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THE GRENADIAN REVOLUTION, 1979-1983: THE POLITICAL ECONOMY OF  
AN ATTEMPT AT REVOLUTIONARY TRANSFORMATION IN A CARIBBEAN  
MINI-STATE.

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## Summary

This study is primarily concerned with making an assessment of the social and economic policies pursued by the People's Revolutionary Government (PRG) of Grenada between 1979 to 1983. It is the first sociological study of the Grenadian revolution, and is longer and more detailed than any other study that has been written on the subject. The thesis mainly examines developments inside Grenada. It therefore breaks entirely new ground since most of the existing literature views the revolution from the perspective of international relations. The principal methods of investigation used were library research in London and the Caribbean; and six months of field work in Grenada, Barbados and Jamaica, where I attended important political events and conducted interviews with politicians, businessmen, government officials and representatives of international agencies.

The thesis is divided into ten chapters. Chapter one sets the scene for the study by providing information on the culture, geography, history, sociology and economy of Grenada, and traces the events that led to the revolutionary seizure of power in 1979. Chapter two discusses the main theoretical issues raised by the revolution, and chapter three analyses the institutions of popular power established by the PRG. Chapters four to eight examine the principal features of the economic strategy of the revolutionary government, and chapter nine seeks to explain the factors that led to the downfall of the revolution. The concluding chapter contains a very brief summary of the main findings of the study.

The central argument put forward in the thesis is that the revolutionary ideology which guided the PRG was highly authoritarian in character, and led to the implementation of policies that were not suited to Grenadian society. The ultimate downfall of the revolution was caused by the authoritarian practices of the PRG which resulted in a vicious power struggle in which the Prime Minister and over 100 of his supporters lost their lives. This implosion of the post-revolutionary regime gave the United States' government an adequate pretext to invade Grenada and dismantle the institutions of the revolution.

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## Chapter One

### The Pre-revolutionary Background

#### An Island Society

The state of Grenada, which comprises the islands of Grenada, Carriacou, Petite Martinique and a number of islets, has a combined surface area of 133 square miles and a population of around 100,000 people. As such, it is one of the smallest nations in the world. Grenada is the most southerly of the four Caribbean islands known as the Windward Islands, which also includes Dominica, St. Lucia and St. Vincent, and lies ninety miles north of Trinidad and Tobago. Grenada is the smallest territory of the Windward Islands group and has the highest population density. It is also a mountainous country. Although Carriacou is undulating in topography, the rest of the country has a rugged terrain. The island of Grenada has an axial range of mountains of volcanic origin running north and south with spurs extending on the western and eastern sides. Grenada's mountains do not rise as high as those in other Windward Islands, nevertheless several peaks climb to over 2,000 feet, with the highest, Mount St. Catherine volcano in the North, reaching a height of 2,755 feet. There are no active volcanoes, and in the craters of extinct volcanoes two picturesque lakes have formed: Lake Antoine and Grand Etang.

The mountain region is dissected by steep-sided valleys containing widely meandering streams. There are also a number of mineral and other springs. In the southern part of the island, where hills have stepped slopes, the valleys run parallel to one another. The interfluves between them stretch into the sea for several miles as narrow peninsulas. This coastal section, therefore, has embayments as have none of the other Windward Islands, creating a very distinct ria coast.<sup>1</sup>

Grenada is lush in vegetation and enjoys a good climate all the year round. Temperatures vary little, ranging from 65°F during the nights in January and February in the mountainous areas to a daytime temperature of 90°F in the lowlands during the hot months, August to September. An average shade temperature of about 85°F can be expected most days of the year. The average annual rainfall ranges from 50 inches in coastal areas to about 160 inches in the mountainous interior. The rainfall pattern shows an alteration of dry and wet seasons corresponding roughly with the first and last halves of the year. The dry season varies in length and intensity from six to seven months in the extreme North-east and South-west to less than two months in the highest areas. Carriacou and the smaller islands are normally drier. Carriacou has an average annual rainfall of 45 inches.

Grenada's capital, St. George's, has a population of only 8,000 residents yet serves as a metropolis in that most people who work there commute from various parts of the country. Lying on the leeward coast in the South-east, St. George's is the administrative, political and commercial centre of Grenada. It is connected by roads with all parts of the island and handles the entire export trade. St. George's is reputed to be one of the most beautiful ports in the world with its old

Georgian buildings and narrow streets running down steep hillsides to an ornamental harbour and bay. Owing to the high relief only parts of the town could be built in the geometrical layout which is otherwise very common among Caribbean settlements. The other principal towns are, like St. George's, located on the coast and have a small number of residents. They include, Grenville in the East, Sauteurs in the North and Victoria and Gouyave in the West. Scattered villages, located along the country's tortuous roads, account for the overwhelming majority of Grenada's inhabitants. Most people either live in these linear settlements or in houses clustered around them. As is the case in other English-speaking territories in the Caribbean, Grenada is divided into parishes. There are six in all: St. George, St. John, St. Mark, St. Patrick, St. Andrew and St. David.

Grenada's diminutive size, mountainous landscape, salubrious climate and dispersed settlement pattern have exerted a strong influence on the social and cultural traits of Grenadians. These factors have produced a sturdy people who are in many ways insular and deeply parochial. Predominantly agrarian in their customs and lifestyles, most ordinary Grenadians have a tolerant, if not reverent attitude towards the country's low level of development and the infelicities caused by this. This relaxed and lenient temperament is captured with witty nostalgia by Frances Kay in a popular introduction to Grenada first published in the 1960s: 'Grenada is not only a somewhat oval spot on the map - it is also a state of mind. Visitors return. And sometimes stay.'

And why do they stay? Grenada is far from perfect. Though it may be just south of paradise it is also just north of frustration. But the stayers end up taking pride even in their

frustration. "I had to go to Barbados to get a coffee pot."  
"It took two weeks for me to get a letter from St. Vincent -  
air mail." "They have 8½ x 11 typewriter paper but only 8 x 10  
carbon paper." "No one has been in their office for a week -  
they've all gone to the test matches in Trinidad." There  
becomes a definite flavor of boasting in these statements. And  
if a newcomer complains about this kind of thing he is told  
pityingly, "But this is Grenada."<sup>2</sup>

### The Historical Background

One of the most important events in the early history of Grenada was the fierce resistance mounted by the indigenous people, the Carib Indians, against numerous attempts at conquest by colonial forces sent from France. The French finally subordinated the island in 1654, when, in a tragic incident that epitomised the fate of the inhabitants of the Caribbean in that era, the surviving Indian fighters threw themselves to a collective death over a cliff later named La Morne de Sauteurs (Leapers' Hill), near the present town of Sauteurs. The French proceeded to introduce sugar, slaves and plantation agriculture. After a century of their rule the island had 82 sugar plantations and over a hundred mills; sugar exports had reached 4,000 tons a year. Grenada had been transformed into a small but highly productive factory-farm where none of the original inhabitants remained alive and over 12,000 slaves shipped from West Africa laboured for a population of 1,200 whites.

French rule was broken by the British who took control of the island under the terms of the Treaty of Paris (1763) that ended the Seven Years' War. The policy of Grenada's new owners was to accelerate production: by 1774 sugar exports had been doubled and the number of slaves increased to 35,000 so that they now outnumbered their white masters by more than 25 to one. The island also became a trading centre for slaves; during the last decade of the eighteenth century nearly 50,000 Africans passed through Grenada on their way to work in other centres of sugar production.

Under the British, slave resistance escalated markedly, and in 1767 the new colonial power was confronted by an island-wide rebellion. Following the War of American Independence, a new conflict broke out between Britain and France, resulting in the re-possession of Grenada by the French in 1779. In 1783 the British retrieved the island under the Treaty of Versailles but it was not long before they felt the tremors of the French revolution, which had a considerable impact on the slave societies of the Caribbean. The slogans 'Liberty, Fraternity, Equality' found a receptive audience among the French creole planters who had by now suffered discrimination and repression at the hands of the British. In 1795 Julien Fedon, a French creole planter, led a rebellion which adopted the symbols and slogans of the French revolution. Although the rebellion was initiated by the French creole planters it quickly drew the support of the slaves, for whom the ideals of freedom and equality were even more pertinent, and it was the slaves who bore the main brunt of the fifteen month campaign against the British. The rebellion succeeded in gaining control over all the island except the area around St. George's, and was then crushed with great ferocity. Notwithstanding the defeat, this mass uprising came to be celebrated as the first and most emphatic episode in the Grenadian people's struggle for national liberation.

Following emancipation in 1834 and apprenticeship in 1838, Grenada could be distinguished from most of the other British territories by the exceptionally rapid decline of its sugar industry. The precipitate downfall of King Sugar was brought about by the unsuitability of Grenadian topography for large-scale sugar cultivation and the difficulties involved in getting labour to work the estates. As a



consequence, the island's output of sugar fell from 4,000 tons in 1846 to less than 1,000 tons in 1881.<sup>3</sup> The possibilities that existed for making an independent livelihood away from the plantations also led to the inordinate growth of a peasant class. In 1881 3,000 of the 9,000 males in the colony owned land in lots from 1 to 50 acres.<sup>4</sup> The Grenadian peasantry formed a greater proportion of society than in any other territory in the Leeward and Windward Islands group.<sup>5</sup>

Grenada's planter class tried desperately to hang on to sugar production and attempted to obtain the necessary labour through indenture schemes. Labour was imported from Malta, Madeira and West Africa. These schemes proved to be unsuccessful, however, and in 1848 the metayage system, a form of sharecropping, was introduced to resolve the problem of labour shortage. While metayage was introduced in a number of Caribbean islands as a short term measure that planters abandoned in periods of rising prices,<sup>6</sup> in Grenada the system persisted with little modification right up until the late 1930s. Under the metayage system, sugar lands were transformed into orchards of cocoa, a less labour intensive operation. Cocoa production soared. Exports rose from 374,686 pounds in 1846 to 5,864,090 in 1886.<sup>7</sup> The slump in cocoa prices during the 1920s, however, gave an impetus to the cultivation of nutmegs. Produced under the same metayage system, by the late 1930s nutmeg exports were roughly equal in value to those of cocoa.

In 1887 the local assembly controlled by the planter class was disbanded and the system of Crown Colony government was introduced. This resulted in direct control by the Colonial Office in London which appointed and issued orders to the Governor of the colony. The planter class did not mount any

serious challenge to tighter imperial administration, and the Crown Colony status quo languished without any real opposition until 1915, when T.A. Marryshow, a black journalist of humble origins, and C.F.P. Renwick, a lawyer, founded the West Indian newspaper. Over the next twenty years the West Indian moulded middle class opinion in Grenada and succeeded in aligning that sector behind the call for reforms in the system of government and the creation of a federation of the West Indies. The paper's slogan, 'The West Indies must be West Indian', symbolized Marryshow's anti-colonialism and his profound conviction that Caribbean unity could bring about self-rule. Two years after establishing the West Indian, Marryshow and his associates founded the Representative Government Association (RGA) to pressure the British for a local voice in the running of Grenada's affairs. The RGA was not radical in its goals or methods, but it represented a major challenge to the Crown Colony system and finally succeeded in forcing the British to devolve powers to a local assembly once again.

By the 1930s Marryshow's political views had undergone a distinct evolution. Thus, in contrast to his earlier stress on the need for racial harmony in the Caribbean, he now called on West Indians to take pride in their race, to see themselves as black West Indians and to stop trying to be black Englishmen.<sup>8</sup> Around this time also, Marryshow began to embrace a socialist ideology. During a visit to Britain he was profoundly influenced by the activities and policies of the Labour Party, and upon returning to Grenada he sought to apply some of these. In 1931 he established the Grenada Workingmen's Association (GWA), a loosely-knit body that fulfilled some of the functions of a trade union. Like a number of Caribbean political figures during this period,

Marryshow's policies were directly based on advice he received from the Labour Party headquarters in London. His adoption of socialism strengthened his opposition to British colonialism yet made him believe that West Indian progress would be determined by the goodwill and conscience of a Labour Government in Britain.<sup>9</sup> Marryshow was, however, even more servile in following diktats from London than most of his contemporaries, in that he accepted without question the notion of 'responsible trade unionism' peddled by the Colonial Office. Derived from the experience of the trade union-based Labour government in Britain, responsible trade unionism required that union leaders specialise in trade union functions leaving political representation to some other unspecified source. In the colonies this precept was used to marginalise or manipulate the most militant working class leaders that emerged.<sup>10</sup> Marryshow followed colonial orthodoxy on this question and thus rejected the view that trade unions should become political parties, putting up candidates in elections. In doing so he effectively placed himself outside the historical process taking place in the Caribbean. For, in other territories labour leaders were highly successful in taking on the tasks of political mobilization. As Emmanuel notes in his study of the Marryshow period: 'So fundamental was this question of trade unionism and politics that attitudes towards it were a primary indicator of the capacity to visualize the requirements of the new era of mass politics. That Marryshow failed, intellectually and practically, to perceive this essential inter-connection was perhaps the clearest possible sign of his own political decay.'<sup>11</sup> Thus, as a result of Marryshow's own political limitations and certain objective factors the GWA fared badly. The bulk of its adherents were disgruntled members of the

fledgling middle class, comprising lower-paid civil servants, commercial clerks and teachers.<sup>12</sup> The Association failed to extend its support to the 'barefoot man', to use an expression of that period. After a number of initial successes, the GWA collapsed. Although Marryshow renamed it the Grenada Labour Party and tried to give it a more political character, it lacked a solid basis of support and by 1937 had faded from the political scene. Marryshow himself was subsequently won over and co-opted by the colonial administration. In 1943 he was made a Commander of the British Empire (CBE) and the following year he was appointed to the hitherto elitist Executive Council. It was not until the 1950s that a vibrant working class movement emerged and organised political activity developed in Grenada.

### The Advent of Gairyism

In 1949 Eric Mathew Gairy, a black former school teacher of peasant origins, was deported from Aruba for labour agitation against the Esso Company. Returning to his home town of Grenville, Gairy was concerned at the plight of Grenada's rural poor. He wrote petitions on behalf of poor peasants who had grievances against the colonial authority and big estate owners. In early 1950 he waged a campaign to get compensation for a group of workers who had been evicted from an estate in his locality. The campaign was a success. In July 1950 Gairy registered the Grenada Mental and Manual Workers' Union (GMMWU) with himself designated President for Life, and led a recruitment drive in the countryside. Prior to the creation of the GMMWU bargaining rights for agricultural workers was held by two urban-based trade unions - the General Workers' Union (GWU) based in St. John's, and the Workers' Union (WU) with its head office in St. George's. Established in 1946, these unions were registered under the Trade Unions and Trade Disputes Ordinance of 1943, which removed the remaining legal obstacles in the path of unfettered trade union rights. The planter class, organized in the Agricultural Association, recognized the GWU and WU as bargaining agents for the mass of rural workers even though these unions had neither an apparatus nor support in the countryside. In 1949 the combined membership of both unions amounted to 2,951, comprising port workers and store clerks in the main, whereas over 5,700 workers were recorded as being employed in agriculture in that year.<sup>13</sup> After the expiry of the first agreement between the employers and the unions, however, the

two sides reached deadlock. Henceforth, wages and conditions in agriculture were set by a labour committee set up by the Legislative Council. Thus, the establishment of the GMMWU represented the first attempt to actually organise rural labour and constituted a direct challenge to the existing industrial relations set up. Created at a time of great hardship in the country caused by the depressed prices for Grenada's agricultural exports, the GMMWU met with an enthusiastic response and grew rapidly. When the Agricultural Association refused to recognise the new union and attempted to do a deal with the urban trade unions, Gairy took the unprecedented step of calling a general strike. Beginning in February 1951, the strike brought the island to a standstill and the local police proved unable to maintain control. Gairy was arrested and British naval personnel were brought in from other islands. But these actions only enhanced popular anger, which was now brewing up into a challenge to colonial rule itself. Unable to control public order, the authorities attempted to defuse the situation by releasing Gairy from jail, promising to recognise the GMMWU and offering to negotiate over its demands for pay increases. This did nothing to quell the discontent, however, so the Governor was forced to negotiate with Gairy. After some time Gairy came round, and in March he made a radio address in which he announced that an understanding had been reached and called on his followers to end the strike. This effectively halted popular anger and marked the young labour leader's rise to political prominence inside the colonial system.

The formation of the GMMWU and the 1951 general strike

brought Grenada into line with the larger territories of the Caribbean where the labour movement erupted onto the political scene in the 1930s. In St. Kitts, Jamaica, Guyana, St. Vincent, Trinidad and Barbados working class rebellions took place throwing up a number of labour leaders who were to play an important role in the subsequent history of the region. Gairy had been influenced by this Caribbean uprising and was a keen admirer of T.Uriah Butler, a Grenadian by birth who worked in the oilfields of Trinidad, where he led one of the most militant struggles of this period. In response to the revolts of the 1930s the British government took steps to introduce universal adult suffrage in the Caribbean colonies, and by the 1950s the Windward Islands were drawn into this process. This shift in colonial policy was essentially designed to incarcerate the plenipotentiaries of the working class in the dilitoriness of colonial administration. Colonial Office control was guaranteed through the increased powers invested in the Governor. Nevertheless, the calling of elections based on universal adult suffrage just six months after the general strike provided Gairy with a golden opportunity. He rapidly created the Grenada People's Party (GPP) which won a landslide victory, taking six out of eight Legislative Council seats. Hence, Gairy, the undisputed hero of the working class and the most powerful trade union leader in the country, had made a meteoric rise to power.

The GPP drew its support from the new class of black estate owners that had emerged in the country, certain middle class elements and the rural poor. Thus Gairy entered government with broad backing. Always an astute opportunist, Gairy sought recognition from the white elite and the colonial

government, and became increasingly divorced from the sentiments of the mass of poor islanders. However, even if Gairy did wish to mount a challenge to the colonial status quo he would have encountered formidable obstacles. Under the 1951 constitution the Governor was empowered to override the decisions of the Legislative Council and was assigned fiscal control of government.<sup>14</sup> Hamstrung by these restrictions and lacking a political ideology that could incorporate a global alternative to constitutional advance, Gairy's government introduced few reforms.

In the 1954 elections Gairy's party, now renamed the Grenada United Labour Party (GULP), was returned to power but with a less impressive result. By 1957, however, the Grenada National Party (GNP) led by Herbert Blaize, and another electoral alliance called the People's Democratic Movement (PDM) came forth to challenge the GULP. In the outcome, although the GULP won the largest share of the votes (44 per cent) the party won only two seats, suffering its first defeat. The GNP and PDM which won two seats each, combined with two successful independents, Marryshow and R.K. Douglas, to form a coalition administration. The coalition was dominated by the GNP and its parliamentary leader, Herbert Blaize. The GNP's founder was Dr. John Watts, a medical doctor, and it was his philosophy which guided the party. Like Marryshow, Watts clung to the notion of 'responsible trade unionism' so the GNP did not try to seek trade union connections, and from the very beginning claimed to have a 'multi-class' appeal. This did not prevent the party from developing a very special relationship with the island's old elite - the white plantocracy and its comprador and professional allies. In terms



of actual policy, there was little difference between the GNP and the GULP. It was the personality of Eric Mathew Gairy that was anathema to the GNP and those it represented. Nevertheless, under the GNP there emerged a dual budgetary strategy of quantitative programme expansion within the existing socio-economic structure combined with incentives and other policies geared towards the private sector.<sup>15</sup>

In 1960 Grenada's constitution was altered once again to give elected representatives the decisive power. The 1960 constitution provided for executive power to be exercised through an Executive Council presided over by an Administrator and consisting of a chief minister, three other ministers, one other member and one ex-officio member. The legislature consisted of one ex-officio member, two nominated members and ten elected legislators. In 1961 general elections were held under this new constitutional arrangement. Gairy could not run in these elections because of an incident back in 1957 when he had led a steelband through an opponent's political meeting, resulting in the loss of his elected franchise. Therefore Joshua Thorne, a leading member of the GULP stood as the party's representative. On this occasion the GULP won 80 per cent of the seats with 53 per cent of the votes. Soon after the GULP assumed office Thorne, in accordance with a pre-arranged plan, resigned, and in a bye-election on 24 July 1961 Gairy was elected to the vacated post. In the following month he became chief minister of state. With the increased powers in his hands provided for in the 1960 constitution, Gairy soon began to indulge in corrupt and 'unconstitutional' practices. Less than a year after coming to power Gairy's government was ousted by the colonial authorities because of

corruption. Evidence of corrupt practices under the GULP regime had been compiled by a commission of inquiry appointed by the Queen's representative in Grenada, James M. Lloyd. This was published in what came to be called the 'Squandermania Report', which accused the Gairy government of misusing public funds so flagrantly as to threaten 'the control of public expenditure and the morale of the Civil Service'.<sup>16</sup> Although the allegations of corruption were real enough, one has to view the Squandermania issue as part of an attack by the Colonial Office and its local allies on Gairy's populist brand of politics. For corruption was commonplace in the Caribbean at this time and not all political leaders who engaged in it were dealt with in such a draconian fashion. Because of this political dimension of the episode there was deep division in the country over it. The working class and rural poor supported Gairy, while the middle and upper classes were against him. In any event, the scandal caused great damage to Gairy's party and this paved the way for the GNP's return to power in the 1962 elections.

