering the period 1977 to 1979 not only prevented the G.A.W.U. from bargaining further wage increases⁶⁰ but also introduced a new policy towards union-management negotiations in the sugar industry. According to a leading official of the G.A.W.U., "The government took over the negotiations so as to control wages in the public sector and thus prevented the trade unions from securing high increases."⁶¹ That in turn, reduced the wage cost of the public sector enterprises⁶² and also the government expenditures on wages. To the question, Why did the government negotiate with the T.U.C.?, the official responded: "What else! The T.U.C. controlled by the P.N.C. and led by its supporters, which even includes ministers of the P.N.C. government, would say 'yes' to anything proposed by the government."⁶³

Additionally, Harold A. Lutchman, a professor of Political Science and Co-chairman of Guyana's Human Rights

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Association argued, "I had contended . . . that what was developing in the relationship between the T.U.C. and the government was a situation in which the T.U.C. was being co-opted by government with the consequences of the T.U.C.'s role as protector of the worker being neutralised."⁶⁴

Even the T.U.C. itself made a concerned comment. The editorial of the Voice of Labour, the official organ of the T.U.C., reported, ". . . even though consultation between the government and the T.U.C. is a constant and on-going exercise, yet the implementation of many of these changes [actions taken by the government] often excludes any participation by the workers' representatives and therefore, places the T.U.C. in an awkward position of sharing blame and embarrassment."⁶⁵

Yet in May 1980 Joseph H. Pollydore, General Secretary of the T.U.C., declared:

"It is not a case of the T.U.C. believing that . . . trade union rights violations had taken place . . .

The T.U.C. made representations to the government on all of them . . . What the T.U.C. does not, or what it refuses, to accept is that it must join forces with others to take action against the government as a means of preventing or overcoming these violations."⁶⁶

The T.U.C. was not prepared to challenge the government's position.⁶⁷ Moreover it was politically alligned to the P.N.C.⁶⁸ With the new arrangement the T.U.C. was granted

additional powers not by the workers but by the P.N.C. government even though it made the national labour movement which was unsympathetic to the working class,⁶⁹ the sole bargaining agent for employees of the entire public sector. While the T.U.C. was strengthened, the new arrangement undermined the negotiating position of the individual unions since they were no longer allowed to negotiate wage increases for the workers in as much as the unions were chosen by the workforce as their legal bargaining agent.

The Provisions of the Agreement:

According to the agreement signed on August 23, 1977 "the public sector's new minimum wage rate shall be no less than--

- a) for 1977 - \$1.05 per hr./\$8.40 per day/\$200.00 per month
- b) for 1978 - \$1.35 per hr./11.00 per day/\$258.00 per month
- c) for 1979 - \$1.75 per hr./14.00 per day/\$333.00 per month

Within the context of the existing normal practice at enterprises/organisations, the work-week and work-day for which the rate applied shall not exceed 44 hours and 8 1/2 hours respectively."⁷⁰

Furthermore, "the wage/salary adjustment shall use agreed guidelines . . . as well as the following:

- a) The cut-off points for increases shall be

1977- \$600.00
 1978 - \$925.00
 1979 - \$1200.00"⁷²

The agreement then did not only fix a minimum wage but also a maximum. For 1977 it was fixed at \$600.00; 1978, \$925.00; and 1979, \$1200.00.

Even though the agreement was signed on August 23, 1977, it was not implemented until 1978, giving the parties time to agree that having fixed a minimum and a maximum how salary adjustments were to be awarded. In 1978 it was agreed that the salary adjustment factor would be .08.⁷² A worker's salary adjustment was calculated by taking the difference between the maximum cut-off point for 1977 (\$600.00) and his/her salary on December 31, 1976. The result was then multiplied by .08 to determine the adjustment to be awarded.

While the agreement provided wage increases a recent survey involving workers, trade unionists and managers in the sugar industry indicated that ninety-four percent of the field and factory workers involved in the exercise answered negatively to the question. "Do you think it was appropriate for the government and the T.U.C. to negotiate an agreement applicable to the sugar industry?" To the same question, ninety-six percent of the trade unionists and eighty-two percent of the managers answered negatively. The next question, was "Did the agreement result in improved performance?" Seventy-eight percent of the workers, eighty-four percent of the trade unionists and ninety-three percent of the managers answered negatively. To another

question, "Do you think that the arrangement should continue?" Ninety-six percent of the workers, ninety-eight percent of the trade unionists, and ninety percent of the managers answered No.⁷³ The results of the survey are very clear: the agreement was not favourably regarded, not only by the workers but also by the trade unionists and the industry's managers.

The Implementation of the Agreement:

Despite the unpopular reaction, the agreement was implemented retroactive to January 1, 1977. The implementation may be illustrated by the following examples:

A worker who was paid \$300.00 per month at December 31, 1976, received \$24.00 as a salary adjustment for 1977, i.e. $(\$600.00 - \$300.00) \times .08 = \$24.00$. Using the same principle, a worker who was paid \$400.00 per month at the same time, received \$16.00. Therefore, workers who were in receipt of a lower salary at December 31, 1976, received larger salary adjustments than those who were at higher salaries.

That was no accident. According to a trade union official who participated in the discussions that led to the agreement, "It was the government's intention to give a larger increase to lower-paid workers with a view in the end of reducing the difference between the salary of high-paid and lowpaid workers."⁷⁴ While the practice

was favourable to the lower-paid workers, it met with severe criticism from the others, who felt that they were not rewarded in accordance with their performance. In fact, some took the position that in future, "They will produce according to their remuneration."⁷⁵ Indeed the workers who benefited significantly from the implementation of the agreement were those who were either recently employed (with a salary at the lower end of the scale) or were poor performers who received a low salary in accordance with the system in operation prior to January 1, 1977, which awarded merit increases based on performance.

Of far reaching significance also, the agreement discontinued the system of awarding merit increments. Under the new system the worker received the larger of the two either the merit increase or the salary adjustment. In almost all cases the salary adjustment was larger than the merit increment.⁷⁶ Consequently, the workers no longer received salary increases based on their performance. Instead salary increases were awarded merely for being employed by the industry.

In 1978 the same principle was applied, using the 1978 cut-off point of \$925.00 per month.

In 1979 the agreement was not implemented because, as the government claimed, the expected growth of the economy did not materialise.⁷⁷ The workers got no salary increases in 1979. Whether no increases were awarded

because of the poor performance of the economy (no public data was made available), or whether it was thought that the agreement, which had provided wage increases, did not yield any increased performance from the workforce, still remains unclear. What is obvious and instructive is that Guyana's balance of payment deficit at the end of 1979 (year of no increase) stood at--\$G 208.84 million. Two years later, the economy deteriorated. The figures had reached \$G 505.9 million,⁷⁸ with the sugar industry alone reporting a loss of G\$81 million.⁷⁹ Yet in 1981, the government and the T.U.C. agreed to a ten percent salary increase for the months of January to June and 12 1/2 percent from July to December for the sugar industry (and public sector) employees.⁸⁰ According to a trade union official, the non implementation of the agreement for 1979 had nothing to do with the performance of the economy.⁸¹ The government miscalculated the cost of the 1977-1979 agreement; hence it withdrew from it. ⁸²

Apart from the inconsistencies, from all the evidence available, the arrangement entered into by the government ran contrary to the research findings of Schwab, Locke, Feren, McCaleb, Shaw and Denny, who discovered that a worker will increase performance if he/she is aware that extra effort will increase economic gains.⁸³ Instead, the agreement provided salary increases based on employment rather than performance.

In addition to contradicting the theories of reward and performance, the wage agreement did not reduce industrial conflicts. In 1979, there were 344 stoppages of work, with a loss of 72,242 workdays. There were also 175 stoppages in the harvesting section (cane cutting) alone, which accounted for 38,561 workdays lost, of which 17,900 were lost (68 stoppages) as a result of protests for better wages.⁸⁷ These stoppages accounted for 46.42 percent of the total days lost in the sugar industry.⁸⁸

Of the strikes which occurred many centered on the issue of the extent to which the industry's profits should be shared with the workforce. The conflicts then suggest that there was a continuation of dissatisfaction over wages even after the wage agreement was implemented in the sugar industry.