After his defeat in 1962 Gairy returned to his union roots and agitated for wage rises in a context where the governing party showed little concern for the plight of the poor. Gairy also made great play of the fact that the GNP had failed to deliver the promise it made in the 1962 elections to create a unitary state with Trinidad. Because of the historical connections between Grenada and Trinidad and the employment and other opportunities that the latter provided, the GNP's support for a unitary state had won it the votes of many GULP supporters. With the GNP's failure to implement its electoral commitment, Gairy was able to win back many of

his followers. He rebuilt his popular appeal and the memory of his own corruption and lack of action faded.

From the late 1950s growing discord between West Indians and the British government obliged the Colonial Office to concede advances towards independence. While the larger and relatively more developed islands, such as Jamaica, obtained full political self-determination in the early 1960s, the small and severely impoverished territories of the eastern Caribbean were led through a graduated administrative process towards full statehood in the 1970s. In the case of Grenada full independence was preceded by an intermediate status known as Associated Statehood, which granted increased powers of self-rule. The 1967 elections were held under this new constitutional arrangement. As a result, when Gairy easily defeated the GNP he became premier with greater powers than ever before. This did not greatly please the British, who were responsible for the island's external affairs and, in the light of the experience of the previous decade, distrusted Gairy as an erratic demagogue. Yet the consequences of GULP's victory were considerably more severe for Grenadians since the next twelve years of Gairy's government were marked by economic stagnation, domestic repression and personal corruption.

### The Economic Background

Up until the 1950s Grenada was one of the wealthier and better administered territories in the Windwards Islands chain, as was indicated by the better standard of roads and the more widespread educational system that it had up until that period. Due to the havoc wreaked by Hurricane Janet in 1955, however, Grenada lost its position of viability on recurrent expenditure and in 1958 became dependent upon the British government for budgetary assistance, called grant-in-aid. Of course, Grenada's prosperity had only been relative to that of other Windward Islands territories. In absolute terms Grenada remained a bitterly impoverished country whose socio-economic structure had changed little in the last one hundred years. Moreover, recurrent viability was achieved through foregoing development and social expenditure. To quote Jacobs and Jacobs: 'The cornerstone of colonial financial policy was the capitalist orientated concept which viewed the attainment of budgetary surpluses as more essential than attempts to alleviate the poor socio-economic conditions of the working class.<sup>17</sup> Nevertheless, the advent of grant-in-aid did inaugurate an important shift in the relationship between the colony and the metropolis since the principal facet of this system was direct financial control from the Colonial Office. Grant-in-aid gave Britain virtually unlimited powers over the expenditure of Grenada, and resulted in delays in approving budgets and supplementary expenditure as the Colonial Office was unable at a distance to distinguish between frivolous requests and urgent, genuine needs. This situation prevailed in all the grant-assisted territories of the

Caribbean, and in response to criticism the Colonial Office sought to blame the colonies because the grants were not always spent to the schedule planned. Investigation of this problem, referred to by O'Loughlin, showed, however, that of the three causes of such delays, (i) inability of the islands to organize the work; (ii) delays in the Colonial Office; (iii) delays in the receipt of materials ordered, the first could only be blamed to a minor extent.<sup>18</sup> Grant-in-aid also served to stifle development by inhibiting the adoption of new methods or new departures in any field. One of the worst aspects of the system was its limiting influence on the expansion of national debt. In order to keep down the level of assistance the Colonial Office imposed rules that all revenues from public utilities were to be paid into a consolidated fund, and could not be used for such purposes as increasing or replacing the capital assets of the industries concerned. The amount of capital available to the territory was also limited by the low rate of sinking fund permitted - less than 2 per cent per annum - and the restrictions placed on borrowing in the British money markets. It is this system that was primarily responsible for the low standard of public utilities which became a feature of Grenada and other Eastern Caribbean islands.<sup>19</sup>

Gairy resented the economic straightjacket that British aid entailed and in 1969 rejected further assistance. This move was not as radical as it might appear, since the aid was being phased out anyway. But it did provide an insight into Gairy's thinking on the question of external assistance. These views became somewhat clearer in 1972 when, in broaching the question of independence he adopted the slogan: 'Independence will support Grenada, the people of Grenada do not have to

support independence.<sup>20</sup> What Gairy had in mind were the financial resources of the IMF, UN, World Bank and other international institutions that Grenada would have access to upon the attainment of independence.

In structural terms, the basic feature of the Grenadian economy before the revolution was its heavy dependence on three agricultural products - cocoa, nutmegs and bananas - for the bulk of its earnings. (See table 1). These earnings were insufficient, however, to cover the growing costs of imports that provided a large proportion of the country's food requirements (see table 2) and virtually all the manufactured goods, raw materials and fuel used in the country. This gave rise to a persistent and growing balance of trade deficit on visible earnings that was balanced by inflows from the tourist industry, established in the 1960s, and remittances from Grenadians resident abroad. Added to this structural dependence on primary production for export and tourism, was the high per capita cost of government which a population size of around 100,000 persons entailed. Studies conducted at the time of the West Indian Federation showed that the political integration of Grenada with the neighbouring islands would not produce any spectacular savings in government expenditure, even in the cost of administration, and still less in the major recurrent expenditure of education, medical and public health service, agriculture and public works. In order for Grenada to get the same standard of social amenities as larger countries with an equivalent per capita income, she would have to divert a higher proportion of national income to government. This explains why, in spite of relatively high tax rates, Grenada had difficulty managing without grant-in-aid, and why the standard of services in

TABLE 1  
SHARES AND RATES OF CHANGE  
OF SELECTED MERCHANDISE  
EXPORTS - 1975-1978

As a Percentage of Domestic Exports<sup>(a)</sup>

	1975	1976	1977	1978
Cocoa	26.15	26.05	23.98	43.99
Bananas	25.23	23.27	23.32	20.93
Nutmeg	38.39	37.89	43.22	24.15
Mace	5.53	8.42	4.37	3.94
Fresh Fruit	0.34	0.24	0.36	1.27
Furniture	-	0.40	1.09	1.64
Clothing	1.51	1.03	2.04	2.31
Other	2.93	2.62	1.60	1.88

(a) Totals may not add up due to rounding

Source: International Monetary Fund, Grenada: Recent Economic Developments, 1981, p.81.

TABLE 2  
FOOD IMPORTS BEFORE THE REVOLUTION: 1970-1978

Year	Food Imports	Total Imports	Food Imports as % of Total Imports
1970	10,996,582	44,631,756	24.6
1971	12,985,964	46,051,213	28.2
1972	13,292,000	42,811,694	31.0
1973	14,540,408	42,487,129	34.2
1974	15,083,813	37,079,822	41.0
1975	18,256,459	52,818,000	34.6
1976	23,042,870	66,215,392	35.0
1977	29,667,000*	84,763,336	35.0*
1978	33,694,000*	96,268,746	35.0*

\* Estimates

Source: Garth A. Southwell, Background Data on Rural Development Policies and Programmes in Granada: Paper prepared for the 15th West Indian Agricultural Economics Conference, St. George's, 13-19 July 1980, p. 9.



relation to per capita expenditure was not much higher.

Another result of small size was an extremely low efficiency of capital utilization in Grenada. A World Bank study published in 1976 suggested an 'incremental capital output ratio' (ICOR) of six; a very high figure for an economy such as the Grenadian.<sup>22</sup> The high ICOR was, however, only partly due to diseconomies of scale and the high overhead costs of investment in infrastructure which could be spread over a small population. It was also a reflection of government policy and the unproductive utilisation of investment funds, factors that will be examined shortly.

Table 3 shows the modest changes which took place in the structure of the Grenadian economy during the 1960s and 1970s. In the first place, it highlights the continued importance of export agriculture whose contribution to GDP fluctuated marginally at around 33 per cent. The manufacturing sector remained stagnant, never having contributed more than 4 per cent to GDP. The favourable performance made by the construction sector in 1960 was the result of the initial impetus given by the tourist industry in the form of hotel building. The progressive diminution of this sector provides a graphic illustration of the inability of tourism to sustain this activity. The tourist industry did, however, have a sustained impact on the services sector whose contribution to GDP stayed constant between 14 and 16 per cent. Wholesale and retail trade persisted as one of the most important sectors of economic activity, a corollary of the high import content of the economy and the preponderant role played by merchant capital. Finally, the growing importance of government services is also depicted.

Subsequent to the attainment of full independence in 1974

TABLE 3  
 SECTORAL ORIGIN OF GROSS DOMESTIC PRODUCT AT CURRENT PRICES (1960-78) (EC\$ m.)

	1960	1965	1970	1975	1976	1977	1978
	Value	Value	Value	Value	Value	Value	Value
	%	%	%	%	%	%	%
Agriculture, fisheries and forestry	9.45	13.4	14.54	32.7	33.8	36.7	39.0
Mining and quarrying	-	-	-	0.1	0.1	0.1	0.1
Manufacturing	0.67	1.2	2.32	2.4	2.6	3.1	3.2
Electricity and water	-	-	-	1.7	2.0	2.1	2.2
Construction	4.34	3.07	8.91	2.1	2.5	3.0	3.6
Wholesale and retail trade	7.84 <sup>a</sup>	4.37 <sup>a</sup>	9.998 <sup>a</sup>	9.8	11.2	16.3	16.7
Transport and communications	-	1.17 <sup>b</sup>	3.43	4.7	5.4	8.1	8.2
Hotels and restaurants	-	1.05	1.8	2.4	2.6	3.7	4.7
Government services	3.95	4.65	11.76	14.3	21.3	20.5	26.3
General services	-	-	-	14.4	15.3	17.3	17.3
Dwellings	2.13	2.547	4.218	-	-	-	-
Finance	-	1.473	2.112 <sup>c</sup>	-	-	-	-
Services and profession	-	1.68	2.196	-	-	-	-
TOTAL	28.37	34.54	61.27	84.6	96.8	110.9	120.7
	100.0	100.0	99.9	100.0	100.0	100.0	100.0

Notes: a) includes services and transportation; b) does not include communication; c) includes insurance

Source: Caribbean Development Bank, Small Farming in the Less Developed Countries of the Caribbean, Barbados 1980, p.19.

under Gairy, the Grenadian economy went into reverse gear. It has been estimated that the disturbances of 1973-74<sup>23</sup> brought about a catastrophic 33 per cent fall in GNP between 1972 and 1974.<sup>24</sup> A World Bank report published in 1979 pointed out that real per capita income was below the level it had been at the beginning of the decade.<sup>25</sup> An indication of the retrogression is provided in table 4. Of course, the enduring depression of the Grenadian economy was not solely due to Gairyism. It was also caused by Grenada's external dependence and the obstacle to economic activity engendered by the relations of production in the country. The stultifying form of Gairy's government only exacerbated the situation. A consideration of agricultural production will make this point clearer.

After the massive destruction caused by Hurricane Janet to Grenada's nutmeg and cocoa crop, a recovery programme was launched which included the development of bananas. By the late 1960s, cocoa had recovered pre-hurricane levels and banana production doubled; production of nutmeg and its outer-covering, mace, were about one-half of their early 1950s levels because the nutmeg tree takes twenty-five years to reach its prime production period. During the 1970s agricultural activity declined. Between 1975 to 1980 annual production of cocoa was on average 17 per cent below its 1965-70 average level, bananas were 39 per cent below, while nutmeg and mace reached their pre-hurricane levels.<sup>26</sup> At the same time a number of estates dropped out of agricultural production, while those that remained had vast acreages of idle land. An indication

TABLE 4

Real gross domestic product 1970-77 (selected years)

EC\$m (1970 prices)

	1970	1974	1975	1976	1977 (est.)
Real GDP	60	34	36	30	28

Source: Adapted from Trinidad and Tobago Review, May 1979, p. 6

of the decline in farm acreage which occurred was provided by the agricultural census carried out by the Bishop regime in August 1981. In that year the census identified a total farm acreage of 34,243 acres. In 1961 and 1975, the comparable figures obtained were 50,693 and 34,432 acres respectively. Thus, between 1961 and 1975 total farm acreage declined at an annual rate of 1.9 per cent, and for the period 1975-81 the rate of decrease was 2.1 per cent. As regards the number of landholders in the country, comparison of census data is difficult because of definitional problems. In 1961 and 1975 there were 15,319 and 12,565 landholders respectively, indicating an annual fall of 1.4 per cent in the agricultural population. In 1981 the number of landholders was 8,205. Because of the different basis of classification used in that year, however, the decline since 1975 was not as great as it might appear. In fact, taking this factor into account the annual rate of decrease over the period 1975-81 was around 1.5 per cent.<sup>27</sup>

Several factors were responsible for the decline in agricultural activity. First of all, the terms of trade with the West deteriorated markedly. In 1966 the total value generated by Grenada's nutmeg exports

was EC\$58 million and of this amount Grenada received EC\$6 million. By 1977 the corresponding figures were EC\$150 million and EC\$15 million respectively. (See table 5). Grenada's situation vis à vis the West has been summarized by Brizan in historical terms: 'In the eighteenth century, Grenada exchanged sugar and coffee for wines and horses. The sugar was then processed in England. That was the era of the Old Mercantilism. Today, the structure is the same all that has changed is the form. Instead of sugar it is cocoa and nutmegs and instead of a horse it is a car. This is the era of the New Mercantilism.<sup>28</sup>' The other main factor that caused the demise of agriculture were the policies of the Gairy administration. In the early 1970s Gairy launched a land reform programme, called 'Land for the Landless'. Under this scheme the government acquired around twenty-six estates in the country. Landowners sold their estates to the government because of fear of take-over, increasing labour costs and the difficulties involved in getting labour to work on the land. The net effect of the policy, however, was to reduce the amount of land in productive use. Among the reasons for this was the fact that some of the land acquired was non-productive; and of those lands that were actually distributed most were sold in very small lots, in some cases to previous tenants and squatters. Some of the lands had no clear boundaries or titles, thus making both payment and development quite difficult. By withholding compensation to those landowners he disliked, Gairy used the scheme as a political weapon. It also served as a basis for political patronage. The lands were made available to supporters of Gairy, and it was his followers that were employed on the estates that

TABLE 5

GRENADA'S SHARE OF TOTAL VALUE  
IN THE NUTMEG TRADE: 1966-1977

	Volume of exports		Total final value of Grenada's exports EC\$ million	Grenada's share of total value EC\$ million
	Nutmeg lbs million	Mace lbs million		
1966	3.103	0.431	58.60	6.156
1967	1.158	0.109	22.20	2.332
1968	3.019	0.333	28.60	2.978
1969	3.155	0.401	29.43	3.003
1970	3.228	0.374	37.20	3.796
1971	3.735	0.521	39.02	3.982
1972	4.348	0.734	41.06	4.190
1973	2.888	0.629	37.28	3.804
1974	3.015	0.452	73.95	7.546
1975	2.645	0.221	80.07	8.170
1976	6.529	0.763	144.75	14.771
1977	5.819	0.741	150.03	15.304
Total	42.642	5.709	742.19	75.972

Source: George Brizan, The Nutmeg Industry: Grenada's Black Gold.  
St. George's, 1979, p. 18.

remained intact. Produce from the estates was used to supply the restaurants and hotels which Gairy acquired as his own personal property and the state farming sector as a whole served as a power base in the countryside. Gairy further upset the agricultural industry by tampering with the island's three marketing associations, the Grenada Co-operative Nutmeg Association (GCNA), the Grenada Banana Co-operative Society (GBCS) and the Grenada Cocoa Association (GCA). These are statutory bodies that have exclusive powers to buy the entire crop they represent, market it and, after deducting an operating commission, pay producers according to output. In the early 1970s there were fears that Gairy was trying to get access to the funds of the associations and in response the GCNA transferred its money to a bank in Barbados. Gairy retaliated by introducing a law prohibiting the associations depositing money abroad. Subsequently Gairy moved to take control of the associations. Alleging that the GCNA was 'acting more like a political organisation rather than a co-operative',<sup>29</sup> in 1975 the Gairy regime dissolved the association's board of directors and appointed an interim board of planters who supported the GULP. At the same time the right of growers to elect members of the board was withdrawn and local area meetings were discontinued. Similar measures were introduced in the GCA and the GBCS.

The overall effect of Gairy's capricious and autocratic inroads into agriculture was to drastically reduce the confidence of the remaining estate owners in agricultural production. Since these owners held important economic and



ideological influence over society as a whole, the consequences were quite pervasive. As the Chamber of Commerce remonstrated in its 1978 annual report: 'Excessive acquisition of estates is a disincentive to investment in agriculture as well as in the manufacturing sector especially as dispossessed owners experience much difficulty in receiving compensation.'<sup>30</sup>

Like estate owners, the peasantry also fared badly under Gairy. Peasant agriculture in Grenada has been severely handicapped by the widespread incidence of parcelling and subdivision of holdings. This has largely been a consequence of the system of joint inheritance, under which each family member receives an equal share of the family property unless otherwise denoted in a will. In a study of small farming in Grenada, Brierley gives a specific example of how this system can impede agricultural production: '... a farmer in St. Patrick's parish, because he had been unable to inform his two brothers in England of their father's death and therefore lacked their consent to work the family land, felt obliged to work only half an acre as a subsistence plot, and had left over seven acres of fertile, unfragmented land in an unproductive state for eight years.'<sup>31</sup> Excessive fragmentation of holdings encumbered agriculture in a number of other ways. These included the high degree of land wastage caused by the superfluous number of footpaths and fences, the added costs incurred from the time and expense involved in shifting inputs from one plot to another, the increased burden of supervision, the problems involved in developing adequate drainage and irrigation systems, the difficulties of applying advanced farming techniques and chemical inputs, and the added risks of praedial larceny in

a society of rural deprivation. While the Grenadian peasant traditionally provided a considerable proportion of the country's agricultural produce - 63 per cent of nutmegs, 30 per cent of bananas, 50 per cent of cocoa, 85 per cent of food and vegetable crops, 93 per cent of sugar cane - he or she faced considerable problems in obtaining credit. The requirements of the four foreign-owned commercial banks - Barclays Bank International, Royal Bank of Canada, Bank of Nova Scotia, Canadian Imperial Bank of Commerce - were such that the majority of peasants were unable to utilize their facilities. Moreover, the Grenada Agricultural and Industrial Development Corporation (GAIDC) set up by the Gairy regime to assist industry and agriculture, disbursed an insignificant number of loans to peasants and soon became a major casualty of government corruption. Table 6 shows that up to 1975 loans made available by the GAIDC were dominated by the traditional export crops. However, the relative proportion of loans disbursed to that sector steadily decreased after 1974. But it was fishing and student loans and not domestic agriculture which replaced export agriculture. Moreover, the total number of loans made was very small in comparison to the number of potential clients - over 12,000.<sup>32</sup> As regards GAIDC's finances, some 50 per cent of the original EC\$2.5 million loaned to the Corporation by the Gairy regime could not be accounted for. Two of the managers appointed by the GAIDC, George Marryshow and Roy Banfield, were stooges of Gairy who allowed him to direct the Corporation and channel its fund to his supporters. In 1977 the Caribbean Development Bank (CDB), which from 1972 onwards provided all the Corporation's funding, refused to make any more loan disbursements because of the corruption. Referring to this and other instances of

TABLE 6  
 GRENADA AGRICULTURAL & INDUSTRIAL DEVELOPMENT CORPORATION LOAN  
 DISBURSEMENTS BY SECTORS 1965-1978

Sector	1965-74		1975		1976		1977		1978	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
Export Agriculture	1863	2,400,736	275	129,829	201	86,751	73	36,524	32	10,229
Domestic Agriculture	153	263,201	35	30,302	77	35,810	78	21,441	36	9,801
Livestock	144	117,961	24	10,830	9	3,878	42	18,433	14	5,850
Fishing	147	189,317	22	24,115	102	83,364	101	63,381	49	22,094
Purchase of Lands	102	387,209	6	16,107	13	74,897	12	8,918	2	14,995
Small Industry	-	-	-	-	-	-	3	4,971	-	-
Student Loan	-	-	6	19,494	-	-	28	59,658	5	43,479
Subsistence	-	-	-	-	-	-	9	3,300	23	16,898
	2409	3,358,424	368	230,677	402	284,700	346	216,626	161	123,346
		100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Small Farming in the Less Developed Countries of the Caribbean, p. 46

'inadequate managing and accounting practices', the 1979 World Bank report on Grenada commented dryly: 'More than the other LDCs [Less Developed Countries of the Caribbean Community] Grenada has been hampered by the weakness of its institutions.<sup>33</sup> In any event, at the end of 1978 the CDB resumed making loans to the Corporation when a new manager, Charles Alleyne, was appointed.<sup>34</sup> The Grenadian peasantry also suffered as a result of the disorganization of Grenada's domestic marketing organization. Between 1960 to 1965 the marketing organisation sustained losses in excess of \$58,400, not including the salaries of administrative and clerical staff and sundry incidentals. Along with inadequate storage facilities, mismanagement was the major reason for the losses. In 1978 the Board had no duly appointed manager. It had not been provided with funding nor operating capital. In that year the total produce handled amounted to only EC\$5,700.<sup>35</sup>

During the 1960s and 1970s Grenada's agricultural industry was also affected by the exodus of young people from the countryside. Increasingly exposed to the demonstration effects of Western tourism, the young people of Grenada lost interest in working on the lands owned by their parents; and in ever larger numbers they sought alternative means of employment through migration or in the informal and tertiary sectors associated with the tourist industry. Although significant in local terms, compared to other Caribbean islands the movement from the countryside was modest. Between 1960 and 1970, the net annual rate of rural-urban migration was 0.6 per cent - a low figure. Furthermore, data compiled on the age distribution of farm employment in 1975 found that a significant proportion of the country's youth were still

found to be living and working in the agricultural sector.<sup>36</sup> Thus, Grenada was somewhat out of line with most other Caribbean territories where a mass exodus from the countryside had swelled the environs of the chief urban centres and given rise to an acute social crisis. In any event, as a result of the rural exodus and the other factors already mentioned, serious labour shortages developed and were pushed to levels which rendered farming unprofitable in many instances.

Apart from providing alternative means of employment for Grenada's rural inhabitants, the advent of tourism brought about social changes and was also responsible for some of the structural changes that took place in the economy. In concluding his study of the economics of tourism development in the Eastern Caribbean in the 1970s, John M. Bryden presents an analysis which is highly germane to the Grenadian situation: '... there is reason to suppose that tourists and/or expatriate employees, qua reference groups, may well influence the consumption patterns of indigenes with whom they come into direct or indirect contact. Such an influence would almost inevitably mean a switch from locally produced to imported commodities. Such a process, operating through the supply of factors, and the demand for locally produced commodities, would explain many of the structural changes which have taken place in those islands which have experienced rapid growth in their tourist sectors during the decade, notably a tendency for the propensity to import to rise, and for both domestic agricultural production and production of agricultural commodities for export to decline.'<sup>37</sup> The main feature of the Grenadian tourist industry was its high class nature, most of the hotels being small and exhibiting a high ratio of staff to guests. The industry was also characterised by a significant

amount of excess capacity. In 1977 bed occupancies averaged 26.6 per cent and room occupancies about 45 per cent; the latter rose to a high-season figure of 75-80 per cent and fell to a low season figure of 20-25 per cent.<sup>39</sup> The overwhelming majority of visitors to Grenada were cruise ship passengers who spend much less money than stay-over visitors. The economic impact of tourism was also constrained by the high leakage of visitor expenditure into imports, which in 1976 was put as high as 50 per cent.<sup>39</sup> Thus, tourism reinforced the high import content of the economy. It also led to a substantial growth of real estate. A large number of foreigners built holiday and retirement homes in some of the most congenial parts of the country, and this gave rise to a substantial increase in land prices and speculation. A large amount of the agricultural land that dropped out of production either shifted to, or was reserved for private residential development. The effects of Gairyism on the tourist industry were as devastating as those in agriculture. The events of 1973-74<sup>40</sup> and the image that emerged of Gairy as a ruthless despot, caused a dislocation of the industry from which it did not recover until 1978. (See table 7).

Turning to construction, road building was another tale of woe under Gairy. Poor roads had long been recognised as a serious problem, and in 1975 a contract was awarded to a foreign company to complete some 30 miles of feeder roads in three years. In June 1977, however, construction activities came to a halt with only 6 miles completed. Work which had been started on another 9 miles was suspended. Four main reasons were responsible for the collapse of the project: poor management, bad allocation of personnel, corruption; and the attempt by the firm to utilize non-labour intensive

TABLE 7

TOURIST ARRIVALS: 1970-1978

Category	1970	1971	1972	1973	1974	1975	1976	1977	1978
Stay-over visitors	30,436	35,626	37,933	33,490	14,723	21,059	24,551	28,536	32,336
Cruise ship passengers	41,261	48,652	94,060	132,297	57,644	85,460	106,382	108,465	116,331

Source: Small Farming in the Less Developed Countries of the Caribbean, p.17; Caribbean Tourism Research and Development Centre, Caribbean Tourism Statistical Report 1981, Barbados 1981, pp. 83,85.

techniques in a situation of high unemployment and where road work was 'an important part of the political patronage system'.<sup>41</sup>

Grenada's comprador bourgeoisie was frustrated by the policies of the Gairy regime. The importance of this class in economic affairs was shown in the statistics released by the foreign-owned commercial banks. In 1978 bank loans made available to the distributive trades sector amounted to EC\$18,456,000. At the same time, loans to agriculture, manufacturing and tourism totalled EC\$6,322,000, EC\$1,134,000 and EC\$4,454,000 respectively. (See table 8). For its part, the comprador bourgeoisie was not content with carrying out its traditional import and export functions and aspired to set up industrial enterprises. However, Gairy's economic policies hardly generated a climate of confidence among the business class. The annual reports of the Chamber of Commerce for the years 1978 and 1979 provide some information on this. In 1978 the Chamber demurred that potential investors were disinclined to come to Grenada because of the Gairy government's failure to provide vital information and statistics about the country. The Chamber called on the government to take active measures to promote industry and encourage investment. In putting its case, the Chamber referred to proposals made in a recent study prepared by the London-based Economist Intelligence Unit. Citing this study the Chamber noted: 'The recommendation that government should enter into an internationally binding agreement to guarantee investors against the arbitrary seizure of their property is also considered important.'<sup>42</sup> The 1979 annual report returned to the theme of industrial promotion. It pointed to a certain ambivalence and incompetence in the Gairy regime's attempt to take steps in



TABLE 8  
ANALYSIS OF COMMERCIAL BANKS' LOANS AND ADVANCES: 1973-1978  
 (EC\$ '000)

As at December	1973	1974	1975	1976	1977	1978
1. Agriculture	2,010	2,484	4,789	3,369	6,033	6,322
2. Manufacturing	2,347	2,570	2,165	1,608	1,897	1,134
i) Food and non-alcoholic beverages	1,176	454	424	151	118	129
ii) Alcoholic beverages and tobacco	429	219	326	62	113	228
iii) Clothing and accessories	158	375	134	115	242	215
iv) Other	584	1,522	1,281	1,280	1,424	562
3. Distributive trades	17,549	17,251	14,991	13,821	15,275	18,456
4. Tourism	4,054	4,128	3,611	3,946	4,400	4,454
5. Transport	1,478	1,132	1,554	1,509	2,019	2,776
6. Public utilities	1,021	872	919	1,235	1,270	1,063
7. Building and construction	2,016	3,233	3,201	3,088	4,898	4,130
8. Government and statutory bodies	10,639	10,943	10,653	9,474	7,248	9,428
9. Personal	8,197	7,258	6,784	8,156	12,666	14,122
10. Other	4,699	1,666	3,151	2,627	2,238	3,325
<b>TOTAL</b>	<b>54,010</b>	<b>51,537</b>	<b>51,818</b>	<b>48,833</b>	<b>57,914</b>	<b>65,210</b>

Source: Central Statistics Office, Grenada Abstract of Statistics 1979,  
 St. George's 1979, p.116

this direction: 'The Chamber's representative on the Board of Directors of the Agricultural and Industrial Development Corporation reported before resigning from the Board, that he had moved a motion in the terms of the mandate given to him to get the Corporation to fully implement, as a matter of urgency, the recommendation of the Economist Intelligence Unit with regard to the active promotion of industry. The motion was enthusiastically received and was passed unanimously. The Corporation thereupon wrote the Minister of Finance, Trade and Industry in July 1978 requesting provision for the necessary qualified staff. It was thought that technical aid would have been provided by one of the United Nations agencies but it appears that no action was taken on the Corporation's application. However, the Prime Minister subsequently appointed the Operation Industrialisation and Employment Bootstrapping Committee to encourage rapid development of small industry by the provision of assistance in plant and machinery and by Government participation by taking shareholding in exchange for the plant and machinery up to a maximum of 49 per cent. It appears that the Committee was unable to achieve any positive results and it is hoped that the Corporation, which was established by law for the purpose, would be given the necessary 'tools for the job' at an early date so that some progress could be made in the promotion of industry.<sup>43</sup> In subtle but no less uncertain terms, the Chamber drew attention to the Gairy government's floundering and incapacity to institute an effective programme of industrialization.

Notwithstanding the importance which he himself placed on external assistance, Gairy also displayed incompetence in providing adequate channels for obtaining outside aid. Mention has already been made of the incident involving the

CDB in 1977. In the same year, foreign governments and international agencies pledged EC\$21.8 million to Grenada. On account of the inefficiency and malpractices, however, only EC\$2.8 million was actually taken up. Moreover, because of the failure to pay constitutional levies, Grenada was, in the last year under Gairy on the verge of losing its vote and participation in bodies such as the UN, UNESCO, the World Health Organisation and the University of the West Indies.<sup>44</sup> Because of the state of disorganization, these bodies had come to play an important role in the economy. As a CDB study noted: 'Government planning ...has been fitful, and has essentially been a function of the disposition of the various international agencies.'<sup>45</sup> Furthermore, because of the absence of local financial resources the great bulk of capital spending on the island came from these regional and international sources. The drying up of these funds therefore signalled the termination of what little economic development was in progress.

## Class Formation in Grenada

On account of the country's diminutive size it is extremely difficult to apply class analysis to the Grenadian social formation. In such a tiny nation, family ties are ubiquitous and are usually more determinant of an individual's behaviour than his or her relationship to the means of production. Moreover, Grenada is a society of migration. Ever since the ending of slavery Grenadians have travelled far and wide in search of work, and their earnings abroad and the remittances they send home have greatly influenced the process of class formation in the country.<sup>46</sup> Today there are reported to be twice as many Grenadians in Trinidad and Tobago than in Grenada, and twice as many again in the US and Britain. The problem of class analysis is further complicated by the distortion introduced by colour. As in other Caribbean states, the traumatic experience of chattel slavery has given rise to a fixation on race which both mediates and obscures class conflict.<sup>47</sup> Finally, perhaps to a greater extent than many other countries in the region, all classes in Grenada still have ties to the land. Hence, attitudes and customs borne of land ownership are quite generalized. In spite of these difficulties, however, it is possible to delineate the principal social classes in Grenadian society and identify their main characteristics. Furthermore, it is incumbent upon us to make such an analysis, since without one it would not be possible to explain<sup>48</sup> adequately the class-based policies of the Bishop regime.

Starting at the top of the class structure, it is relatively easy to demarcate the planter class. The modern

plantocracy bears little resemblance to its white slave-based predecessor in that most big landowners are black Grenadians. The de Gale family, owners of the River Antoine estate in St. Andrews, are the only significant group of planters who can trace their origins back to the period of slavery. Their forbears once owned vast acreages all over Grenada.<sup>49</sup> With family ties and other interests in Britain, they are also one of Grenada's small group of absentee landowners. Most other planters acquired their properties in the twentieth century. Some, such as Percy Campbell, were the former managers of estates owned by long established planters. Another group, represented by the East Indian Ramdhanny family, acquired their estates through activities in agriculture. Legal services provided another means of obtaining an estate in that lawyers were sometimes given an estate in part payment for services rendered to a planter in financial difficulty. It is said that Sir Dennis Henry, a prominent Grenadian lawyer, acquired the Mirabeau estate in St. Andrews in this fashion. Finally, a number of planters made their money working abroad. Thus, the present day planter class is broad-based and includes whites, blacks and East Indians.

In formal terms at least, the plantocracy became a capitalist class at the end of the 1930s when the metayage system was discontinued and wage labour was introduced on the plantations. It was, however, to be a very retrograde capitalist class in that there was no introduction of modern technology and work methods remained pretty much the same as they had been during slavery.<sup>50</sup> As the Financial Times commented in 1971: '... the planting elite is not noted for its progressive ideas: estates are still run on primitive lines and the average plantation worker is a sullen individual whose job is a social

stigma. A change in the system could well do some good.<sup>51</sup>

The agricultural census carried out by the Bishop<sup>regime</sup> provides some data on the size of the planter class. At this time the revolutionary government had not yet expanded the state farming sector, so the figures depict the situation before the government's intervention. The estates acquired by the Gairy regime accounted for some 10 per cent of farm acreage and 33 per cent of the farms over 100 acres. If one defines a planter in Grenada as a person who owns more than 100 acres of land, then in 1981 the planter class, representing less than 0.3 per cent of all landholders, owned 20 per cent of the total acreage. (See table 9).

The second and most powerful component of Grenada's capitalist class is the merchant class or the comprador bourgeoisie. A number of merchants in Grenada are also plantation owners, and many of those who are not have family and other direct connections with the planter class. As an open economy heavily reliant upon trade with the outside world, throughout Grenada's history merchants have been the most important social group. Up until the mid-twentieth century, the marketing of agricultural products was in the hands of private dealers. As a result, the peasantry and the planter class suffered severe exploitation, with agricultural produce being the target for thieves. It is alleged that stolen cocoa was sometimes transported at night in coffins, apparently to terrify the curious.<sup>52</sup> From the 1930s onwards, however, the colonial government took steps to control the marketing of cocoa and nutmegs and remove the private dealers from agriculture. In 1946 the Nutmeg Industry Ordinance was introduced which established the GCNA. Although the dealers protested vehemently and got their supporter, J.B. Renwick, to

TABLE 9

LAND DISTRIBUTION: 1981

SIZE OF FARMS Acres	ACREAGE %	FARMERS <sup>(a)</sup> %
0	0.00	3.59
0 - 0.5	2.48	27.79
0.5 - 1	4.01	18.05
1 - 2	7.63	18.59
2 - 5	16.93	20.28
5 - 10	12.01	6.90
10 - 15	6.07	1.98
15 - 20	3.90	0.91
20 - 25	2.24	0.40
25 - 50	6.12	0.71
50 - 100	7.56	0.45
100+	31.00	0.29

(a) Includes private, state and co-operative farms.

Source: Ministry of Planning, Final Report on Grenada  
Agricultural Census 1981, St. George's 1982, p.28.

campaign in the Legislative Council on their behalf, the<sup>53</sup> monopoly position of the Association remained intact. In the 1960s the GCA and the GBCS were created.

With its avenues for development in agriculture blocked, Grenada's merchant class expanded its operations in the whole-sale and retail trade and gained a predominant interest in the country's tourist industry. The three largest companies on the island are merchant houses which are roughly equal in size. The oldest, Jonas Browne and Hubbard (Grenada) Ltd, started operations in the 1830s. Originally owned by an English family, the company was taken over by Grenadians who now own over 90 per cent of the shares. Ownership is broad-based with no shareholder owning more than 15 per cent of the share capital. The companies activities include shipping, insurance, trading in lumber and hardware and retailing household goods, food and motor vehicles. Hubbards' interests extend to some of the most expensive real estate in Grenada, including the Grand Anse shopping centre and the Food Fair retail complex on the Carenage in St. George's.<sup>54</sup> The second of Grenada's leading companies, Geo. F. Huggins (Grenada) Ltd, was established in the 1920s as a subsidiary of Geo. F. Huggins (Trinidad) Ltd based in Trinidad. In the early 1970s the parent company was bought by Geddes Grant Ltd, one of the largest domestic companies in Trinidad and Tobago,<sup>55</sup> and the Grenadian company became a subsidiary of Geddes Grant. Huggins engages in similar activities to those of Hubbards. It is also an important tour operator and owns an important factory called Caribbean Agro Industries, which produces flour for domestic consumption and export.<sup>56</sup> W.E. Julien and Co Ltd is the third leading merchant house and was founded in 1937 by W.E. Julien and several other Grenadian entrepreneurs. Today the company is primarily in the



hands of the Julien family, who also own property in Barbados, and the Taylor family based in Grenada. Again, Juliens carries out standard wholesale and retail activities and also controls the local *Coca Cola* factory, Grenada Bottling Plant Ltd.<sup>57</sup> Complementing the activities of the three largest companies are a host of smaller family based merchant houses whose operations are more specialized. Included amongst these are Bain and Sons Ltd, L.L. Ramdhanny and Co Ltd, M.A. Bullen and Sons Ltd and L.A. Purcell.

The preponderant role played by merchants in Grenada, a corollary of the dependent and 'open' nature of the economy, has itself given rise to a trading mentality which permeates the capitalist class. As Kenrick Radix, the Minister for Justice, Industrial Development and Fisheries under the Bishop regime, explained in an address given in 1981: 'In fact one can say quite honestly that the situation in Grenada and indeed, in the so-called less developed countries is that a historic attitude has been developed in a class, whereby it simply gets a letter form, puts on a 10¢ stamp and writes off to England or the United States and says, "would you send me down ten yards of cloth please, two dozen needles and a couple of pairs of shoes?" And then that comes back and a high mark up is put on and they make the money that way. This is part of the **historical** legacy of this region.<sup>58</sup> In concluding this discussion of the capitalist class, mention should also be made of the hotel owners, who are in the main Grenadian, and a number of other enterprises that are owned by foreign companies. Regional and international firms dominate banking and insurance and control several commercial outlets and industrial establishments.

The intermediate classes in Grenada, the petty bourgeoisie and the middle class, have family, ethnic and economic links

with the capitalist class.<sup>59</sup> As in many other Third World countries, the petty bourgeoisie has a large mercantile fraction.<sup>60</sup> The marketing of foodstuffs for domestic consumption is mainly performed by itinerant and sedentary vendors called hucksters. They are also responsible for the main bulk of Grenada's exports of fruits and vegetables to neighbouring states. The produce is transported in privately-owned boats. Boat-building and sea transport are also important domains of the petty bourgeoisie. Most of the boats are built in Carriacou and form the basis of the 'Bobul trade' or smuggling, which is a major source of income for Carriacouans.<sup>61</sup> The boats are also used for fishing which is a full- or part-time activity for many people living on the coast. It is estimated that in 1976 there were 1,450 fishermen, 300 fish vendors and around 850 fishing boats in the country.<sup>62</sup> Road transport is another preserve of the Grenadian petty bourgeoisie. Prior to the revolution all private transport in the country was privately owned. Country buses, consisting of an imported chassis and a locally made wooden body, transport both people and agricultural produce to towns. Since the 1960s enterprising individuals have purchased imported minibuses which rapidly became the most popular form of public transport. Minibuses are also used to carry tourists. The more affluent tourists, however, are served by a fleet of individually owned taxis which provide a substantial but intermittent income for a number of people.<sup>63</sup> Another component of the petty bourgeoisie is the small shopkeeper. Included in this category are many professionals who use part of their homes for retail purposes. Due to the importance of tourism and migration, the letting of accomodation is another source of income for a broad cross-section of society. Family-owned guest houses and

private homes supplement the accomodation provided by hotels, and Grenadian nationals resident abroad have built houses which their relatives let as a source of income. On account of the country's extremely low level of development, Grenada is served by a network of tradesmen and artisans. Among these, motor mechanics are an important group because of the poor state of the country's roads.

Grenada's informal sector, the unemployed and under-employed who engage in 'marginal' activities,<sup>64</sup> may be viewed as a lower stratum of the petty bourgeoisie.<sup>65</sup> In 1970 some 42 per cent of the population was unemployed, and underemployment extended to another 20 per cent of Grenadians. (See tables 10 and 11). So one can see that the category under discussion is a significant one. As in other Caribbean islands, tourism provides the basis for the somewhat precarious livelihood of the informal sector. Into this group should be placed beach vendors, usually older women selling home-made clothes, fruits and spices to tourists, beach boys, who provide drugs, companionship and sexual services, prostitutes and 'walking taxis', that is young children who offer to take tourists on guided tours. Déclassé layers also obtain an income and food from praedial larceny, a phenomenon that has been facilitated by the disorganized state of the country's agriculture. And remittances from abroad are sometimes sufficient to enable an 'unemployed' person to forgo the need for wage labour.