Worker Participation in Management:

While the government/T.U.C. agreement ran counter to theories of wage determination and strikes continued to occur, "It [the agreement] was also a "total disaster because it lacked the participation of workers. They became alienated and dissatisfied."⁸⁹

Using the works of social psychologists, including Maslow, Likert and McGregor who explain human motivation in terms of existence of a hierarchy of needs, the ultimate of which is self-actualisation,⁹⁰ Aaron Bindman, a U.S.

sociologist and Democratic Socialist, argues that worker participation is an opportunity for workers to intensify their search for self-expression, self-actualisation and creativity within the work environment and most importantly to become deeply involved in a collective effort to improve their life and living standards.⁹¹ Furthermore, "Workers Self-Management and participation have been hailed as the most appropriate solution to the problem of worker alienation, discontent, and poor work performance . . .⁹²

In attempting to deal with the problem of worker alienation and dissatisfaction, the government of Guyana in conjunction with Algeria, Bangladesh, India, Malta, Peru, Tanzania, Yugoslavia, and Zambia commissioned a study of their various systems of worker participation.⁹³ It was reported that, "They [systems of worker participation] were not functioning well in practice and that workers' interest in them is decreasing . . . the reason for this apathy is the workers' realisation that these bodies were not in a position to have a fruitful impact on the general conditions of the work life."⁹⁴ Only in Yugoslavia, the report affirmed that did "workers self-management bring life to the progressive ideas and aspirations of the working class . . . and radical transformation of social relations of production."⁹⁵

In Yugoslavia⁹⁶ the workers' self-management was first established on June 27, 1950, by the basic law on the

Management of Enterprises by work Collectives. The decision by the government of Yugoslavia basically provided a further de-centralisation of decision-making and greater authority to workers' councils at local enterprises, through the Basic Organisation of Associated labour (B.O.A.L.) which owns the means of production and exercises control over production targets, investments, and distribution of income.

Edward Kardelj, an advocate of Self-Management noted,
". . .

the genesis of self-management in our country has nothing to do with the . . . nor with anything else, except with the eternal striving for a better life, creativity, freedom, progress, and the mastering of the objective laws of nature and society. That self-management appeared as an idea in a relatively underdeveloped country was due to the fact that self-management is a revolutionary process of social transformation. In any case, the emergence of self-management in our country is in its entirety linked to the character and specific conditions of development of our revolution and specific road of development of socialism."⁹⁷

In the Yugoslav model of participation workers are elected to the workers' council in the enterprise in which they are employed for a one-year term.⁹⁸ The members of the councils are nominated by the local Trade unions or from a list of one-tenth of the workers in the enterprise. "Of the 124,200 members of workers council selected in 1956 in the establishments . . . 121,600 (or 94 percent) were elected from trade union lists."⁹⁹ At the time of election the candidate receiving the largest number of votes gets the position regardless of the list from which he/she came

from.¹⁰⁰ The model also provides for a vote on the recall of members who fail to carry out their tasks properly.

The number of members elected to the worker's councils (Radnicki Saveti) varies from fifteen to one hundred and twenty members in accordance with the size of the workforce of the enterprise.¹⁰¹ There were only twenty-one workers' council with more than seventy-five members in Yugoslavia.¹⁰² The average size of the workers' council was twenty members,¹⁰³ with seventy-five percent of the members being rank and file while the remainder is drawn from clerical, administrative and professional sections.¹⁰⁴ Members of workers' councils may be re-elected for only one consecutive term. It has been estimated that over one-third of all employed workers have served on workers' councils on a rotational basis as early as seven years after the system was established. ¹⁰⁵

But the workers' councils do not stop there. They are allocated the responsibility of approving the annual plans for the enterprise which include output, products, prices and wages. In addition, they receive reports on all aspects of the operations of the enterprise, participate in the selection of the Director (C.E.O.), approve other senior appointments, and decide upon the distribution of the profits remaining to the enterprise.

In a system where the workers' council is vested with responsibility of so many work-associated matters, includ-

ing remuneration, an obvious question is raised: What is the role of the Trade union? According to the constitution of the Trade Union Federation of Yugoslavia, a trade union's primary role is "to educate the working class in the spirit of scientific socialism and to work to educate it politically, culturally and in economic and technical matters."¹⁰⁶ The trade union also proposes lists for the election of workers to the workers' council, and takes to arbitration any grievance which goes beyond the enterprise, although that is an unusual occurrence. The workers' council and the local commune also approves the wage scales.

As Bindman notes, ". . .its system of socialist self-management pluralism has introduced new and distinctive approaches to the processes of industrialisation and modernisation, and to building socialism."¹⁰⁷ Furthermore, "Yugoslavia pursued its objectives by consistently moving from its original administrative centralistic system of management with workers' councils in state economic enterprises in 1949 to a decentralised socio-economic political system in which workers . . .have decisive influence over social reproduction and community life."¹⁰⁸

Participation in the Sugar Industry:

Using the Yugoslav model of Worker Participation, the sugar industry persuaded the three recognised unions (G.A.W.U., N.A.C.I.E., G.F.F.S.S.U.) to accept a Terms of

Reference establishing "works councils" on each estate. The estates work councils are "to foster the growth of 'Industrial Democracy' in the estate organisation through an exchange of views of both managerial and non-managerial employees, thereby contributing to final decision-making."¹⁰⁹ "Generally in this system of participation, employees shall be provided with opportunities to examine problems . . . and arrive at a consensus for resolving those problems."¹¹⁰ In keeping with the organisational plan of the estate, works councils were established for the field, factory and administration departments. The works councils comprise non-managerial workers who are elected for a one year term, with fifty percent of them replaced by elections on a half-yearly basis.¹¹¹ A managerial member from each level of management is nominated by the Administrative Manager. The departmental heads serve as the councils' chairman and an elected worker, the vice chairman. The three departmental chairmen and vice chairmen form the Management Coordinating Committee with the Administrative manager as the Chairman.

But the operating structure of the model of work participation, enabled the dominant class (management) to maintain majority membership on the councils. The obvious consequence is that only management favoured recommendations are allowed to succeed.

Despite management control over the results of the meetings, and non-managerial workers election to the councils, the model of participation is merely advisory to management. Moreover, it is restricted to only certain areas of consideration which include (1) training needs for non-managerial workers, (2) work practice and standards, (3) occupational safety and accident prevention, and (4) suggestion schemes for improving timekeeping, reduction of absenteeism, and maintenance of equipment.¹¹² The more important areas of worklife continue to be a function of managerial decision-making thereby limiting working class influence in the administration of the sugar industry.¹¹³

Apart from the various deficiencies of the system of worker participation in the industry, it is also not clear whether it has been very successful or not. But according to an official of the industry, "The works councils have had an impact on improving certain practice on estates. With the continuing process of education that has been undertaken by the industry, the members of the works councils are responding well to the challenges before them. . . .[but] There is still more to be done."¹¹⁴ From a trade union point of view, a similar comment was sounded. "Works councils on estates have shown some achievements, but more must be done."¹¹⁵

The success or failure of the model of worker participation adopted by the sugar industry is still to be

determined. However, Bindman argues, "To be successful workers' participation cannot be a gimmick or a subrosa attempt to surreptitiously entice workers to improve production and concern themselves with their enterprises' goals. To be effective it must be genuine, established in law, giving workers an equal voice in corporate decision-making in regard to all phases of the enterprise's operation, including decision about products, production, investments and most importantly the distribution of income and earnings."¹¹⁶ By any measurement, the model of worker participation in the sugar industry is not established by law, does not allow parity in decision-making, and is certainly restrictive.¹¹⁷ If Bindman's submissions are valid, then this model will fail. Furthermore, despite the government's socialist ideals nothing has been done to introduce techniques of socialist management in an enterprise¹¹⁸ which is the largest employer of labour in Guyana. Instead measures are taken to preserve the mode of production and relations of production that existed prior to the nationalisation of the industry.¹¹⁹

Summary:

Despite the nationalisation of Bookers McConnell, and the adopted socialist philosophy of the government, techniques of management in the sugar industry remained capitalistic thereby facilitating the continuation of

the social relations of production that preserved class conflicts. But by then, the capitalist-oriented union that represented the field and factory workers was replaced by a working class organisation. Therefore, there was an intensification of struggles for better wages and working class conditions.

As the union fought for a redirection of the relations of production, its influence over the labour force increased. That development presented further challenges to the P.N.C. Also the struggles of the union reinforced the political position of the P.P.P. which continued to oppose the P.N.C.

With growing support for the P.P.P. in the sugar industry, the government devised a strategy to impede its effectiveness. It removed the issue of wage increases from the industry and bargained with the T.U.C., a political ally of the P.N.C. That action of the P.N.C. deprived the G.A.W.U. of the right to negotiate improved wages.