Turning to the agricultural section of the petty bourgeoisie, the peasantry, great care should be exercised when trying to demarcate its ranks. For, as mentioned above, all social strata in Grenada have ties to the land. Thus, it necessary to differentiate the true peasantry, namely those who are primarily dependent upon the land for their

TABLE 10  
EMPLOYMENT BY INDUSTRY - 1970

INDUSTRY	MALE	FEMALE	TOTAL
Agriculture, Forestry, and Fishing	5,504	3,097	8,601
Mining and Quarrying	16	14	30
Manufacturing	1,405	653	2,058
Construction	3,448	666	4,114
Electricity, Gas, Water and Sanitary Services	219	21	240
Commerce	1,273	1,208	2,481
Transport, Storage and Communication	1,254	77	1,331
Services	2,213	3,545	5,758
Not stated or not elsewhere classified	754	432	1,186
TOTAL WORKING	16,086	9,713	25,799
All adults not attending school	19,409	24,800	44,209
Rate of economic activity	82.9%	39.2%	58.4%

Source: Grenada Abstract of Statistics 1979, p. 20

TABLE 11

NUMBER OF MONTHS WORKED  
IN LAST 12 MONTHS - 1970

NUMBER OF MONTHS	MALE	FEMALE	TOTAL
Under 2 months	331	407	738
2 - 3 months	510	392	902
4 - 5 months	718	621	1,339
6 - 7 months	1,567	1,167	2,734
8 - 9 months	1,800	1,063	2,863
10 - 11 months	984	575	1,559
12 months	9,826	5,489	15,315
Nil or not stated	3,673	15,086	18,759
TOTAL	19,409	24,800	44,209

Source: Grenada Abstract of Statistics 1979, p. 21

livelihood, from other categories who simply derive a portion of their income from the land. The 1981 agricultural census showed that 49.07 per cent of landholders in Grenada worked in agriculture full-time, that is derived all of their income from the land. Of those who worked part-time, 30.5 per cent were estate workers, 20.8 per cent were employed with government and 19.2 per cent were tradesmen and artisans. Smaller percentages were employed as taxi drivers, shopkeepers, fishermen, professionals and businessmen.<sup>66</sup> Thus, an important segment of the Grenadian peasantry may be described as a semi-proletariat, that is an intermediate layer which retains ownership of its means of production in agriculture or service trades but is obliged to work part of the time as wage labour.<sup>67</sup> This stratum should be borne when we come to our analysis of the proletariat.

It is also possible to use data from the agricultural census to differentiate other segments of the peasantry. Thus, the census provided information on the extreme diversification of Grenada's agriculture. More than 20 per cent of landholders cultivated seven different crops. This is a reflection of environmental conditions, the low level of farming expertise and the landholders' concern to avoid risk by investing in more than one crop. Given the mixed nature of farming in Grenada some five acres is required to support a family in agriculture. This figure enables us to distinguish between the poor peasants and the middle peasants. Those landholders owning five acres and more are not obliged to sell their labour power and are therefore in a different situation to those owning less than this amount who must supplement their income with some other pursuit or live in a state of dire impoverish-

ment. Some of those owning less than five acres, however, are professionals and other high income categories, and it would be necessary to identify these in order to arrive at a precise figure for the number of poor peasants. In any event, it is instructive to note that according to the census 88.30 per cent of landholders owned less than five acres and accounted for just 16.93 per cent of the total farm acreage. (See table 9). The problem of strata that are only partially based in agriculture is much less significant when it comes to landholders owning over five acres because the vast majority of them work full time in agriculture.

The distinction between middle peasants and rich peasants is based on the size of landholdings and the nature of the labour that is employed. Middle peasants are independent smallholders who rely on family labour and that of associates to cultivate their land. Rich peasants, on the other hand, own significantly greater amounts of land, and although they often participate in farm work they are mainly dependent upon wage labour. Unlike planters, who own estates and employ managers to run them, rich peasants are directly involved in the business of farming.<sup>68</sup> Thus, using the admittedly arbitrary figure of 20 acres as the dividing line between middle and rich peasants, in 1981 the middle peasantry comprised 9.7 per cent of landholders and accounted for 21.98 per cent of the land and rich peasants (owning less than 100 acres) comprised 1.56 per cent of landholders and accounted for 15.92 per cent of the land. (See table 9).

From what has been said so far, one can see that the Grenadian peasantry is primarily a poor peasantry, owning small parcels of land scattered all over the country's mountainous terrain. Moreover, land ownership and 'peasant

consciousness' is a feature of numerous strata in society, making petty bourgeois attitudes and aspirations pervasive. Without doubt, the petty bourgeoisie has deep roots in Grenadian society and in numerical terms is the most important class of all. This is reflected in housing tenure statistics that show that the vast majority of Grenadian families own their own homes. (See table 12).

We can now turn to the pivotal component of the intermediate classes, namely the middle class. Like other Caribbean islands, the Grenadian middle class is an outgrowth of the colonial state bureaucracy. As Grenada progressed along the road to full statehood, the white officials sent from Britain were replaced by light skinned Grenadians who aped the customs and political values of their Anglo-Saxon predecessors. Also, the increasing sophistication of the Grenadian economy created a demand for lawyers to handle contracts, and managers, clerks, book keepers and shop assistants to keep goods in circulation. And as more and more schools were established, the number of teachers in the country grew. CLR James has provided us with a very perceptive analysis of the political outlook of the Caribbean middle classes spawned by British colonialism: 'For generations their sole aim in life was to be admitted to the positions to which their talents and education entitled them, and from which they were unjustly excluded. On rare occasions an unexpected and difficult situation opened a way for an exceptional individual, but for the most part they developed political skill only in crawling or worming their way into recognition by government or big business. When they did get into the charmed government circles or government itself, they either did their best to show that they could be as good



TABLE 12

HOUSING TENURE 1970

TENURE (a)	
Owned	15,051
Leased	50
Rented	2,708
Rent Free	1,355
Squatted	8
Other	91
Not stated	399

(a) All non-institutional households

Source: Grenada Abstract of Statistics 1979, p. 25

servants of the Colonial Office as any, or when they rose to become elected members in the legislature, some of them maintained a loud (but safe) attack on the government. They actually did little. They were not responsible for anything, so they achieved a cheap popularity without any danger to themselves.<sup>69</sup> While James' description of the political outlook of the Caribbean middle class is accurate for the colonial period we shall see that by the 1970s the offspring of this class had undergone a process of radicalisation. And a subgroup of this young middle class, namely the intelligentsia, was to play a decisive role in the Grenadian revolution.

The Grenadian proletariat is a somewhat amorphous class. It is based in agriculture and the service activities associated with commerce and tourism. The changes that took place in the economy from the 1950s onwards strengthened the position of the urban and tertiary strata at the expense of the rural working class. Thus, whereas the agricultural workforce dropped from 12,432 in 1946 to 8,662 in 1970, a fall of some 30 per cent, the number employed in the service sector rose sharply to a figure of 5,758 in 1970. Between 1960 and 1970 the workforce increased by around 33 per cent in construction, and 48 per cent in transport and communication. (For the 1970 figures see table 10). As for the manufacturing sector, the number employed did not rise appreciably. A survey completed in 1977 identified 120 manufacturing units, of which more than half were cottage industries with fewer than five employees. The largest employer in manufacturing was the brewery with seventy-six permanent jobs.<sup>70</sup> The greatest concentration of workers in Grenada, however, is to be found on the docks. Thus, the urban and industrial segments of the working class are not only small in numerical terms but also extremely atomised. When one takes into account the predominantly petty bourgeois configuration of the society at large and its geographical and social features, one can readily appreciate that proletarian class consciousness would tend to be extremely

feeble. Many of those employed in hotels, commercial establishments and shops obtain their jobs through family, religious and other social connections and therefore have extra-economic obligations to the enterprise in question. Because of their farming interests and responsibilities many urban workers consider paid employment to be a privilege and therefore readily succumb to the dictates of employers. Again, on account of the fact that most employers are persons of high social status deference to the employing class is commonplace. Under Gairy patronage and nepotism were given a free rein in public employment. And Gairy himself would personally appoint to posts in government departments women who took his fancy. This encouraged the spread of 'sexploitation', the sexual abuse of women in employment. All of these factors served to impede the maturation of proletarian class consciousness.

If one examines the rural working class, a similar picture emerges. Reference has already been made to the ambivalent position of the semi-proletariat. Due to the tree crop nature of agricultural production and the country's topography, most estates do not extend beyond 400 acres and employ less than sixty workers. Moreover, working conditions and the farming methods used do not facilitate the emergence of a collective identity. Although probably the most volatile section of the proletariat, plantation workers in Grenada are also the most conservative. Gairy's patronage network in agriculture only reinforced this phenomenon. In 1980 the Bishop regime obtained documentary information about working conditions in the countryside from the commission of inquiry set up to investigate the circumstances that led to the occupation of the River Antoine estate in February that year.<sup>71</sup> Based on an inspection of the plantation made by commission

members and the oral statements of estate workers, the commission's report presented a stark picture of patronage, exploitation and ignorance. River Antoine produces cocoa, coconuts, bananas and sugar cane, and is renowned for the rum that is also made. The estate covers over 400 acres. At the time of the inquiry fifty-three workers were employed; thirty men and twenty-three women. The workforce consisted of a principal gang of field labourers and a group of specialist workers who worked in the distillery. Field workers were paid only EC\$6.15 (men) and EC\$5.15 (women) a day after deductions, while specialist workers earned slightly higher wages at different grades. Retired workers received a pension of EC\$16 a fortnight, having contributed up to 35 cents out of their daily wage to the estate's provident fund. Most retired workers were dissatisfied with the pension they received.

The majority of workers lived in the nearby village of La Poterie in greatly overcrowded houses. On average, there were seven persons to a house whose measurements were 10 feet in height and 7 feet and 10 feet in width and length respectively. Starting at 8.00 in the morning, the field labourers worked according to task; each day a different set of instructions would be given. In the main, the work consisted of harvesting cocoa and coconuts and cutting sugar cane. Those who worked according to task were entitled to a half hour lunch break and would finish work at around 2.00 pm. Many workers protested that the area they were given to work in was usually too large, resulting in them leaving work later than expected. The estate did not provide meals and there was no pipe-borne water; workers had to drink from the river or carry their own water. Changing facilities were not provided and there was only one pit latrine in a

deplorable condition. Workers were required to provide their own clothing and farm implements. No health facilities were provided for workers on the estate; not even First Aid. If a worker did get injured, however, the manager undertook to take him to a doctor at the expense of the estate. This was provided for in an insurance contribution made by workers. During the period of absence from work caused by sickness, workers were entitled to half pay on the recommendation of a doctor. Workers did not receive holiday pay. In a statement to the commission of inquiry, Gellineau James, secretary of the rural trade union established by the Bishop regime, reported on the prevalence of child labour: 'I observe many cases of early drop-outs at ages 10-12. Some children are forced to go to the estate to assist their parents in doing the work. It is against the law but it is done. Some parents have to leave for work so early that they are not able to monitor the childrens (sic) movements and see that they go to school.<sup>72</sup> James later went on to draw attention to a somewhat bizarre and callous feature of life on the River Antoine estate: 'The only other point I would like to state is not really a problem but something which poses a certain amount of embarrassment to workers. In the distillery section of the estate there are coffins in the lodge which made some of the workers feel that they are working for a coffin. A kind of bad psychological effect and we asked Management to remove them.'<sup>73</sup> Percy Campbell, who was at the time the manager of the estate, stated that the estate provided free coffins as a benefit to the families of workers who died and claimed that workers had never complained to him about where the coffins were kept. He did not proffer any views on the psychological effects that the coffins may have caused.

The New Jewel Movement and the March 13 Revolution

In 1970 Maurice Bishop, a young lawyer, returned to Grenada from law studies at Gray's Inn in London. His arrival opened up a new era in Grenadian politics. Bishop was born in 1944 on the island of Aruba in the Dutch Antilles. His father, Rupert, had migrated to the Dutch island to work in the Standard Oil refinery, one of the biggest in the Western Hemisphere. In 1951 the Bishop family returned to Grenada, and with the money he had made in Aruba Rupert Bishop started a small merchant house. A devout Roman Catholic, Rupert sent Maurice to St. George's Roman Catholic school. Subsequently, the young Bishop won a scholarship to Presentation College, the best academic school in Grenada run by a group of Irish teaching brothers. It was here that Maurice Bishop distinguished himself as a political activist, becoming the editor of the school magazine and a well-respected debater. At 19 Bishop left Grenada to take up law studies, and continued his political involvement with the West Indian Students' Union and the Standing Conference of West Indian Organizations. He also helped to establish a legal aid clinic in Notting Hill Gate, the depressed district of inner London with a large number of black inhabitants. In this formative period of his political development Bishop was influenced by the writings of Kwame Nkrumah, Frantz Fanon, Malcolm X, Fidel Castro, Che Guevara and CLR James, and the Black Power revolts in the US in the mid-1960s further instilled in the young lawyer a deep antipathy towards racial and class oppression. In 1966, the year after he qualified, Bishop married Angela Redhead, by whom he had two children, John and Nadi. Following

law studies, Bishop took a job in the British civil service where he was employed examining the accounts of surtax payers.

By 1970 the lively young Grenadian lawyer was on his way back to his homeland. Just prior to his arrival in Grenada Bishop personally witnessed the Black Power revolt in Trinidad and Tobago in February that year. Several months later Bishop attended the meeting of Black Power activists from the Eastern Caribbean held in Rat Island off the coast of St Lucia. The Rat Island meeting established Forum, a loose organisation of radicals who agreed to keep in touch with one another as they carried out political tasks in their respective islands. In Grenada Bishop organised Forum as an opposition force to Gairy and called a number of demonstrations. These demonstrations were poorly attended and by the end of the year Forum folded up. In November, however, Bishop was able to make his first successful political intervention in Grenadian politics. At that time a group of nurses took to the streets to demonstrate against the state of the St. George's General Hospital, where there was an acute shortage of medicines and a lack of basic hygiene. Because many people had suffered personally as a result of the disarray at the hospital, the nurses' demonstration quickly gathered popular support. Gairy responded with repression. Although the crowd was large, the issue on which it was demanding action was both limited and justified, and a more enlightened government would have avoided trouble by offering to negotiate with the protesters. But the Gairy regime was no such government. Incensed by even the most moderate expression of discontent with his rule, Gairy sent in his police force to break up the

march, and a number of people were arrested including Bishop. When charges were brought against the demonstrators Bishop and another young lawyer, Kenrick Radix, who had recently finished his legal studies at University College, Dublin, undertook the defence of the twenty-two nurses charged. In a case which lasted for seven months and aroused great interest throughout the Caribbean, Bishop defended with skill and aplomb and finally obtained the acquittal of all those charged. Maurice Bishop became a household name in Caribbean politics.<sup>74</sup>

At about the time of Gairy's landslide victory in the 1972 elections, which showed how ineffective the GNP had become as an opposition, Bishop joined with Radix to form another small organisation called the Movement for the Advancement of Community Effort (MACE); this group was 'far more precise in the perception of its political role and the method of achieving its aims than was Forum, its forerunner.'<sup>75</sup> In October 1972 MACE was transformed into a new political entity known as the Movement for the Assembly of the Peoples (MAP). The main objective of this organisation was to attain state power and progressively transform the Westminster type state apparatus into one based on more popular control through 'assemblies of the people'. This strategy of revolutionary transformation had its origins in the writings of CLR James who had an important influence on the Caribbean Black Power movement. James put forward the thesis that Lenin's theory of the vanguard party had been superseded by historical events in the Soviet Union and elsewhere, and suggested that the working class, acting through their own organisations, could spontaneously transform society.<sup>76</sup>



Around the time of the formation of MACE, another radical organization was set up in Grenada. This was the Joint Effort for Welfare and Liberation (JEWEL), founded by Unison Whiteman who had recently completed a Master's degree in Economics at Howard University in Washington DC. Towards the end of 1972 JEWEL won a significant political victory. Lord Brownlow, a wealthy British landowner, caused an outrage by closing a road through his estate at La Sagesse in St David's. The road gave access to a popular beach. People in the area protested to the Gairy government but received no assistance. They then turned to JEWEL who organized a number of mass protests culminating in a 'People's Trial', which convicted Lord Brownlow in absentia of encroachment on the people's rights. On 26 January 1973 a huge demonstration took place which tore down the fence blocking the road and re-opened the way to the beach. Two months later JEWEL merged with MAP to form the New Jewel Movement (NJM). Hence, the NJM embraced the young radical intelligentsia in the island that had already won a following through their successful leadership of popular struggles. Drawing their inspiration from the international Black Power movement, the national liberation movements in southern Africa and the Cuban revolution, the radical intelligentsia formed the main cadres of the NJM.

The early NJM modelled itself on the New Beginning Movement (NBM), a Black Power organisation of Jamesian persuasion based in Trinidad and Tobago. One of the leading intellectual figures in the fledgling NJM, Franklyn Harvey, worked with the NBM while studying at the University of the West Indies in Trinidad and Tobago. Harvey, a Grenadian by birth, was

involved in the Black Power revolt in Trinidad and Tobago and greatly influenced Maurice Bishop. Harvey was the main author of the NJM's manifesto which was issued several months after the formation of the party.<sup>77</sup> The manifesto encapsulated the Black Power and Jamesian ideology of the NJM. Essentially a radical democratic programme, the principal themes of the manifesto were 'genuine independence', 'self reliance', 'anti-Gairyism' and 'anti-imperialism'. At the level of the economy the document proposed a series of anti-capitalist and anti-imperialist measures. It advocated 'the complete nationalization of all foreign-owned hotels as well as foreign-owned housing settlements', the nationalization of banks and insurance companies, and called for the setting up of a National Import Board to handle all goods brought into the island. With regard to the question of agrarian reform the manifesto was somewhat more moderate in that it advocated negotiations with estate owners to set up co-operative farms and the provision of cheap credit and technical equipment to poor peasants. A significant amount of attention was paid to the procurement of funds from regional and international lending agencies which, it was argued, would look upon Grenada in a more favourable light once the trauma of Gairyism had been anaesthetized: 'It is worth noting that in a recent report by Sir Arthur Lewis, the President of the Caribbean Development Bank, he pointed out that some <sup>[£C]</sup> million were awaiting Grenada and a few other islands. The money is available but cannot be touched because of the corruption and lack of planning existing in these islands.'<sup>78</sup>

It was at the level of political institutions that the Jamesian influence manifested itself. Rejecting the Westminster model of parliamentary democracy, the manifesto called for

the establishment of a provisional government which would be made up of 'representatives of workers and unions, farmers, police, civil servants, nurses, teachers, businessmen and students'. The task of this interim administration was to set up 'people's assemblies' which would send delegates to a National Assembly. The National Assembly would constitute the 'government of the land', and the system of 'people's assemblies', it was maintained, would end the deep division and victimization of the people found under the party system' and 'involve all the people in decision-making all the time'.<sup>79</sup> This was a blue-print for a non-party state run by local councils and the NJM saw its goal as bringing such a state into being.

At around the time of the creation of the NJM Gairy made plans to obtain independence from Britain. This move was welcomed in London, since Britain was eager that the associated statehood scheme would be replaced by full independence as quickly as possible. In Grenada, by contrast, Gairy's pursuit of complete administrative autonomy from Britain was greeted with shock and suspicion. Independence would give even greater powers to a man who had already shown strong dictatorial and megalomaniacal tendencies. Of those who opposed the independence deal the NJM was the most active and vociferous. In raising the demand for 'genuine independence', it insisted that Britain pay at least US\$30 million in compensation for all the wealth it had extracted during the colonial era. At the beginning June 1973, just two month after the formation of the party, the NJM held a 'People's Convention on Independence' which was attended by thousands of people. The convention denounced the Gairy government and the terms under which it was seeking independence. Boosted by the success

of its first political initiative, on 4 November the NJM held another of the mock trials which had proved so effective in the Brownlow case. On that day a 'People's Congress' summoned at Seamount in St. Andrew's, tried Gairy in absentia and found him guilty of twenty-seven crimes against the people, ranging from murder to corruption. The meeting ended with a call that Gairy should resign within a fortnight or face a general strike. In response, Gairy made a radio broadcast in which he vowed that he would 'bring the NJM rebels to their senses and wake them up from their dreams in a very short time for 54 different reasons, including sedition and treason.'<sup>80</sup>

Two weeks after the second convention six leaders of the NJM - Maurice Bishop, Unison Whiteman, Selwyn Strachan, Hudson Austin, Kenrick Radix and Simon Daniel - went to Grenville to discuss the planned strike with business leaders. Informed of the visit, Gairy attempted to halt the escalation of opposition by resorting to violence. The NJM militants were shot at and then brutally beaten by the Mongoose Gang, a group of thugs recruited by Gairy in 1967 to impose his wishes when official police action was either insufficient or clearly impermissible. Paid out of state coffers but without any official status, the Mongoose Gang was responsible for most of the pro-government violence under Gairy and on occasions turned its attentions to members of the police who were reluctant to break the code of conduct inherited from the British. On the day in question, 18 November, the Gang was particularly vicious and some of their victims were beaten unconscious.