In addition to the removal of this essential ingredient of union-management relations, the government approved a system of worker participation in the industry allowing workers to be involved in the decision-making process of the enterprise. The constitution of the model of self-management caused it to be merely an advisory force, creating a situation where the dominant class continued to make the decisions affecting the worklife of the

masses. Therefore even with local ownership of the industry, the P.N.C. government adopted strategies that kept the class relations intact thereby facilitating a continuation of class conflicts.

In the following chapter, the data and analysis of this thesis will be summarised to argue that despite Guyana's political independence and declaration of socialism, the labour-management relations in the sugar industry suggest class struggle that is exemplified in societies where the relations of production are based on the principles of capitalism.

FOOTNOTES

1. Jay R. Mandle, op. cit., p. 113.
2. Ibid.
3. Ibid., p. 114.
4. Ibid., p. 113.
5. Ibid.
6. Ibid.
7. Samir Amin, op. cit., p. 69.
8. Ibid.
9. Jay R. Mandle, op. cit., p. 115.
10. Ibid.
11. Paulette Pierce, op. cit., p. 229
12. Ibid.
13. Jay R. Mandle, op. cit., p. 117
14. Ibid.
15. Ibid., p. 113.
16. Mirror, April 2, 1976.
17. See G.A.W.U. Recognition Agreement, February, 1976.
18. "Background to Action taken by the Peoples' Progressive Party to Disrupt Guyana's Sugar Industry," (N.D., N.P.), p. 1.
19. Ibid.
20. Ibid.
21. Ibid.
22. See Bookers Sugar Estates daily price reports, available at its headquarters, Georgetown, Guyana.

23. Bookers submission to the government at the nationalisation negotiations. Files of Bookers McConnell Ltd. London, England.
24. Ibid.
25. The Chronicle, January 27, 1976.
26. Ibid.
27. Ibid.
28. The practice prior to 1975 was a membership survey. Even then recognition was still voluntary and based entirely on the employer.
29. The industry's minimum wage was \$6.61 per day without a guarantee. With a demand of \$91.08 for a five day week, the increase would be 175%.
30. See notes of joint meeting between the industry and the G.A.W.U., available from Guyana Sugar Corporation Limited, November 8, 1976, p. 2.
31. Ibid.
32. Ibid., p. 4.
33. Ibid.
34. See notes of joint meeting between the industry and the G.A.W.U., available from Guyana Sugar Corporation Limited, November 11, 1976, p. 2.
35. Ibid.
36. Ibid.
37. Ibid.
38. Ibid., November 18, 1976, p. 3.
39. Ibid.
40. Ibid., January 17, 1977, p. 2.
41. Ibid.
42. Ibid., February 1, 1977, p. 4.

43. The employer provides medical treatment and Production Bonus. These benefits are considered non-wage.
44. For a further discussion on the wage and prevailing cost of living figures, See pp. 123-127.
45. See notes of joint meeting between the industry and the G.A.W.U., available from the Guyana Sugar Corporation Ltd. November 26, 1976, p. 24.
45. Ibid.
47. Ibid.
48. Ibid.
49. Ibid., January 24, 1978, p. 4.
50. Ibid.
51. See 1976 Collective Bargaining Agreement, available at the Ministry of Labour, Georgetown, Guyana.
52. See Employment Statistics, available at the Guyana Sugar Corporation Ltd. Georgetown, Guyana.
53. Richard E. Walton and Robert B. McKenzie, A Behavioral Theory of Labour Negotiations, (New York: McGraw-Hill Book Company, 1965), pp. 4-6.
54. Neil W. Chamberlain, The Labour Sector, (New York: McGraw-Hill, 1965), p. 231.
55. Ibid.
56. See notes of conciliation meeting, available from Guyana Sugar Corporation Limited, 201 Camp St., Georgetown, Guyana, March 23, 1978, p. 2.
57. Ibid.
58. The employment figures of the state enterprises reveal that the sugar industry employs approximately 20,000 field and factory workers. This represents the largest single employer in Guyana.
59. Interview with leading official of the G.A.W.U. Georgetown, Guyana, October, 1981.
60. Ibid.

61. Interview with a leading trade union official, Georgetown, Guyana, 1982.
62. Ibid.
63. Ibid.
64. Harold A. Lutchman, Trade Union and Human Rights (Address to the Clerical and Commercial Workers Union Annual Conference), August 16, 1980.
65. Voice of Labour, June, 1980.
66. Joseph H. Pollydore, Labour Day Address, May 1, 1980.
67. Interview with a leading official of the G.A.W.U., Georgetown, Guyana, November, 1981.
68. Ibid.
69. Ibid.
70. See Wage Agreement entered into by the Government of Guyana and the Guyana Trades Union Congress on August 23, 1977, (available from the Ministry of Labour, Georgetown, Guyana, 1977).
71. Ibid.
72. See Circular from the Ministry of Finance to Public Corporations (available from the Ministry Georgetown, Guyana, 1978).
73. Survey conducted by the researcher, 1984.
74. Interview with an official of the T.U.C., July, 1982.
75. Interview with several higher paid workers in the sugar industry, July, 1982.
76. The normal merit increment was not greater than \$14.00. From the cases examined, the adjustment awarded was more than \$14.00.
77. Interview with a government official, Georgetown, Guyana, October, 1981.
78. Unpublished Economic Report on Guyana.
79. Budget Speech 1982 by Minister of Economic Development D. Hoyte, (available at the Government Printery, Georgetown, Guyana, 1982).

80. See Circular from Ministry of Finance (available from the Ministry, Georgetown, Guyana, 1982).
81. Interview with a leading Trade Union official, Georgetown, Guyana, 1982).
82. Ibid.
83. Donald P. Schwab, Impact of Alternative Compensation. The Relative Effectiveness of Four Methods of Motivating Employee Performance in Changes in Working Life ed., K. D. Duncan, M. M. Grunsberg and D. Wallis, (New York: John Wiley and Sons Ltd. 1980), pp. 363-387.
84. Interview with a management official, Georgetown Guyana, June 1972.
85. The strike statistics of 1979 was used because the agreement was implemented late in 1978. 1979 was, therefore, the first full year of review.
86. Compiled from the Industrial Relations Summary 1979 (available from the Guyana Sugar Corporation, Georgetown, Guyana.).
87. Ibid.
88. Ibid.
89. Interview with N.A.A.C.I.E. official, May, 1982.
90. Aaron Bindman, Worker Participation in Corporate Decision-making in Developing Countries, (Honolulu, Hawaii: A paper presented at East-West Centre, N.P., May, 1984), p. 1.
91. Ibid.
92. Ibid.
93. Ibid., p. 10.
94. Quoted in Aaron Bindman, op. cit., p. 10.
95. Ibid.
96. The examination of the Yugoslav model was undertaken here because of the Yugoslav model is considered a success by the government of Guyana.

97. Conversation with members of the editorial staff of Samoprajljanje, March 1, 1965, Quoted in Edward Kardelj in Self-Management, (Off Print from Yugoslav Survey 1979), p. 8.
98. Federal Statistics office, Workers Council and Managing Boards of Economic Enterprises in 1956, (Belgrade Statistical Bulletin, 1957), p. 22.
99. Ibid., Table I and II.
100. Ibid.
101. Ibid.
102. Ibid.
103. Ibid.
104. Ibid.
105. Ibid.
106. Second Congress of the Trade Union Federation of Yugoslavia (Zagreb, 1951), p. 74.
107. Aaron Bindman, Manifest and Latent Consequences of Self-Management (unpublished paper, available from the author, New Paltz, New York).
108. Ibid.
109. See Estates Council Consitution, (available from The Guyana Sugar Corporation, Georgetown, Guyana), p. 1.
110. Ibid.
111. Ibid.
112. Ibid.
113. It is accepted that the works councils are merely advisory and considers the less important areas of worklife. Hence the conclusion that it is a very limited means of workers involvement in the decision making process.
114. Interview with an official from the Sugar Industry, Georgetown, Guyana, August, 1982.

115. Interview with a Trade Union Official (G.A.W.U.)
Georgetown, Guyana, August, 1982.
116. Aaron Bindman, op. cit., p. 15.
117. It is accepted that the works councils are merely
advisory and considers the less important areas
of worklife. Hence the conclusion that it is a very
limited means of workers involvement in the decision
making process.
118. Jay Mandle, op. cit., p. 114.
119. Ibid.