'Bloody Sunday', as it came to be called, proved to be a serious error on the part of the government and marked a

turning point in the development of the opposition movement. This now included a very broad section of Grenadian society, which abhorred the increasing use of violence in a country which, following the abolition of slavery, had an intermittent history but no tradition of repression. With the NJM leadership in jail, where it was left without medical attention for an unpardonable length of time, the anti-Gairy elements of the business class stepped forward and formed a coalition known as the Committee of Twenty-Two. This included the Grenada Union of Teachers, the Civil Service Association, the Chamber of Commerce, various unions, all the churches and several middle class groups like the Rotary Club. In no sense could these organizations be labelled left-wing; they had banded together over an issue of fundamental democratic liberty that on this occasion they shared with the NJM. On 19 November the Committee of Twenty-Two called an island-wide strike, demanding that Gairy arrest those members of the police and the Mongoose Gang responsible for 'Bloody Sunday' and immediately dismantle all coercive bodies. Sensing a major crisis in the offing, Gairy quickly agreed to those terms and the Committee called off its strike after a week.

However, with the exception of the formal appointment of an independent commission of inquiry, the prime minister failed to keep the promises he had made in November. The Committee of Twenty-Two and the NJM leadership, now released on bail, called for a new strike beginning on 1 January 1974. This stoppage proved to be highly effective and paralysed the island's economy. Refusing to negotiate, Gairy resorted once again to police action, which greatly increased political tension. On 21 January - 'Bloody Monday' - the police shot

and killed Rupert Bishop as he attempted to block the doorway of a building where women and children had taken refuge from the violence in the street. The strike lasted three months and was accompanied by frequent mass protests, police violence and popular reprisals against the forces of the state.

In the midst of this crisis Gairy begged Britain for help. The Foreign Office maintained that Grenada's status of associated statehood prevented London from intervening in the island's internal affairs, but the British eventually stepped in with an 'independence gift' of £100,000. This payment enabled Gairy to increase the wages of the civil service and the police and thereby guarantee their support for the government at a time when it was under extreme pressure. Gairy was also greatly aided by the fact that although the country was at a standstill and submerged in a major political crisis, London went ahead in granting independence, which came into effect on 7 February 1974. As predicted by the opposition, independence became a powerful political tool for Gairy, who now projected himself as the 'father of the nation' and exercised unhampered control over all affairs of state. Making use of his entry into the UN and the Organization of American States (OAS), the prime minister denounced his opponents as communists and called for concerted action to be taken against the left throughout the Caribbean. In the same vein, he subsequently went on to receive military aid from the Pinochet dictatorship in Chile and established close links with the authoritarian regime of Park Chun Hee in South Korea.

After the failure of the general strike, which was finally called off in March 1974,<sup>81</sup> the NJM sought to consolidate itself more firmly and intensified its educational and

organizational work. Within two years the party's paper, The New Jewel, had expanded its circulation to over 10,000 copies, becoming the most widely read newspaper in an island which, despite its lack of educational facilities, was largely literate. Attuned to the day to day realities of Grenadian society, in which gossip and innuendo are important means of political communication, the NJM used its paper to publicise rumours about the 'many sins, crimes and corrupt practices of Gairy'. The NJM's ability to provide a public forum for anti-Gairy gossip was a central ingredient in the party's success in winning the support of ordinary Grenadians.<sup>82</sup> Soon, local 'support groups' were set up in almost every village and held frequent public meetings, although these were sometimes interrupted or broken up by Gairy's supporters. Special NJM organizations were established for women and young people as well as for urban workers and the unemployed. The great majority of people who attended the meetings of these groups were not full party members, but they supported NJM policies and identified closely with its leaders. By 1975 the party had succeeded in securing and broadening its popular appeal and fortified its claim to represent the interests of a broad cross-section of the Grenadian population. Yet it still remained more of a movement than a party in the sense that it was fighting on a clear set of concrete issues but was somewhat ambivalent about its strategic programme and lacked a coherent internal organization. This state of affairs began to change in 1976 with the return to Grenada of Bernard Coard.

Bernard was the son of a prominent Grenadian civil servant, Frederick McDermott Coard, who was also the author

of an important study of the Grenadian civil service.<sup>83</sup> Bernard Coard did a first degree in Sociology and Economics at Brandeis University in Massachusetts and then went on to do an MA in Economics at the University of Sussex in Britain. During his time at Sussex, Coard fell under the spell of the British Communist Party, and after he graduated his association with the Communist Party developed. Taking a job as a school teacher in London, Coard distinguished himself politically as a radical campaigner against racism in education. He wrote a book called How the West Indian Child is Made Educationally Sub-normal in the British School System, which was hailed as a seminal work by black parents and teachers in London.<sup>84</sup> By 1974 Coard had left England and was working at the University of the West Indies in Jamaica. This was an important period in the evolution of the progressive movement in the Caribbean. By this time the Black Power organisations in the US were in disarray and many of their leaders began to embrace different concepts and ideologies. This had an effect in the Caribbean. At the same time, radicals from the region increasingly looked to Cuba as a model of revolutionary change after a number of Commonwealth Caribbean states established diplomatic relations with Havana in the early 1970s. By this time also, the Castro leadership in Cuba had made a political rapprochement with the Soviet Union and the Communist Parties of Latin America and the Caribbean, and official communist formulae began to be adopted in the Castro regime's interpretation of domestic and international events. Cuba's projection of a pro-Soviet ideology had a profound effect on a number of Caribbean radicals who now saw the limitations of Black Power. Moscow's influence in the region was also boosted by the victory of the Vietnamese revolution and the



decisive role played by the Soviet Union, along with Cuba, in the victory of the MPLA in the Angolan civil war. The growing stature of the Soviet Union in Africa had a strong impact on former Black Power advocates who still maintained a close affinity with their black homeland.<sup>85</sup> In December 1974 Trevor Munroe, a former leader of the Black Power Abeng Group, founded the pro-Moscow Worker's Liberation League (WLL), which subsequently changed its name to the Worker's Party of Jamaica (WPJ). Coard considered Munroe to be the leading Marxist intellectual in the English-speaking Caribbean and became a member of the newly-formed party. Coard's wife, Phyllis, a member of the prosperous Evans family who were large shareholders in the Jamaican company which produces the Tia Maria coffee liqueur, also joined the WLL. Imbibing their Marxism from Munroe and texts emanating from the Soviet Union, Bernard and Phyllis Coard developed a coherent but authoritarian theory of revolution.

Bernard Coard's arrival in Grenada was welcomed by Maurice Bishop and other leaders of the NJM who greatly respected his academic achievements. Coard was extremely tactical in seeking to introduce official communist ideas into the NJM. Taking advantage of his intellectual stature in the party, he concentrated on organizational tasks and adhered to the policies spelt out in the manifesto. At the same time, he began to propagate a Soviet brand of Marxism-Leninism and set up a study group called the Organisation of Revolutionary Education and Liberation (OREL). OREL attracted some of the most enthusiastic and impressionable members of the party, many of whom had acquired political experience in student councils, the Catholic youth movement and other youth

organizations. A good number of these individuals subsequently became school teachers. Among the most dedicated members of OREL were Liam James, John Ventour, Ewart Layne, Leon Cornwall, and Chris Stroude. Although Bishop was never a member of OREL, he also became more receptive to official communist ideas although he always maintained an open mind on the subject. However, on account of the total absence of a Marxist tradition in the country and the semi-clandestine conditions under which the party had to operate, the adoption of 'Marxism-Leninism' was not openly announced.

Greatly assisted by Coard and his followers in OREL, the NJM had radically transformed itself by the time of the 1976 elections. In line with the broad anti-Gairy policy that the party had been following over the past three years of its existence, it entered the election campaign as part of a bloc - the People's Alliance - along with the GNP and the United People's Party (UPP), which had earlier split from the GNP. The Alliance won forty-eight per cent of the vote and six seats in the chamber; the NJM took three seats and Maurice Bishop became leader of the opposition. This result was a major achievement since the honesty of the poll was highly questionable. All election officials were government employees, only government candidates were permitted to use loudspeakers or had access to the radio, a great many 'phantom voters' appeared on the government-organized electoral register, and the Mongoose Gang was extremely active in breaking up Alliance meetings. GULP won nine seats and returned to power, but Gairy's legitimacy had been substantially eroded.<sup>86</sup>

Although the opposition denounced the electoral fraud, it did not call for a boycott or refuse to participate in

the assembly, on the grounds that it could be used as a forum for criticism of the government and the presentation of alternative policies. This the NJM began to do, but parliamentary opposition had little effect, as the party now learnt through experience. Gairy's response to questioning in the chamber was to impose with vigour the statutes he had already introduced to curb those who held an opinion contrary to his own: the Firearms Act (1968), which rescinded all firearms permits to members of the opposition and made them extremely vulnerable to the Mongoose Gang; the Public Order Act (1974), which banned the use of loudspeakers not authorised by the police; the Newspaper Act (1975), which required a deposit of nearly US\$9,000 to be made to the government before publication was allowed and thereby effectively outlawed the popular but impoverished The New Jewel; and the Essential Services and Port Authority Acts, which prohibited strikes of any kind in the sectors where the NJM had many followers. Gairy also adopted the practice of only issuing licenses to new businesses that agreed to give the bargaining rights for their workforce to the GMMWU.

Totally disregarding the sentiments of his people, Gairy continued to accumulate property for himself, disburse official funds at whim, force sexual favours from women in the civil service, and indulge with great ostentation his fascination with the supernatural. All this was done with little thought to the country's reputation and still less to its depleted financial reserves. Whilst Grenadians might have become accustomed to their prime minister's antics, such as erecting a massive illuminated cross on a hill top overlooking St. George's and claiming that he ruled by divine right and

'belonged to the mystical world', it came as some surprise to foreigners to hear him plead in the UN for funds to be set aside for 'psychic research' into unidentified flying objects or to learn that he was a judge when Miss Grenada won the Miss World beauty contest.

Such behaviour reflected not just an extraordinary arrogance but also the loss of political acumen. As Gairy's activities became more outlandish, the NJM was able to win leading positions in some of the urban trade unions which always displayed an antipathy towards their eccentric prime minister. During late 1978 and early 1979, NJM leader Vincent Noel led a militant struggle at Barclay's Bank in St. George's over recognition of his newly-formed Bank and General Worker's Union (BGWU). In the countryside, party activists eroded the support of the GMMWU. Substantial inroads were also made amongst youth and women. More decisively, some of the NJM's key supporters now came from the police force and the army, which had certainly been closely identified with the persecution of the party but were also sufficiently institutionalised for some of their members to hold severe reservations over the government's cavalier attitude to the law. It should also be borne in mind that Grenada is more of a community than a country and therefore many of these officers knew the NJM leaders personally and were undoubtedly impressed by their middle class backgrounds, high level of education, and commitment to a complete alteration of the island's society based on standards of efficiency and propriety as well as egalitarianism.

These contacts in the security forces proved vital to the NJM's eventual capture of state power. Inspired by the

revolutionary upheavals in Iran, which received widespread publicity, the armed detachment of the party set up in the early days began to acquire more arms. Through its recruits in the security forces the NJM leadership learnt on 10 March 1979 that Gairy had ordered them to be arrested and 'liquidated'. On Monday 12 March, following the prime minister's departure from the island - which the NJM took to confirm the information it had received - the party decided to launch an all-out offensive against the regime. Early on 13 March some 40 persons, which was the entire party membership, took control of the army barracks at True Blue and began to mobilise the people by radio. There was a massive response in support, and people took over the island's police stations despite the fact that they were often only armed with knives and cutlasses. Patrols were set up, private vehicles lent, and domestic kitchens opened up for public usage. The entire operation lasted less than twelve hours; there was no concerted resistance and only three people lost their lives, a testament to the leniency as well as the discipline of the revolutionary forces. For the people of Grenada the overthrow of Gairy was a matter of great relief and much celebration. The NJM was no less joyous, but it was now confronted with the daunting prospect of taking responsibility for and administering profound social and economic change in a tiny island that was one of the most underdeveloped countries in the world and inextricably linked to international markets for products over which it had absolutely minimal control. The party had fought persistently for its ideals and now enjoyed unprecedented popular support, but these now had to be put to the test

under adverse circumstances and with little time available  
for experimentation or preparation.

## Chapter Two

## The Post-Revolutionary Order

## The New Jewel Movement and Socialist Orientation

The overthrow of the Gairy regime in Grenada was the first armed seizure of power to take place in the English-speaking Caribbean. It constituted an historic break from the political traditions of the Anglophone states, and brought the Commonwealth Caribbean into the maelstrom of revolutionary change which has affected other parts of the Third World.<sup>1</sup> In spite of the brevity of the armed confrontation in Grenada it was, nevertheless, a genuine revolution in that it marked the apogée of a political campaign mounted by a political party that enjoyed the overwhelming support of the people. At the same time, the Grenadian insurrection was more of a political revolution than a social revolution since it was not borne of an economic or social crisis, and the driving force of the process was a small band of revolutionary intellectuals who mobilised the people around the question of democratic rights rather than class oppression. In this sense, the Grenadian revolution could be described as a 'revolution from above' in the way in which this term is used by Halliday and Molyneux: 'The central thesis of the concept 'revolution from above' is that profound transformations of social and political structures can occur in a particular country, meriting the

term 'revolutionary' yet initiated and controlled not by a mass movement but by a sector of the pre-existing state apparatus. The concept is designed to identify a particular set of historical phenomena and to distinguish them both from coups d'etat - a transfer of power between state personnel - and from mass revolutions, 'revolutions from below'.<sup>2</sup> Grenada's peculiarity, in terms of this taxonomy, is that while a section of the pre-existing state apparatus defected to the revolutionary cause, it was a political party that organised and led the revolutionary seizure of power. An examination of the composition and ideology of this party is therefore crucial to any understanding of the Grenadian revolution.

We have seen that most of the cadres of the NJM came from the intelligentsia, and in this respect Grenada fits in with the general pattern of Third World revolutions where this social stratum has played a central role. However, because of the miniscule size and parochial nature of Grenadian society, in which educated individuals perform many social and economic roles, the intelligentsia is of greater importance than in any other country that has experienced a revolutionary transformation. The alienation of the intelligentsia under the Gairy regime led it onto a path of radicalization analagous to that which has occurred in other Third World countries. This process of radicalization of the intelligentsia has been analyzed in class terms by Lowy: 'In our opinion, the opposition of the intellectuals to the bourgeoisie, far from being an internecine struggle within the 'ruling group' or a conflict between two fractions of the bourgeoisie, is above all related to their links with a different social class: the petty bourgeoisie. The spontaneous ideology of the so-called



'democratic petty bourgeoisie', of which intellectuals comprise the most vocal and active segment, is not bourgeois liberalism but rather jacobinism: the specific combination of plebeian democracy and romantic moralism of which Rousseau and Robespierre were the first historical representatives. In the countries of 'belated' capitalist development (e.g. Germany in the nineteenth or Russia in the early-twentieth centuries), where the bourgeoisie was non-revolutionary and allied by fear of the masses with landowners and/or imperialism, this petty bourgeois jacobism tended to become radicalized. In some cases, such a radicalization eventually led sections of the petty bourgeoisie, particularly the intellectuals, to a complete break with the bourgeoisie and to the adoption of a socialist stance. The two classic examples were, first, the case of Marx himself and the 'Hegelian left' in Germany before 1848, and, second, the Russian intelligentsia at the end of the nineteenth century. ... During the twentieth century ... this process of the radicalization of the intellegentsia in the countries of peripheral capitalism has become increasingly massive. This is the combined result of the growing penetration of imperialism (and its destructive impact on native culture, bitterly resented by nationalist intellectuals), the conciliatory or even openly pro-imperialist positions of the local bourgeoisie and the cumulative impact of the victorious socialist revolutions. The convergence of these three developments has produced an explosive fusion of anti-imperialist, anti-bourgeois and socialist sympathies in broad sections of the intelligentsia.'<sup>3</sup> Undoubtedly, this process occurred in a number of Caribbean countries during the 1970s, so it remains to be explained why it led to to a revolution in

Grenada and not in any of the other territories of the region. Indeed, the NJM was only one of a gamut of Black Power organisations that appeared during this period. Why did it succeed in capturing state power while most of the other groups either vanished or became a marginal force in their respective countries? Several factors would seem to provide an answer to this question. First of all, the Gairy regime was the most philistine and autocratic in the entire English-speaking Caribbean so that the alienation of the intelligentsia was particularly pronounced in Grenada. Secondly, at its inception the NJM played a leading role in a major revolt against the Gairy regime, and it was NJM militants and their families who suffered the most at the hands of the security forces. Only the National Joint Action Council (NJAC) and the NBM in Trinidad and Tobago participated in such a popular uprising. A third factor concerns the extreme pusillanimity and disorganization of Grenada's principal opposition party, the GNP. Within less than a year after its formation the NJM had eclipsed the GNP, whereas in other territories, most notably Jamaica, the established opposition parties won over a number of Black Power advocates. The GNP maintained the political outlook of the colonial middle class and was impervious to the process of radicalization that occurred during the 1970s. Finally, the other main factor which contributed to the NJM's success was the transformation of the organisation from a movement to a vanguard party. While several of their sister groups in neighbouring territories remained ambivalent about the type of organisation they wished to build and their strategy for attaining state power, the NJM had a clear position on these questions. Bernard Coard's introduction of official communist ideas about party building,

class alliances and armed struggle was a sine qua non in the making of the Grenadian revolution by the NJM.

Coard tutored the party in the theory of the non-capitalist path of development or socialist orientation, the strategy of socialist transformation advocated by the official communist movement in Third World countries. Originally formulated in the mid-1950s, the elaboration of the theory of the non-capitalist path of development coincided with a shift in Soviet policy during this period, away from neglect of the Third World and towards a more favourable assessment of certain nationalist regimes in Africa and Asia which were marked by a strong state control of the economy and opposition to Western policies. The first official reference to the theory that has been documented is contained in the Declaration of the 1960 Conference of Communist Parties: 'After winning political independence, the peoples seek solutions to the social problems raised by life and to the problems of reinforcing national independence. Different classes and parties offer different solutions. Which course of development to choose is the internal affair of the peoples themselves. As social contradictions grow, the national bourgeoisie inclines more and more to compromising with domestic reaction and imperialism. The people, however, begin to see that the best way to abolish age-long backwardness and improve their living standards is that of non-capitalist development. Only thus can the peoples free themselves from exploitation, poverty and hunger. The working class and the broad peasant masses will play the leading part in solving this basic social problem.'<sup>4</sup> The assertion was that there existed a non-revolutionary road to socialism. Subsequently, the theory was elaborated by the eminent Soviet scholars, R.A. Ulyanovsky,<sup>5</sup> V. Solodov-

nikov and V. Bogoslovosky<sup>6</sup> and I. Andreyev.<sup>7</sup> They put forward the thesis that it was possible to avert capitalist development in underdeveloped countries, yet postulated that in order to accomplish this a new stage of development must be traversed which is neither capitalism nor a direct transition to socialism. Andreyev expresses this as follows: '... the non-capitalist way is not socialist development proper but a specific period of creating the material, social and cultural conditions for transition to socialist development - a pre-socialist stage, when the national-democratic state follows a socialism-oriented policy at the democratic, that is, anti-imperialist and anti-feudal stage of the revolution. The formula reflects the qualitatively distinct stages of the revolution: on the one hand, it maintains and emphasises the social progress inherent in noncapitalist development, putting it in the correct, socialist perspective, and, on the other, does not confuse or identify it with socialism.'<sup>8</sup> This pre-socialist period is conceived as a phase of intense class struggle which may lead to a return to the 'capitalist path' if the revolutionary forces are not victorious. Nevertheless, 'scientific socialists' are instructed to enter into a long term strategic alliance with the 'patriotic national bourgeoisie', which, like the proletariat is considered to be in contradiction with imperialism. According to Soviet writers it is the existence of the socialist system which gives the opportunity for underdeveloped countries 'to bypass the more advanced forms of class antagonistic relations, the capitalist socio-economic formation above all.'<sup>9</sup> In their view, an alliance between world socialism and national democratic forces which incorporate the working class, the peasantry, the urban petty bourgeoisie and the patriotic national bourgeoisie, can

lay the basis for socialist development in the Third World.