CHAPTER FIVE

Conclusion

A review of the analysis of labour-management relations in the Guyana sugar industry reflects a situation of conflicts which parallel the forms of class struggle in capitalist economic structures. Even after the nationalisation of the industry and the declaration of socialism by the P.N.C., the government's strategy of development continued to lead to new forms of economic stagnation, foreign dependency (management contracts) and increased repression of the working class, not only in the industry but indeed throughout Guyana. But according to Roxborough, Petras and Magdoff, this degeneration into neo-dependency is inevitable whenever change emerges as a bureaucratic response to the crises of underdevelopment and remains the task of the state sector elite acting as an independent class incapable of uniting the productive forces.

In these circumstances, the efforts of the productive forces become counter productive as a result of the actions taken by the state. The government entered into a wage agreement with the Trade Unions Congress that undermined the bargaining position of working class organisations. Additionally, the agreement does not conform to the conclusions reached by Schwab, Locke, Feren, McCaleb, Shaw

and Denny on the principles of wage determination. Contrary to the position proclaiming that the intention of the agreement was to regularise and reduce wage differences among workers within the public sector, (including sugar) all the available evidence indicates that the arrangement has led to workers' dissatisfaction, work stoppages and economic stagnation. According to Schwab et al. workers will perform at a higher level if better performance will lead to higher remuneration. Instead the Government/T.U.C. agreement awarded salary increases to workers in the sugar industry without regard to their performance. Salary increases were based on the level of pay on December 31, 1976, and the lower the salary, the greater was the salary increment.

Prior to this arrangement (1939-1977) the sugar industry employers had bargained directly with the union which represented the field and factory workers, and with other recognised unions for other categories of workers, and had concluded collective labour agreements on wages and other conditions of employment. Thus the Government/T.U.C. arrangement, in which the government bargained with the T.U.C., represented a major change in the industry's labour policy, not only in

wage determination but in the very process of collective bargaining itself.

Following a line of analysis using wage theorists' findings, strike statistics, and research results it is clear that after the agreement was implemented, (1) strikes continued to be called in protest against inadequate wages by lower-paid workers, who in fact received larger increases; and (2) there was widespread dissatisfaction among the higher-paid workers who received insignificant salary adjustments and in some instances inconsistent with their performance.

The dissatisfaction among the workforce which arises from the distribution of the industry's revenues, is similar to the conflicts that exist in capitalist economies.

The Relationship Between Labour and Colonial Management:

In the interest of the capitalist sugar employer, the colonial administration joined with Plantocracy to establish an unfree system of labour on the sugar plantations using slaves and indentured immigrants. This device not only provided an abundance of labour power, but it also created ethnic antagonism among the workforce thereby keeping the workforce disunited. The division of the working class thus encouraged the exploitation of the masses and facilitated the maximisation of profits.

As the employers' savings increased, Plantocracy ensured that the workforce was kept tied to plantation for economic survival. The workers' wages were low and non-wage benefits were provided on the condition of that they work regularly on the sugar estates. Since there was no other source of employment, labour became dependent on Plantocracy thus creating an insecure workforce.

The dependent relationship continued until the cost of maintaining the unfree system became expensive causing its own demise and a free wage labour force was formed. But more importantly the establishment of a free wage system was complemented by a change in British policy towards labour in the colonial territories. The new policy encouraged the growth of trade unions in Guyana and in 1937, the establishment of the M.P.C.A. in the sugar industry. In addition to agitating for better conditions the trade union brought together the two major ethnic groups in Guyana which the colonial forces had kept disunited to ensure a pliant labour force in order to maximise profits for the sugar industry employers.

In 1939 the M.P.C.A. won recognition for the field and factory workers. Conditions that were previously fixed by law or unilaterally fixed by Plantocracy became

a function of union-management negotiations. It is of great significance, ~~that the~~ employers envisaged that union representation would win better conditions for the workers and reduce the rate of extraction and profits. Since the maximisation of savings was paramount to the employer, Plantocracy neutralised the effectiveness of the workers organisation through corrupt practices.

The Political Forces and Labour in the Sugar Industry

With the destruction of the militancy of the M.P.C.A., a progressive political group, the P.A.C., founded a rival union to challenge and then replace the M.P.C.A. The leaders of the P.A.C. advocated for an overthrow of the social relations of production which they felt prevented the working class from securing better conditions. In 1946 the P.A.C. founded the P.P.P. to supplement the trade union struggle with a political fight against the colonial forces. As expected, the major supporters of the P.P.P. were the field and factory workers in the sugar industry. With their support the P.P.P. won three consecutive general elections but was later removed from office by opposing forces determined to maintain the capitalist relations of production that encouraged class antagonism and division among the workforce.