As a theory of revolutionary change, non-capitalist development is beset with many problems and contradictions. Although Soviet writers trace the political provenance of the theory to Marx, Engels and Lenin, non-capitalist development departs in several important ways from the ideas about revolution in backward countries expressed by these writers. Marx and Engels, for instance, in their reflections on the possibility of revolution in Eastern Europe, hypothesized that the Russian rural commune could form the basis of a direct transition to socialism. They saw such a development, however, being linked to a proletarian insurgency in the West. Moreover, after Marx's death, Engels dispelled the hopes that he and Marx had invested in the possibility of a non-capitalist path in Russia, since the rapid development of industrial capitalism there after 1890 radically transformed class relations in the countryside.<sup>10</sup>

Several of Lenin's remarks are adduced by Soviet writers in support of non-capitalist development. The most often quoted reference to Lenin concerns his deliberations at the Second Congress of the Communist International, where he postulated that the establishment of Soviet governments in Russia opened the possibility of bypassing capitalist development in backward countries: 'The question was posed as follows: are we to consider as correct the assertion that the capitalist stage of economic development is inevitable for backward nations now on the road to emancipation and among whom a certain forward progress is to be seen since the war? We replied in the negative. If the victorious revolutionary proletariat conducts systematic propaganda among them, and the Soviet governments come to their aid with all the means

at their disposal - in that event it will be mistaken to assume that the backward peoples must inevitably go through the capitalist stage of development. Not only should we create independent contingents of fighters and party organisations in the colonies and the backward countries, not only at once launch propaganda for the organisation of peasants' Soviets and strive to adapt them to the pre-capitalist conditions, but the Communist International should advance the proposition, with the appropriate theoretical grounding, that with the aid of the proletariat of the advanced countries, backward countries can go over to the Soviet system and, through certain stages of development, to communism, without having to pass through the capitalist stage.'<sup>11</sup> Two points should be made about Lenin's argument here. First of all, Lenin stressed the need to set up independent party organisation and mobilise the peasantry as an autonomous political force. It is true that in other remarks made at the Congress he considered the possibility of an alliance with the bourgeoisie, but he insisted that such an alliance should be temporary and the independence of the working class and its party had to be maintained.<sup>12</sup> There is no hint here of an extended period of political alliance with the capitalist class. Secondly, Lenin, like Marx and Engels before him, pointed to the importance of assistance from a socialist state in a more advanced country in assisting backward countries in taking a non-capitalist path. And yet it is in this area that the theory of non-capitalist development shows its greatest weakness. For while the Soviet Union and the other countries of Eastern Europe do provide a certain amount of economic aid to countries that are considered to be following the

non-capitalist path, the overwhelming majority of them are dependent upon the world capitalist system, and, moreover, are instructed by official communist theoreticians to become self-sufficient or obtain credits from Western sources. Because the countries of the Soviet bloc are themselves short of foreign exchange and do not possess technical equipment or professional expertise relevant to Third World countries, they are unable to provide meaningful support to the non-capitalist states.<sup>13</sup> Hence, rather than facilitate a transition to socialism, assistance from the Soviet bloc to the periphery often results in a greater subordination of these countries to world capitalism and a reinforcement of capitalist property relations within them. This thesis has been put forward by Frank in an important study of this question.<sup>14</sup>

The other ideas advanced by Lenin that are frequently referred to by Soviet ideologues come from his post-revolutionary texts on state capitalism. In these writings, Lenin appears to suggest a continuity between the nationalised sector in its state capitalist and socialist forms. Lenin's thinking on this question, however, was strongly influenced by his exclusive pre-occupation on the main task facing the Bolsheviks in the immediate aftermath of the revolution: how to reduce the amount of time spent by the masses in production in order to allow them to take control of the affairs of the state. To quote Paul Keleman: 'The continuity between state capitalism and socialism existed for Lenin by virtue of the proletariat holding state power. He neglected the importance for the advance of socialism of the transformation of the social relations of production in the state sector not because he ignored the need for the proletariat to exercise power but because he considered it purely in its political form, its

control of the state. The same cannot be said for the theory of the non-capitalist path of development, in which the continuity between state capitalism and socialism is established without any regard to the issue of working class power either in the form of control of the state or in the form of control of the direct process of production.<sup>15</sup> Keleman correctly argues that the theory of non-capitalist development breaks with the classical Marxist analysis of the state as the organized form of 'class domination', and, in his critique of Halliday and Molyneux's book on 'non-capitalist' Ethiopia, from which the above passage is taken, he explains how these writers 'give theoretical expression to the ideology of the Ethiopian state',<sup>16</sup> because they share many of the assumptions of the theory of non-capitalist development. Thus, to sum up the argument so far, only to the extent that non-capitalist development postulates that backward countries do not have to go through a capitalist stage of development can the writings of Marx, Engels and Lenin be marshalled in support of the theory. These writings do not, however, lend weight to the particular economic and political strategy that is ascribed to the non-capitalist path.

A second major objection to the theory of non-capitalist development concerns the repressive and undemocratic nature of many states that have been designated 'non-capitalist', several of which even outlawed the local communist party. This criticism has been made in a most emphatic and systematic fashion by C.Y. Thomas in a study of the theory published in 1978. In Thomas' view, proponents of the non-capitalist path held a cavalier attitude towards democratic rights. Individual and collective rights, such as freedom of speech, association



and publication, and the independence of the judiciary were termed 'bourgeois' and therefore considered to be luxuries. Such an approach did not take into account the fact that many of these rights had been won on the basis of mass struggle. As an economist based in Guyana who had seen first-hand the authoritarian tendencies of the self-proclaimed 'Co-operative Socialist Republic' of Forbes Burnham, Thomas had a personal acquaintance with the dangers of this form of argument. In pointing to the undemocratic nature of the ideas propounded by non-capitalist path advocates, Thomas invoked the heritage of classical Marxism: 'Anyone who has read Marx must know that the concept 'dictatorship of the proletariat' refers to the sociological domination of the working class. This domination does not mean any any such trite and superficial political notion as authoritarian and tyrannical government ... Marxist theory has always been explicitly based on the creative interaction of socialism and democratic development.'<sup>17</sup> But Thomas was not only concerned with this aspect of the theory. Drawing on the tragic experience of the Allende regime in Chile, which had been hailed by the official communist movement as an example of the political strategy it advocated, Thomas made five other major criticisms: (i) a workers' party in effective control is a crucial factor in ensuring the transition from national liberation to socialism; (ii) the ability to pursue non-capitalist tasks is heavily contingent on the ability to cope with economic sabotage and other dimensions of 'destabilization' as counter-revolutionary activities; (iii) elements of the national bourgeoisie cannot be relied upon beyond an anti-fascist front; (iv) given their highly visible roles, the analysis of the military in

these countries remains very unsatisfactory; (v) the literature on non-capitalist development has not considered in anything like enough detail the conceptualization of an economic strategy consistent with the development of socialism in these countries.<sup>18</sup>

Another commentator, Patrick Emmanuel, has questioned the applicability of non-capitalist development to the Caribbean. He highlights an important peculiarity of Caribbean historical development; namely that 'the peasantry was borne out of proletarian conditions and not the other way around.'<sup>19</sup> This factor, Emmanuel surmises, has produced 'a peasant state of mind or outlook ... unreceptive to socialist conceptions of collectivization.'<sup>20</sup> The fact that Eastern Caribbean societies have remained predominantly agricultural has given an added significance to this phenomenon. Hence, a major problem for non-capitalist development in the region is how to lay the basis for a socialist transformation in societies where the principal class is the petty bourgeoisie (including the peasantry) and petty bourgeois sentiments and aspirations are preponderant. For, as a class the petty bourgeoisie has a tendency to vacillate in the face of revolutionary situations. Emmanuel considered that this problem could be resolved by firm revolutionary leadership, yet observed that the cadres of socialist organisations in the region were young and recently initiated.<sup>21</sup>

Probably the biggest problem with the theory of non-capitalist development relates to the historical record of states that have been designated 'non-capitalist' by the official communist movement. For many of the countries hailed at one time or another as exemplars of the 'non-capitalist

road' evolved in an openly pro-capitalist and anti-Soviet direction. In some of the countries the governments were overthrown by military coups and replaced by more overtly right wing administrations (Indonesia 1965, Ghana 1966, Mali 1968). But a greater challenge to the theory arises in the case of those countries where no such break in political continuity occurred, but rather the 'non-capitalist' government itself changed direction. The most important examples of this were Egypt, Iraq, Somalia and the Sudan. In the Caribbean the two countries that were regarded as non-capitalist by official communist theoreticians in the region have also fared badly. The Manley government in Jamaica was voted out of office in 1980 in the midst of an economic crisis and replaced by the US-backed administration of Edward Seaga; and the Burnham regime in Guyana has presided over a major collapse of the economy and is currently making overtures to the US and the military dictatorships of Latin America. It was in response to developments such as these and political criticisms levelled against the theory, which in the mid-1970s led Soviet writers to develop a new theory called socialist orientation. This new theory clung to the same basic tenets of the non-capitalist path of development, but was much more explicit about the non-socialist features of the societies in question and the problems which this posed for socialist transformation. Earlier writings had not considered in any detail the possible forms of reversal of the 'non-capitalist road', apart from predictable references to imperialist intervention and counter-revolutionary action. Based on the experiences of some of the states just mentioned, the later writings did take the possibility of reversal more seriously.

The solutions that were put forward to prevent this development, however, were essentially of a militaristic and ideological character. In the case of Ghana and Mali it was pointed out that the state machine as a whole and also its key components, such as the army, police and security organs, were not brought under party control. In order to forestall reversals of this type in the future, Soviet writers stressed that it 'is a matter of the utmost importance for the party to strengthen its leading role in the armed forces.'<sup>22</sup> Emphasis was also placed on the ideological formation of the party into a Marxist-Leninist vanguard party. It was also argued that ideologically hybrid movements of the 'Arab Socialist' variety, as seen in Egypt or Iraq, were unable to complete the process of socialist orientation. The new theory highlighted the importance of a Marxist-Leninist vanguard party in leading Third World states to the socialist transition. At the same time, the growing importance of the party in countries like Tanzania, Burma, Angola and Mozambique was welcomed, and these countries were held up as examples of the correct strategy to follow during socialist orientation.<sup>23</sup>

The ideas that have been put forward by Soviet writers to explain the failure of non-capitalist development in a number of Third World countries are *inadequate*. Too much emphasis has been placed on the particular sequence of events that led to the change in direction in the country concerned, and not enough attention has been devoted to the underlying class forces involved. While a number of pertinent observations have been made about the process of class formation in these societies which laid the basis for an acceptance of capitalism, Soviet writers do not seem to

appreciate that these developments undermine the whole basis of their theory of socialist orientation. For whatever the conjunctural factors were that led to the termination of the non-capitalist road, the pro-capitalist evolution of these regimes was rooted in their disinclination to suppress private ownership of the means of production. The possessing classes in these societies were not expropriated; they simply underwent a transmutation. And the accumulation of capital that was permitted led to their consolidation and subsequently laid the basis for an acceptance of capitalism. Mandel has made some pertinent comments on this matter: '... there is an enormous difference between the nationalization of the greater portion of private property in a country and the suppression of the right to private property in the constitution of that country. ... It is a pre-eminently economic, and very practical, matter. That which is eliminated can be easily reconstituted if it is not forbidden - and by that I do not mean forbidden de facto. That this is not a formal point is shown by the evolution of Egypt. Many companies were nationalized during the 'radical' period of the Nasser regime, but their owners were paid compensation, and with this compensation they were able to accumulate capital. They could not buy large factories, since that was forbidden, but they could buy land, properties in real estate, stocks, and other items. The result was that although much property was nationalized, the capitalist class was not expropriated. It was therefore relatively easy to de-nationalize what had previously been nationalized, without the slightest social upheaval and with no discontinuity of the state apparatus. It therefore makes a big difference whether private property is eliminated in just a few fields - even if this applies to a good deal of industry in the

underdeveloped countries - or whether it is simply outlawed. In the latter case, of course, some accumulation of private property can continue, but only illegally, and that again makes a big difference.

... The direction of the dynamic of primitive accumulation of capital by state functionaries<sup>7</sup> is shown by what has been happening in Egypt over the past several years, a process which is also occurring in Syria and Algeria and will, we believe, happen in Mozambique and Angola in the future unless there is a new victorious revolution of a socialist character. The new bourgeoisie in these countries is quite visible, everybody knows their names. They are the people contacted by the multinationals when they engage in operations in these countries. On the whole, the individuals who compose this new bourgeoisie are not recruited from the old pashas or merchant classes. Many of them are former cabinet ministers or high functionaries who used their offices to accumulate large amounts of money that was later turned into capital. This is not at all the same thing as acquiring a refrigerator and an Alfa Romeo. These fortunes are accumulated in the form of stocks and bonds, and the next logical step is to invest them and use them to build up private industrial empires. It is usually at that point - when there is a significant number of such people who have amassed sufficiently large amounts of money waiting to be 'productively' invested - that the state begins the process of de-nationalization, opening up outlets for potential investors.<sup>24</sup> The problem with Mandel's analysis is that he does not for a moment consider whether a 'revolution of a socialist character' is politically and economically feasible in all Third World states in the context

of present-day world politics. For in those countries of the Third World where socialist revolutions have taken place, most importantly China, Cuba and Vietnam, Soviet bloc economic assistance was decisive in enabling the revolutionary forces to overthrow the possessing classes and establish a socialist state. Today the Soviet bloc is neither able nor willing to provide any such aid and the domestic resources of many Third World states are not adequate for political leaders to contemplate a direct confrontation with the local exploiting classes and the international capitalist system. In such circumstances, is not a path of 'progressive state capitalism' the only viable option? This question must be posed in any critique of socialist orientation, since it is always incumbent on critics to offer an alternative to the theories and strategies they criticize. Indeed, as a strategy of socialist transformation, socialist orientation may be described as a path of radical state capitalist economic development combined with the establishment of Soviet-type political institutions. And close relations with the Soviet Union is considered by proponents of the theory to be the main indicator of a state's progression and in practice has been the basis of Soviet categorisation of Third World countries, as the changes made to successive lists of 'non-capitalist states' shows. The problem with socialist orientation as a path of 'progressive state capitalism', however, is that Soviet-type political institutions and close ties with the Soviet Union and its closest political ally in the Third World, Cuba, can provoke a reaction on the part of local and foreign capital which undermines state capitalist development itself. In such circumstances, the 'progressive state capitalist regime' may

be obliged to weaken its political ties with the Soviet Union and Cuba in order to obtain assistance from the West. This is the sort of scenario which occurred in Egypt and appears to be taking place in Mozambique and Angola today. We shall see further on in this study that this question of economic reliance on the West and political relations with the Soviet Union and Cuba was the central contradiction of the Bishop regime in Grenada. Before doing so, however, it is necessary to identify the main features of socialist orientation that Bernard Coard attempted to apply to Grenada.

Coard was somewhat fanatical in his political allegiance to Moscow and carefully studied the latest writings of Soviet scholars on socialist orientation in the Third World. Coard also imbibed the unofficial criticisms that the Soviet leadership has levelled against the Castro regime in Cuba. These criticisms concern the ultraleftist errors made by the Cubans in domestic and foreign policy during the 1960s, the complaint that Cuba was an inefficient recipient of Soviet aid, the purge of pro-Soviet cadres from the Cuban Communist Party in 1968 and reservations about Fidel Castro's personal domination of government and party organs. Coard was determined that Grenada would not repeat these mistakes and 'deviations' and he always insisted that the NJM maintain its autonomy from the Cuban leadership. If one examines the socialist orientation literature studied by Coard and the NJM, including the 'official' account of the revolution written by Jacobs and Jacobs,<sup>25</sup> one can identify ten principal features of the socialist orientation strategy that was applied to Grenada:

1. The removal of imperialist and national bourgeois



elements from the highest offices of state and the placing of the state machine, in particular its coercive apparatus, under the control of a Marxist-Leninist vanguard party.

2. The creation of a broad alliance between the proletariat, the peasantry, the urban petty bourgeoisie and the patriotic national bourgeoisie under the hegemony of the party.
3. The abolition of imperialism's political domination and the progressive elimination of its economic control.
4. The consolidation of the mixed structure of the economy and its development into one in which the state and co-operative sectors become dominant.
5. The adoption of appropriate planning techniques and organisational methods to develop the productive forces.
6. A raising of the cultural, scientific and material level of living of the mass of the people.
7. The imposition of state control over the media.
8. The transformation of the political culture towards socialist values and the promotion of new attitudes towards work and production.
9. The publicizing of the economic, social and technological achievements of the socialist countries and the development of economic and political relations with the Soviet bloc.
10. Support for the Soviet bloc in international affairs.

## The Post-Revolutionary State

On account of the predominantly comprador and petty bourgeois configuration of Grenada's class structure, the open nature of the economy and the extreme vulnerability of the society as a whole, the NJM was very cautious in its implementation of the socialist orientation strategy. As Jacobs and Jacobs explained: 'To adopt an overtly Marxist-Leninist path in such circumstances is to court alienation and take a deliberately long route to national liberation.'<sup>26</sup> When asked about the political complexion of their regime, NJM leaders always avoided the label 'Marxist-Leninist' and insisted that they be judged by their actions. Bishop's reply to a question put to him by the Grenadian journalist, Alister Hughes, in an interview conducted seven months after the revolution was typical in this respect: 'We say we are socialist. We have defined what we mean by socialism. We've done it 100 times. Every time we stand on a platform we are doing it. Every time we defend a particular issue we are doing it.'

I know what we are. I know what I am. I call myself 'Socialist', and I say that there is a programme and a policy we follow, that will tell you what we are.'<sup>27</sup> This pragmatic and tactical use of Marxism-Leninism gave members of the NJM a good deal of latitude in formulating policies and allowed the party to enter in alliances with diverse individuals and political currents both at home and abroad. Nevertheless, the party did operate within the framework of certain axioms that were derived from the Black Power and official communist ideas held by the leading intellectual figures in the party, Bishop and Coard. One of these axioms was the firm belief in the need

for a one-party state. This is an interesting question. The manifesto of the party called for the establishment of a non-party state based on 'people's assemblies', because, it was argued, political parties tend to divide the people into rival factions which saps the creative energy of a country. The introduction of official communist ideas into the NJM led to a reformulation of its position on the question of the party. It was now accepted that a Marxist-Leninist vanguard party was crucial in leading the masses to the conquest of state power and beginning the process of socialist transformation. However, the party still adhered to its original views about party politics so that now its criticisms of the Westminster model of parliamentary democracy were used in support of a one party state. This was the NJM's public stance. Inside the NJM, however, the one-party state was justified in terms of official communist orthodoxy: only one party could genuinely represent the interests of the working class and any other party that was created could only serve the interests of the bourgeoisie in trying to overthrow the revolution. It is true that the socialist orientation strategy provided for a strategic alliance with the 'patriotic national bourgeoisie', but this was conceived essentially in economic terms. The private sector was called upon to play a major role in the economic strategy of the NJM and various incentives were made available. But it was not conceded the right to form political parties. The representatives of the bourgeoisie that were given portfolios in the government were placed there to maintain the confidence of the capitalist class as a whole, and the bourgeois ministers were considered to be 'under the hegemony of the party'.<sup>28</sup> Bishop's Grenada was, however, a one-party state de facto and not de jure since no laws were

passed proscribing political parties. The NJM's political monopoly was maintained by altogether different means. Shortly after the revolution the GNP attempted to stage two public meetings, but each gathering was broken up by NJM supporters. The party presented these events as the spontaneous rage of the masses against the discredited bourgeois party, although according to Alister Hughes, who attended both meetings, there appeared to be a certain amount of organization involved. Furthermore, when Hughes approached Bishop about these occurrences he was told that the NJM wanted to maintain the unity of the revolutionary process and nobody would be allowed to sow dissension and discord.<sup>29</sup> The GNP was deeply intimidated by the protests, and after having failed to get some form of recognition of its right to exist the party disappeared from the political scene. It should be pointed out that if the GNP had been able to mobilise appreciable public support it would not have faded away without discernible popular discontent. In fact, the NJM's heavy-handed approach drew minimal criticism inside the country and was greeted with enthusiasm by many supporters of the ruling party. The class background of the GNP leadership and their failure to play any significant role in the overthrow of Gairy made many people suspicious of their motives and receptive towards the NJM's arguments. Nevertheless, the ban on all political activities outside the control of the party allowed the NJM to control and manipulate political debate in the country and greatly intimidated a number of prominent people in the country who were otherwise favourably disposed towards the revolution.

Another tenet which the NJM adhered to was that the party should be monolithic. Here again there was an amalgamation of

Black Power and official communist ideas. In line with the Jamesian reservations about the hierarchical structure of the vanguard party, the early NJM operated along collective lines. After lengthy debate decisions were arrived at by consensus. Votes were never taken and minority viewpoints were not allowed to take on an organized form. This mode of operation, which corresponded to the conciliatory political style of Bishop, continued after the introduction of official communist ideas. However, the transformation of the NJM into a vanguard party led to this practice being rationalized in terms of official communist orthodoxy. It was now stated that as a Marxist-Leninist party the NJM should be monolithic and political tendencies and factions should not be allowed to develop. In practice, however, Bernard Coard organized his followers in OREL as a cabal of true Marxist-Leninists. In 1975 when OREL was formed it published a newspaper called Spark and remained outside the NJM. It criticized the NJM as a petty bourgeois party, yet approached Bishop proposing an amalgamation into the NJM on one condition: that the NJM transform itself into a Marxist-Leninist party along the lines of the WPJ in Jamaica. The NJM refused to accept this proposal, but Coard and his followers in OREL joined the party anyhow, dropping any pre-conditions. They then set about introducing official communist ideas in a more piecemeal fashion. However, as far back as 1975 when they characterised the NJM as petty bourgeois their analysis was that only they were theoretically qualified and competent enough to steer the NJM in a Marxist-Leninist direction and ensure that the revolution would reach a second stage, a Marxist-Leninist stage.<sup>30</sup> Because of his intellectual stature, Coard was acknowledged as the chief theoretician of the party and given the authority to handpick

members of the Central Committee that was established. Coard used this authority to progressively increase the number of OREL members on the Central Committee. Thus, in spite of the formal adherence to the concept of a monolithic party, from 1975 onwards one could distinguish two distinct factions inside the NJM. The first faction was headed by Bishop and Radix and comprised the 'older' founding members of the party who were the leading intellectual figures in the country and came from prominent bourgeois and petty bourgeois families. The second faction was headed by Coard, and although a leading intellectual of petty bourgeois origins himself, most of his followers were the younger, less well-educated members of the party who came from poor families. Because of the experience and educational background of the Bishop faction they were given ministerial positions in the People's Revolutionary Government (PRG) that was established shortly after the revolution. On the other hand, members of the Coard faction tended to take leading positions in the armed forces, internal security, the trade unions and the party. Moreover, because they did not have ministerial responsibilities the supporters of Coard had more time to devote themselves to ideology and work in the party.

The NJM's flexible approach towards Marxism-Leninism enabled it to establish strong ties with a number of international organisations and institutions. The closest political allies of the party was the official communist movement in the English-speaking Caribbean, headed by the WPJ in Jamaica and the People's Progressive Party (PPP) in Guyana. Firm links were also established with the Cuban Communist Party and the Communist Party of the Soviet Union and NJM cadres were sent to the party schools in those countries for

military and ideological training. At the same time the NJM joined the Socialist International and gained the active support of that movement for the revolutionary process. As has been noted by various commentators,<sup>31</sup> the response of the Socialist International to revolutionary developments in Grenada, Nicaragua and El Salvador has differed markedly from the way in which it reacted to the Cuban revolution. Although West European social democratic parties initially welcomed the Cuban revolution, when it came down to defending its results, all members of the Socialist International, with the exception of the Japanese Social Democratic Party, chose to support their ally, the United States. Confronted with the revolutionary upheavals in the Caribbean basin in the late 1970s and early 1980s, however, the Socialist International was prepared to defy its North American ally. Several factors seem to be involved in this more receptive attitude towards revolution in the region on the part of the international social democratic movement. First of all, in recent years European social democrats have sought to prove to the Third World that Europe could provide genuine support to developing countries unwilling to tie themselves to either the United States or the Soviet Union. The revolutionary movements in Central America and the Caribbean were considered to be opening up such a 'third road'. Opposition to US policy in the region also allowed the Socialist International to distance itself from the increasingly belligerent tone of American foreign policy. The NJM skillfully exploited the anti-US position of the Socialist International in order to build a broad-based movement around the world in solidarity with the Grenadian revolution and in opposition to any US invasion. Inside the Socialist International the NJM played down its

official communist ideology and aligned itself with the Jamaican People's National Party (PNP) and the more progressive social democratic parties in Europe. The NJM leadership justified this manoeuvre in terms of the socialist orientation strategy. It was argued that since the Grenadian revolution was still at the 'national democratic stage' it was legitimate for the party to belong to the Socialist International. An open political alignment with the official communist movement could only take place when the revolution had advanced to a higher stage of development. The NJM adopted a similar position in relationship to the European Economic Community (EEC). Grenada under Bishop remained a signatory to the Lome Convention and was therefore entitled to receive concessionary assistance from the EEC. Equally, the NJM kept Grenada in the British Commonwealth and CARICOM, and sought to gain both economic assistance and political leverage from these bodies. The NJM also associated themselves with Trotskyists, which, given the ideological formation of the party was particularly heretical. Like most communists aligned with Moscow, the NJM considered Trotskyists to be opportunist and ultra-left. It was said, for example, that the Socialist Worker's Party in the United States, which was very active in building solidarity for the revolution, were being opportunist in that they were pro-Grenada, pro-Nicaragua, pro-Cuba but anti-Soviet. Nevertheless, the NJM applauded the solidarity work of the party and Bishop collaborated with the Socialist Worker's Party's sister organization in Australia in publishing a collection of his speeches.<sup>32</sup> The Trotskyists were also tolerated inside Grenada since they were committed supporters of the revolution and brought in *much needed* foreign



exchange; but they were regarded with suspicion.

Within days of the seizure of state power the leadership of the NJM started work on a fundamental 'Declaration of the Grenada Revolution' and the first laws of the revolution called 'People's Laws'. On 25 March 1979 the Declaration and a package of ten basic People's Laws forming part of it, were proclaimed and endorsed by popular acclamation at a rally at Seamount in the parish of St. Andrew, attended by over 15,000 people. The People's Laws and the Declaration were then signed by the country's new Prime Minister, Maurice Bishop, and printed and circulated around the island. The Declaration pronounced that 'constitutional government in Grenada has been interrupted as a consequence of the violations and abuses of democracy committed by the administration of Eric Matthew Gairy' and announced the establishment of the PRG. The PRG pledged 'to return to constitutional rule at an early opportunity and to appoint a Consultative Assembly to consult with all the people for the purpose of the establishment of a new Constitution which will reflect the wishes and aspirations of all the people of Grenada. That new Constitution will be submitted for popular approval in a referendum. All sections, classes and strata will be involved.'<sup>33</sup> People's Law No. 1 confirmed the suspension from 13 March 1979 of the Grenada Constitution Order which had been proclaimed in Council by the Queen in 1973 and declared all acts done under the authority of the PRG to have been done lawfully. People's Law No. 2 established the PRG and vested in it all executive and legislative power. People's Law No. 3 confirmed the Queen as Head of State and the Governor-General as her representative,

who was required to perform such functions as the PRG should from time to time advise. People's Law No. 4 established a Supreme Court for Grenada with the jurisdiction of the West Indies Associated States Supreme Court, which was thereby terminated. People's Law No. 5 provided that all existing Laws should continue in force unless and until specifically repealed or amended. People's Law No. 6 confirmed and extended the jurisdiction of the existing Magistrates Courts. People's Law No. 7 established the People's Revolutionary Army (PRA) whose members were given the powers of arrest and search possessed by members of the Police Force. People's Law No. 8 introduced the power to order the preventive detention of persons considered to be endangering public safety and national security and set up a tribunal to review the cases of detainees and make recommendations. People's Law No. 9 preserved the pension rights of civil servants. Finally, People's Law No. 10 declared that all People's Laws should take effect upon oral declaration by the Prime Minister on the radio or through publication in the Grenada Government Gazette.

Five other People's Laws were proclaimed on 29 March 1979. People's Law No. 11 of 1979 confirmed the appointment of Maurice Bishop as Prime Minister, with responsibility for such departments of government as he might deem appropriate and authority to appoint and define the responsibilities of other ministers. People's Law No. 12 of 1979 confirmed the appointment of twenty-three persons to form the PRG. Most of those appointed were leading members of the NJM, such as Maurice Bishop, Bernard Coard, Unison Whiteman, Vincent Noel, Selwyn Strachan, George Lousion, Kenrick Radix, Hudson Austin, Leon Cornwall, Liam James, Basil Gahagan and Fitzroy Bain.

The non-NJM members of the PRG included Dr. Bernard Gittens, a medical doctor, Sydney Ambrose, a teacher and two representatives of the island's business class, Norris Bain and Lyden Ramdhanny. In line with the socialist orientation strategy, the NJM considered the PRG to be a broad alliance between the various classes of Grenadian society that was subordinate to the party, the guiding force of the revolution. Thus, in spite of vesting all legislative and executive powers in the PRG, the NJM believed that the party was the primary source and guarantor of revolutionary legitimacy and in practice operated as a law unto itself. However, most Grenadians identified themselves with the PRG and many people had no idea who sat on the party's leading bodies or what precise roles they fulfilled. The NJM, for its part, considered its relationship with the PRG as tactical and did not make any efforts to inform people about it. The non-NJM members of the PRG were prominent individuals in the society whom the NJM considered competent and trustworthy. At the same time the NJM took into account the problems posed by the class instincts of the individuals in question. In respect to Lyden Ramdhanny, a talented economist and director of a prominent family company, the NJM was optimistic that during the course of the revolutionary process he might commit class suicide and join the ranks of the proletarian forces. No such optimism prevailed with regard to Norris Bain, a prominent merchant based in Grenville. He showed few signs of developing into a Marxist-Leninist, and it was believed that his enthusiasm for the revolution had a good deal to do with the fact that it enabled his business to flourish. Nevertheless, the NJM made maximum use of his abilities and the popularity he enjoyed in

the country. The party also made assessments of the other non-NJM members of the PRG.

The other People's Laws proclaimed on 29 March 1979 were: People's Law No. 13 of 1979, which confirmed the appointment of the first Ministers; People's Law No. 14 of 1979, which provided for the composition and jurisdiction of the two branches of the Supreme Court (High Court and Court of Appeal); and People's Law No. 15 of 1979 which revived 21 of the 111 sections of the suspended constitution.

Four days later a further three People's Laws were proclaimed: People's Law No. 16 of 1979 defined the functions of the Cabinet; People's Law No. 17 extended the definition, contained in People's Law No. 8, of persons whose preventive detention could be ordered to include persons seeking to 'subvert or otherwise sabotage the PRG'; People's Law No. 18 defined the powers and functions of the Governor-General, effectively changing his role to that of a figure-head by requiring him to act as advised by the Cabinet or the Minister responsible.<sup>34</sup>

Thus, within the space of sixteen to twenty days, the complete structure of government had been laid out, reflecting the basic interim arrangements for carrying on the government of Grenada according to the law pending the working out of a permanent constitutional structure. Although only 21 of the 111 clauses of the suspended constitution were revived it would be incorrect to conclude, on this purely numerical basis, that the matters referred to in the remaining 90 clauses were not regulated according to the law. In fact, nearly every aspect of government and administration was governed either by statute or the principles of the common law. However, it is the case that the PRG retained

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extraordinary powers to detain and hold people without trial, and habeus corpus was not always respected.

Shortly after the overthrow of Gairy, Bishop announced that the PRG expected a quick return to 'free and fair elections'. However, this was an issue of some debate inside the NJM, and the PRG refrained from taking any real steps towards the re-establishment of Westminster-style constitutional rule and elections. At times the PRG would present the system of popular power that it had set up as an altogether superior form of democracy to that embodied in the Westminster model, and it was often said rhetorically that the revolution was itself a form of election in that there had been 'one man, one gun'. On other occasions the PRG would reiterate its pledge to hold elections once a new constitution was drawn up. However, it was not until June 1983 that a constitutional commission was appointed.

Following the revolution, the PRG arrested and quickly brought to trial members of the Mongoose Gang and the secret police. After a period the majority of those held were released, leaving only the most dangerous still in prison. A number of people were also arrested under the 1979 Preventive Detention Regulation and the Prevention of Terrorism Law passed in 1980. The acts enabled the PRG to detain without trial individuals suspected of terrorist offences. Although some of the NJM's accusations subsequently proved to be without foundation, a number of those people detained were manifestly involved in conspiracies aimed at toppling the government. These included figures implicated in the November 1979 'De Raviniere Plot', in which some police officers, members of the UPP and right-wing academics working in the US had collected arms and planned to co-ordinate mercenary

landings, and members of the 'Budhlall Gang', which in the spring of 1980 mobilised young Rastafarians and attacked army camps. The authors of the bombing of the Heroes' Day rally on 19 June 1980, when three young women were killed, and the assassins of four young men at St. Patrick's on 17 November 1980, were not captured, but these incidents gave weight to the PRG's assertions that it faced an internal as well as an external subversive campaign and undoubtedly encouraged it to detain people about whom it had suspicions. Nonetheless, some of those held without trial, such as the ex-NJM leader Lloyd Noel, and the constantly harassed journalist Alister Hughes, were patently guilty of political opposition rather than conspiracy.

Two types of criticism were levelled against the PRG over the detainee issue. First, organisations such as Amnesty International and the local Catholic church criticised the regime purely and simply for holding prisoners for extended periods without any semblance of judicial process. The PRG responded by claiming that there was a lack of competent lawyers on the island and that the legal system which it had inherited had broken down. The government also maintained that political cases should be tried under the new constitution, a position that was somewhat disingenuous in view of the lack of movement towards establishing a new charter. The second type of criticism was markedly less honourably inspired and emanated from the US government, conservative Caribbean states and the right-wing media, all of which alleged with greater or lesser hyperbole and vehemence that political detainees were being brutally tortured. Church leaders who visited the prison at no stage made any complaint about the treatment of those whose cases they were investigating, and delegations

from the Caribbean Council of Churches and the OAS also indicated that they had found no instance of maltreatment. There does, however, remain some doubt over the total number of political detainees: in June 1983 Bishop gave the figure for those held without trial as thirty-five, but Amnesty considered that there were at least ninety and maybe more.

As with so many other aspects of its activity, the PRG's attitude towards political detentions was shaped by the official communist ideology of the NJM. It was argued that the revolution had to be protected at all costs, and that it was legitimate in a revolution to detain people who one 'knew were guilty' even if one did not have any shred of evidence. The PRG's attitude towards political detentions was also partly determined by very real constraints in that Grenada did lack an adequate judicial system. Nevertheless, the failure to adopt a measured policy towards domestic opposition rebounded to the government's disadvantage. One critical factor in this regard was the imbalance between the relatively open character of the PRG itself and the increasingly tight and inflexible positions emerging within the party. The contradictions of this relationship did not become clear, however, until forces inside the NJM sought a complete imposition of their party-based conception of discipline and public order on the state. When this occurred, in October 1983, the precedents established by the PRG played an important part in determining how the Central Committee of the NJM moved against the PRG itself. There was no inescapable logic in this process - prisoners were released at quite regular intervals and the numbers involved in no sense constituted a pogrom - but it is difficult to deny the link.



The PRG's policy towards the media was also somewhat authoritarian in character. In October 1979 the revolutionary government closed down the island's only capitalist newspaper, Torchlight. The PRG argued with some justification that Torchlight had revealed the location of a PRA training camp, had acquired the habit of reprinting anti-PRG articles taken from foreign publications, which often contained libellous and completely untrue material, and manifested a total commitment to removing the new administration. Whether this meant that the paper was, as claimed, working in harness with the CIA, is open to question. The final act which led to the closure of the paper was an article entitled 'Rastas to Protest', which the PRG considered was deliberately designed to exacerbate discontent amongst the Rastafarian community. As part of the action against Torchlight the PRG passed the Newspapers (Amendment) Law which limited an individual's shareholding in a newspaper publishing company to 4 per cent. Under the provisions of that law, all shares held by individuals in excess of 4 per cent of the shareholding in Grenada Publishers Ltd, the owners of Torchlight, were automatically vested in the PRG. Bishop announced that these shares would be sold to the public, but this was never done so that the PRG remained in effective control of the newspaper. The clause restricting an individual's shareholding to 4 per cent was a direct challenge to the Trinidadian newspaper, Trinidad Express, which owned a massive 4,062 shares in Torchlight. The Trinidad Express was itself highly critical of the Grenadian revolution, and used its influence in Torchlight to print editorials hostile to the PRG. According to Don Rojas, who served as a publicity secretary to Maurice Bishop,

the PRG attempted to do a deal with the management of Torchlight before taking the decision to close the paper. The PRG proposed that they be given the right to appoint the newspaper's editor, and Rojas was put forward as their candidate for the post. After giving a hearing to the PRG's proposition, the management of Torchlight hardened their position and insisted that they retain the right to appoint the newspaper's editor. It was at this stage that the PRG took the decision to close the newspaper.<sup>35</sup> The management of Torchlight remained in contention with the PRG until August 1981, when workers at the company took it over and set up their own co-operative. The workers action was prompted by the fact that the management of the company had abandoned them owing them substantial arrears of salary.

In May 1981 a 'Committee of 26' was formed composed of local businessmen and other prominent individuals who published in St. George's a new newspaper called The Grenadian Voice. In bringing out the paper the 'Committee of 26' went to great lengths in seeking to comply with the provisions of the 1979 Newspaper Law. Nevertheless, the PRG closed down the paper after only its first issue claiming that it was linked to a CIA plot against the revolution. This accusation was primarily based on the fact that a US State Department official in Barbados made a comment to Kenrick Radix, the Minister of Justice and Industrial Development, to the effect that Grenada would shortly see the publication of a new newspaper. This was interpreted as a slip of the tongue which proved that the State Department was behind The Grenadian Voice. This was quite an extrapolation to make. It could well have been that the US official was deliberately making this remark in order to

provoke an over-reaction on the part of the PRG that would discredit the revolution both at home and abroad. Whether this was the intention of the US official or not, such an over-reaction did take place. The PRG detained the printers and harassed members of the 'Committee of 26' including Alister Hughes who was dealt with in a particularly harsh fashion. At the same time the PRG mobilised its supporters in demonstrations against the 'Committee of 26', and published letters from people around the country who supported the government's action. In a major speech given at the 'Heroes' Day' rally held on 19 June at the Queen's Park, St. George's, Bishop explained why the PRG had taken such drastic action against The Grenadian Voice. The main argument he put forward was that the 'Committee of 26' was composed of reactionary landowners and capitalists who did not speak on behalf of the Grenadian masses and that these 'stooges' were being manipulated by the CIA. He then outlined why he considered The Grenadian Voice to be illegal: 'This is not a question of legality or illegality, it is a question of using legality as a red herring to try to pretend that the question is legalisation, if legality is about the law. We reject the bourgeois concept in trying to define the law, we reject the meaning the bourgeoisie put to the question of press freedom. We say that - in this country today, in this popular people's revolution - the time of the masses having come, the ideas of the masses must predominate. In counter-revolution under press cover, we reject the fact that it is a legal paper. We say no: The paper is illegal.

It is illegal for five reasons.

The first reason is that they used their own procedure

when they tried to create their newspaper company law. That is a legalistic reason, we gave it to them so they can be happy with it. They used the wrong procedure - they must fire Lloyd Noel next time and get a real lawyer.

The second reason is that when the Torchlight was closed down the general of the revolution, the Commander of the Revolution Comrade Austin went on the radio and warned these elements that they must not put out a newspaper again until further notice. They have violated the voice of the revolution.

The third reason is that - when, in their second attempt, the Catholic Focus was closed down, for the same illegal reasons - we warned them that they must not put out any more papers trying to use illegal means under the Newspaper Act.

The fourth reason is, we have warned them on several occasions that they will have to wait until a media code, a media policy for newspapers, is formulated and implemented before they can bring out any newspaper, and they refused to listen.

And the fifth and most important reason of all: This is a revolution, we live in a revolutionary Grenada, this is a revolutionary condition, and there is a revolutionary legality, and they will have to abide by the laws of the revolution.

When the revolution speaks, it must be heard, listened to. Whatever the revolution decrees, it must be obeyed; when the revolution commands, it must be carried out; when the revolution talks, no parasite must bark in their corner. The voice of the masses must be listened to, their rules must be obeyed, their ideas must receive priority, their needs must be addressed; when the masses speak, they must be heard. When the revolution orders, it must be obeyed. The revolution must be respected. '36

In demagogic and plain terms, Bishop articulated the authoritarian views held by the NJM in regard to the question of press freedom. Underlying Bishop's statement was a substitutionist conception of the role of the party in a revolutionary process, whereby the decisions and decrees of the revolutionary leadership are regarded as 'the voice of the masses'. Towards the end of his speech, Bishop disclosed that a new newspaper law had been passed earlier in the day. This law, called the Newspaper (Publications) Law 1981, prohibited the production, printing, publishing and distribution in Grenada of any newspaper, but exempted any newspaper already being published and which had been continuously in existence since 29 October 1979.<sup>37</sup> This latter clause was included to allow for the legal publication of the government-owned newspaper, the Free West Indian, and several other newspapers produced by the party and the mass organisations. The introduction of this law provides a further indication of the substitutionist ideas held by the NJM and the effects of this on the law-making process in the country. Having failed to formulate an official media policy, the PRG responded to the publication of a newspaper with repression, and then, in order to legitimise this operation ex post facto, introduced a newspaper law banning the publication of independent newspapers.<sup>3</sup> In addition to the views expressed by Bishop in his speech at the Heroes Day rally, the PRG defended its position on the question of press freedom by pointing to the 'broad range of views' that were expressed in the Free West Indian and the existence of a number of papers produced by the mass organisations and the party. It also made mention of the fact that foreign magazines, such as Time and Newsweek, and

newspapers like the Express and the Trinidad Guardian, were allowed to circulate despite the fact that they were highly critical of the PRG. It should also be noted that Grenadian radios could receive the fiercely critical Voice of America, broadcast from Antigua, as well as the stations of other islands controlled by governments and organisations far from sympathetic to the PRG.