The new group of political leaders that took office kept Guyana's economy tied to the capitalist core countries

by adopting an economic development policy based on foreign investment in local enterprises. In the circumstances, profits were expatriated and the economy continued to suffer a chronic balance of payment crises. The government felt that the economy would collapse if some counterbalance to the oil-fuel spiral of global inflation was not found. But, as pointed out by Magdoff and others, the oil crisis only intensified already existing problems. At the heart of the crisis in the world economy was the stagnation of the American imperial economy following the Vietnam war which has resulted in a steady drop in demand within the capitalist core. This drop in demand has had a profound effect throughout the Third World including Guyana where the export-driven economies found themselves with less markets for their products.

In 1974 world trade favoured sugar producing countries. Export prices reached an all-time record high on the international market. As sugar prices began to drop in 1976 the government had two choices, either to take action to grant recognition to the G.A.W.U. and neutralise its opposition in the industry, or to reduce the next year's expenditure in anticipation of reduced revenues due to work stoppages. The government needed the revenues to continue development projects it had already begun, so it chose the first alternative. Without consulting with the M.P.C.A., the government advised the Ministry of

Labour to conduct a poll to settle the inter-union rivalry dispute.

The Economic Stagnation in the Sugar Industry:

With falling sugar prices on the world market, also revenues declined. Unable to continue its operations at a loss Bookers allowed the government to nationalise its holdings in Guyana. Wage determination thus became a matter subject to negotiation between G.A.W.U., the industrial arm of the P.P.P., and the P.N.C. controlled sugar company.

Ever since nationalisation the industry has been faced with production crises. Sugar production declined from a level of over 350,000 tons in the late sixties and early seventies to less than 300,000 tons during the second part of the seventies, and then to 245,000 tons in 1983. This reduction resulted from factors like crop diseases, unfavourable weather conditions, an aging stock of machinery and equipment, shortages of chemicals, and labour unrest. Indeed, the industry has not achieved a production of more than 332,500 tons of sugar, since nationalisation.

The Effects of the Economic Stagnation on Labour in the Sugar Industry

The economic crises have had a devastating effect on industrial relations in the sugar industry. The government in its determined effort to keep the wage cost of

public sector employment low, continues to negotiate wage increases with the T.U.C. While the principle of wage adjustment (point multiplier) has been abandoned and replaced by a straight percentage increase, the field and factory workers in the sugar industry continue to be dissatisfied with the Government/ T.U.C. arrangement. They regard the T.U.C. as part of the government and incapable of negotiating effectively on their behalf. According to the government, to build socialism in Guyana, the trade union movement must surrender its old confrontational tactics and demands for wage increments and give complete support to the government's development plans.

In the meantime, it is clear that, in the sugar industry, as long as the P.P.P. controls the G.A.W.U., and from all indications it will continue to do, labour-management relations in the industry will be severely affected by the party politics of the P.P.P. and the P.N.C., a political party that perpetuates the adoption of economic and political policies that are counter productive to the efforts of the Guyanese workforce.

In summary, therefore this study argues that contemporary class relations in the sugar industry manifest themselves into conflicts which exist in capitalist-oriented economies whereby the dominant class exploits the masses to increase capital accumulation. To reinforce the accumulation of capital, the government of Guyana entered into an

agreement with the anti-working class Trade Unions Congress to keep wages low, thereby maximising the rate of extraction. Savings for public sector organisation was thus maximised.

Prior to the agreement, the determination of wages in the industry underwent a radical change in 1939 when wages became a condition of employment fixed by union-management negotiations. This method of wage determination lasted until 1976. Wages continued to be fixed by negotiations, but the collective labour agreements were concluded by the management of the government-owned sugar company, and a trade union politically opposed to the government. In 1977 wage determination was made a function of the central government and its political ally, the T.U.C.

Currently ~~then~~, a retrogressive system of wage determination operates in the sugar industry, ironically it is similar to the colonial model which existed prior to 1939, in which the union representing the field and factory workers, and indeed other unions, did not negotiate and settle wage agreements with management, but in which wages were fixed by governmental authorities outside the industry thereby depriving trade unions the democratic right of negotiating wages for the workers. The fixing of wages by external forces alienates the workforce and creates widespread industrial conflict, a situation made familiar by the capitalist mode and relations of production.

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