On balance, then, one can say, that although the PRG's attitude towards the question of press freedom was not as totalitarian as the image presented by Washington and the capitalist press in the Caribbean, the revolutionary government handled the issue in an authoritarian and clumsy manner and opened itself to unnecessary criticisms over freedom of expression. Uppermost in the minds of the NJM leadership was the central role played by newspapers such as El Mercurio in Chile and the Daily Gleaner in Jamaica in destabilizing the much stronger left-wing governments of Salvador Allende and Michael Manley respectively. But, in following the guidelines of socialist orientation, the NJM lacked the tactical flexibility of the Sandinista government in Nicaragua, which allows the publication of the opposition La Prensa even at a time of considerable tension and undeclared war.

A month or so after the confrontation with the 'Committee of 26' the PRG launched the Media Workers Association of Free Grenada (MWAFFG) to carry out its policy in relation to the media. The MWAFFG was composed of workers from the government-controlled media: Radio Free Grenada (RFG), Free West Indian (FWI), Television Free Grenada (TFG) and the Government Information Service (GIS). In his feature address at the launching ceremony of the MWAFFG, Bishop told the 500 people gathered that the MWAFFG's launching was an important first

step in combating the negative propaganda against Grenada 'because there is a need for us, at a national level, to become more organized and unified to begin to counter the negative flow of information to and from our country.'<sup>39</sup> The enunciation of the official policy of the MWAFG was left to its First Vice President, Don Rojas. Reading from a document of the Association, he said that the MWAFG states 'our firm support for a publicly owned media, which reflects the interests and aspirations of the real people of Free Grenada, the people who are working daily to better thier lives, who are struggling against tremendous odds to build an attractive future for their children and for generations to come.' Rojas added that the MWAFG unites all media workers, from drivers to managers. 'As an organization, we will fight for the rights of progressive journalists throughout the world, and will join the militant and universal struggle for a new international information order.'<sup>40</sup> In October 1981 the MWAFG joined the International Organisation of Journalists (IOJ), the international movement of journalists aligned with Moscow.<sup>41</sup> Subsequently the Grenadian media began to disseminate a greater amount of information on economic and political developments in the Soviet Union and the official communist movement. There appeared to be a calculated strategy of inculcating socialist ideas in the society by reporting on the positive features of the Soviet Union and then presenting information on crime, unemployment and other 'decadent' features of life in the United States. At the same time, friendship societies were formed with the Soviet Union and Cuba, which organized films, arts displays, public meetings and book fairs on life in the socialist countries. And in

September 1981 the Cuban government installed a new 50,000 watts medium wave transmitter at RFG which allowed the station to be heard in the region and as far as North America.<sup>42</sup> Thus, in conformity with the guidelines of socialist orientation the PRG imposed a state monopoly over the media and used it to educate the masses about anti-imperialist struggles and the 'virtues of life under socialism'.



Chapter Three

Popular Power

## Popular Education

Under colonialism Grenada's education system was designed to inculcate British values and produce a local elite that could administer the island on behalf of the mother country. Most Grenadians never reached beyond elementary education, and many children left primary school at an early age because of exorbitant school fees and the need to make a contribution to the meagre family income. The text books that were used in schools, called Royal Readers, reflected the British way of life and most of what the students learnt dealt with what happened in Britain. In an address given at the National Education Conference held four months after the revolution, Bishop drew attention to the stultifying effects of the colonial education system: 'Perhaps the worst crime that Colonialism left our country, as indeed it left all former colonies, is the Education system. This is so, because the way in which that system developed, the way in which that system was used, was to teach our people an attitude of self-hate to get them to abandon our history, our culture, our values; to get them to accept the principles of White superiority; to destroy our confidence; to stifle our creativity to perpetuate in our society class privilege and class difference. The Colonial masters recognized very early on that if you get a subject people to think like them, the colonialists, and if those subjects are made to forget their own history and their own culture, and made to develop a system of Education that is going to have relevance to the outward needs of the colonialists and almost entirely no relevance to our internal needs, then they have already won

the job of keeping us in perpetual (sic) domination and exploitation. Our Educational process, therefore, was used mainly as a tool of the ruling elite. ...

Our Educational System was used in this way to encourage a number of myths, a number of illusions, a number of deep-seated fallacies. It was meant to create the belief that social mobility was the most important factor to be had from Education. It was meant to foster the illusion that the most important reason why anyone should receive Education was so that he or she could acquire individual wealth. It helped to teach us most of the negative attitudes and values that today we still see in certain sectors of our society.

Attitudes of racist beliefs, racism, priorities and chauvinist attitudes that make many of the men in our society look at the women as being not an equal partner but as being a tool for personal use and enjoyment. An attitude of narrow nationalism and of isolationism that has taught us to believe that each of us in each of the several Caribbean islands must always remain separate and apart, and our French, and Spanish, and Dutch speaking (sic) brothers and sisters have no relevance to those of us who live in the English speaking (sic) section of the Caribbean. It has taught us to accept attitudes of authoritarian rule, and a hierarchical (sic) structure that says that the people do not have any rights to participate, do not have any rights to have their voices heard; that discourages political affairs and political activity of students, whom they compartmentalize. At one time in your life you are deemed a student and during that period you are not supposed to be involved in any of the other affairs of the real world outside. So the Education process, made us believe that during

the eighteen or nineteen years (for those who are able to get secondary education) that you are so-called "students" that your only role is to study, and this study must be completely unrelated to what is happening in our society.

An attitude which also continued to teach us, a hundred and forty something years after the abolition of slavery is that our sole function was to continue to be producers of raw materials and raw goods for the colonial masters.<sup>1</sup> The coming to power of Gairy did little to change the philosophical basis of the colonial education system, and under his regime the primary school system virtually collapsed. Thousands of dollars which should have gone to the education budget were siphoned off and squandered by Gairy and his hirelings. In his speech at the National Education Conference, Bishop presented some stark facts on the educational wasteland which the PRG inherited: 'The physical condition of our schools is a sin crying to heaven for vengeance. Of the sixty-two primary schools in Grenada twelve are totally delapidated. Children need to go to school with umbrellas because if the rain falls they would not be able to sit inside. Twenty-five more of them need complete refurbishing and every single one of them is in desperate need of repairs of some sort. In fact there are only five schools in the entire country that the recent survey has passed as being acceptable or desirable - five schools in the entire country. All of our schools, or the vast majority of them are overcrowded.'<sup>2</sup> Most teachers in the country were unqualified: '... of our teachers at the Primary level less than one third, in fact only thirty per cent, have received any form of professional training at all. At the secondary level the picture is even worse. It is something like 7 per cent of all the teachers who have received some form of

professional training and at the Pre-primary level the vast majority have in fact received no form of professional training.'<sup>3</sup> Bishop also provided information on the high rate of failure in schools: 'Of those doing primary school leaving exams in 1978 - of the nine hundred and sixty-eight persons who sat that exam - only twenty-eight persons passed. ... At the secondary school level, of all the people, of all the youths and students in our country who go through the school system, only ten to fourteen per cent ever got the opportunity of entering secondary school. The rest are condemned to primary education. When you look at the results of O'levels, of the one hundred and ninety-four students who took the exam last year, only twenty four got four or more O'levels. All the rest either failed or picked up one or two. Between 1970 and 1979, in other words over the last nine years, only twenty per cent of all students who came out of our school system were able to find jobs.'<sup>4</sup> Finally, Bishop argued that illiteracy was the most serious problem faced by the PRG: 'Sisters and brothers, we inherited very many problems on the 13th of March. Perhaps the most fundamental problem of all is the one that many people like to pretend does not exist, and that is the problem of illiteracy. People like to wave around certain facts and figures, and glorify it by way of statistics. They say that in Grenada the percentage of illiteracy is very small. But what they mean by that is that most people or perhaps many people are able to sign their names, and the process of being able to scratch a signature on a piece of paper is deemed literacy and therefore we say there is no problem of illiteracy. But the reality that in fact confronts us, is that the vast majority of our people are still unable to read or to write

in a functional manner; are still unable to take a newspaper and to appreciate what is written on that paper; are still unable to listen to a radio broadcast and to discern in an intelligent, in an enquiring, in a serious way what is being said; because they have not been given the opportunity for such development. And one of the most crying shames of the recent history of our country is the fact that no one is yet able to assess how many thousands of geniuses might have been uncovered, might have been discovered, might have come forth and flowered if they had had the opportunity of receiving some form of further education.<sup>5</sup>

It is evident from Bishop's speech that the PRG saw education as a crucial area in need of radical change. Toward this end, three major educational programmes were launched in 1980: the Centre for Popular Education (CPE), the National In-Service Teacher Education Programme (NISTEP), and the Community-School Day Programme (CSPD).

The CPE was headed by a National Advisory Committee representing a cross-section of society and chaired by the Minister of Education (initially George Louison and after August 1981 Jaqueline Creft). Launched under the slogan 'Each One Teach One, Let Us Learn Together', the literacy campaign was divided into two phases. Phase One involved basic literacy training for those without any education, and attempted to bring about one-third of the estimated 2,738 illiterates to a condition of basic literacy in the space of six months (August 1980 to February 1981). The campaign relied on volunteer teachers who were organized into village committees. The committees met weekly to monitor the progress of the classes and to discuss organizational and educational problems. To

assist the CPE, the PRG brought in two consultants to Grenada: Paulo Freire, head of the World Council of Churches literacy programme, and Angel Arrechea, a literacy expert from Cuba. These advisors made important political and practical suggestions. However, there were a number of pedagogical problems unique to Grenada which could only be solved by Caribbean teachers through trial and error. At the end of Phase One, 881 persons satisfactorily completed the course and learned to read and write for the first time in their lives.

The CPE's Phase Two began in October 1982, and was in essence a post-literacy programme. The objectives of Phase Two were spelt out in the CPE manual prepared for teachers: (i) to raise the cultural level, political and ideological consciousness of all our people generally, and in particular create a deeper awareness of the need and importance of education in the revolutionary process of building the new society; (ii) to provide primary education for all the adults in our country who need it, in a two-year course; (iii) to provide avenues for our communities to develop organisational skills and a deeper understanding of the need for co-operative effort to solve the common problems faced by the people; and (iv) to assist other departments, ministries, national programmes etc. in popular education of the masses on issues relevant to the particular programme, projects or institutions.<sup>6</sup>

The curriculum of this second phase included five basic courses: mathematics, English, Grenadian history, geography and natural science. Classes were held at night so the working day was not interrupted, and the programme was closely linked to the needs and interests of working adults.

One of the most important aspects of CPE was its cultural component. While the CPE developed knowledge and confidence in the Standard English it sought to remove the stigma from Creole by drawing on Grenadian folklore to provide illustrations in lessons. At the same time, people were encouraged to express themselves through poetry, drama, song and dance. Thus, in many ways the CPE promoted two languages: Standard English and Creole. In no sense was there a replacing of one with another.<sup>7</sup>

The PRG declared 1983 as 'The Year of Political and Academic Education', and the CPE was accorded pride of place in the work of the revolutionary government. This was explained by Bishop in his New Year's address to the nation: 'The main academic or educational task for 1983 must be to push ahead vigorously with the Centre for Popular Education (CPE), to bring thousands more of our working people into this programme because of its fundamental relevance to the social, political and economic development of the masses.'<sup>8</sup> He added that CPE certificates would become a critical asset in the new job opportunities that were being created and 'an equally important asset in the areas of training and promotion'. Bishop stated that the PRG's overall objective in 1983 was to 'make our country and revolution a big popular school',<sup>10</sup> and listed seven main tasks for the year: (i) worker education in both public and private workplaces; (ii) CPE in all villages; (iii) CPE for workers; (iv) total trade union involvement in CPE and worker education; (v) more work-study programmes for students; (vi) more seminars and training courses to be organized by the mass organisations; (vii) and more technical seminars for different categories of workers to improve their



skills.<sup>11</sup> Following Bishop's address, recruitment to the CPE was stepped up and more people were called upon to undergo training to become volunteer teachers. The CPE classes were increasingly used as political organs in which people were informed about government policies and called upon to take part in voluntary work brigades and political campaigns.

The CPE was undoubtedly one of the major accomplishments of the revolution and was highly successful in raising popular consciousness and creating a new sense of Grenadian identity, patriotism and pride. Yet at the same time, the programme was severely handicapped by the shortcomings of the country's social and educational infrastructure. Regular electricity outages caused many CPE classes to be cancelled, although gallant attempts were sometimes made to conduct classes under candle-light. Many potential students were deterred from attending CPE classes by the difficulties involved in getting transport late at night. Since a large number of CPE teachers were also active in other programmes of the revolution students often went to classes to find that there was no teacher. These and other problems resulted in a high rate of absenteeism amongst students. The PRG responded to the absenteeism by making frequent appeals for support at public events and in the media, but seemed unable to provide a solution to the infrastructural and organizational problems which existed. The further development of the CPE programme was dependent upon the overall progress of the revolution.

The second educational programme launched by the PRG, NISTEP, was designed to tackle the problem of unqualified and undertrained teachers. Before the revolution the Grenada Teachers' College graduated an average of forty-five teachers

per year, while something like half that number of qualified teachers left the profession each year for emigration. Under these circumstances it would have been extremely slow and costly to upgrade teaching standards in the traditional manner. Because of this, the revolutionary government decided on an in-service teacher training programme as the most practical and efficient for Grenada. NISTEP aimed at upgrading 612 untrained teachers over a three-year period at an estimated cost of EC\$3.7 million. The programme centred upon tutors and 'teacher-partners', whereby experienced teachers were attached to a group of co-operating untrained colleagues to develop their skills for one day a week. During the remaining four days of the week the untrained teachers put into practice what they had learnt. Besides raising educational standards, NISTEP had two other important objectives: to develop a standardized curriculum to be used by schools throughout Grenada; and to establish teaching as a serious profession in order to expunge the notion that it is merely a stepping-stone to more prestigious and lucrative employment. By raising the professionalism, prestige and pay of Grenada's teachers (those who completed the programme were given increments in salary), the PRG hoped to retain a higher percentage of qualified teachers in the schools on a long-term basis.

NISTEP was an exceptionally bold and innovative programme and was unique in the Caribbean. However, Grenada's limited resources and the inefficiency of the administrative machinery led to organizational and technical problems. Some of the training provided by tutors was too academic and there was inadequate supervision of teachers. In addition, complaints of project relevance were often heard. Nevertheless, standards were raised significantly and the prestige of the teaching

profession was enhanced.

The CSPD was originally conceived as a practical strategy to occupy primary school pupils on the one day each week when the teachers were out of school for their in-service training. However, the programme soon developed a rationale of its own. CSPD sought to have community volunteers and other persons conduct practical activities in the schools on the days when teachers were absent. The purpose of the exercise was twofold: first, to develop closer community-school relationships and, second, to provide a more relevant education through the introduction of more broad-based curricula and the work-study approach. As regards the former, CSPD affirmed: 'The school must not only inform the community but must now also see itself as being informed by the community. The school and the community must be meshed as one unit struggling together for the creation of a new Educational Process and Programme ... The skills of the community must be a resource pool on which the school can and must draw if the new system and its programmes are to be relevant to the needs of society...'<sup>12</sup> Improved community-school relationship went hand-in-hand with the introduction of work-study. The work-study model is based on the principle that the world of work is based on praxis and it cannot be properly understood by passive reading. Work-study is experience-based and seeks to assist pupils in finding satisfaction in manual skills and technical efficiency and to acquire the recommended knowledge, values and behaviour patterns. In Grenada, the experience of similar models in Cuba was extensively drawn upon.

Like NISTEP, CSPD suffered from bureaucratic inefficiency and limited resources. There was also a substantial amount of

indifference and resistance to the programme, particularly at the local level, where there was little or no tradition of community involvement in schools. In those places where the programme was successful, it tended to perpetuate the 'two-track' problem in schools. Because secondary education was only open to those who passed the entrance examination, slower pupils in many primary schools were given lessons in gardening, woodwork and home economics, while their brighter colleagues followed more academic subjects. Under the CSPD, those schools which had the most untrained teachers became, in effect, 'half-work, half-study' establishments in sharp contrast to those better endowed. By 1983, serious concern about this was beginning to be expressed. Nevertheless, these problems were not insurmountable and could have been resolved in the space of time.<sup>13</sup>

### The Mass Organisations

One of the most widely acclaimed features of the Grenadian revolution was the impetus which it gave to the self-organisation of society as large. On account of legislation and initiatives spearheaded by the NJM, there was a prodigious growth in the organizational strength of the 'mass organizations': the trade unions, the Productive Farmers' Union (PFU), the National Women's Organization (NWO), the National Youth Organization (NYO) and the National School Student's Council (NSSC). In accordance with guidelines of socialist orientation, the NJM sought to create a mass base amongst the oppressed in order to bolster the PRG and curtail the influence of the surviving capitalist class. The mass organizations played a key role in popularizing the goals of the revolution and mobilising voluntary labour brigades. All of the organizations were represented on state or statutory bodies appropriate to the promotion of their specific interests so as to ensure that government organs were responsive to the needs of the people. In addition, the leader of each of the principal mass organizations was represented on the PRG as a full member.

The PRG wasted no time in introducing legislation in favour of the trade unions. Within three months<sup>of the revolution</sup>/all of Gairy's anti-worker laws were repealed, and in May 1979 the Trade Unions (Recognition) Act was passed. Under this law the employer was compelled to recognise the trade union, once over 50 per cent of the workforce were union members. The Ministry of Labour was required to respond within seven days of the union's application for recognition, and then call a poll of workers. If the majority was shown to be members, then the

union would automatically be certified as the bargaining agent for the workers.<sup>14</sup> This law effectively put an end to the non-recognition of trade unions by employers, as had occurred at Barclays Bank, the Red Spot Soft Drink Factory and Bata Shoe shop.<sup>15</sup> As a consequence of the trade union law and the recruitment drive mounted by union activists, unionization of the labour force grew from around 30 per cent under Gairy to between 70 and 80 per cent.

Under the PRG there were eight principal trade unions in Grenada, and the revolutionary government recognised their right to affiliate to the national trade union federation, the Grenada Trades Union Council (GTUC). During the revolution the GTUC joined the International Labour Organisation (ILO) for the first time in its history, and became an active member of the regional trade union movement. Grenada's labour movement was given additional support by various other laws introduced by the PRG. People's Law No. 62, the Trade Union and Trade Disputes (Amendment) Law, 1979, permitted a registered trade union to purchase, sell, lease, exchange or mortgage land or any other property. This was a significant extension of trade union rights. An earlier law, People's Law No. 46, recognised and protected the right to strike. In this way the PRG showed a genuine commitment to the independence of the trade union movement. Moreover, the NJM actively encouraged trade unions to struggle for the best possible conditions for workers within the framework of free collective bargaining and a market economy. The party newspaper consistently lent its support to workers in struggle against private companies and landowners. However, in terms of maintaining an industrial climate favourable to capital accumulation by both local and foreign interests, the Commissioner of Labour

was instructed to intervene in disputes that threatened to last a long time. He was usually able to force a settlement because of the general support which the trade unions gave to the PRG.<sup>16</sup>

It seems that after the revolution the NJM took a conscious decision to send most of its cadres into the trade unions and other mass organisations and leave much of Gairy's state bureaucracy intact. This was considered to be the most effective way of keeping the economy going, of preventing an inordinate growth of the state apparatus and at the same time of protecting the interests of the people. Thus, many government officials, including the heads of a number of state enterprises were unmoved by the revolutionary ideology of the PRG. Many of these officials were unresponsive to the needs of the labour force and resisted government attempts to improve the efficiency of the state sector. By taking action against the obstructionist and unsympathetic behaviour of these individuals, the trade unions assisted the PRG and at the same time defended the interests of their membership.

The main goals which the NJM-led unions were striving for in the industrial arena were profit-sharing and worker participation. Profit-sharing was accepted by many companies but worker participation did not extend beyond the state sector. The goals of profit-sharing and worker participation are clearly mechanisms that tie the working class to a particular private enterprise and cannot be considered conducive to the growth of genuine proletarian class consciousness. However, since it was accepted that the capitalist class would continue to survive for a considerable period of time, such arrangements were thought to be the most suitable in terms of raising worker productivity. Information on the profit-sharing

agreements reached between the trade unions and various private employers was provided by Franklin Philbert, the Commissioner of Labour. Most companies that entered into profit-sharing agreements undertook to give between 12½ to 15 per cent of their net trading profit to the workforce. These included Bata shoe shop, Caribbean Agro-Industries Ltd, the Tobacco company, Caribana store, Grand Baza store, Bargain House, Distributors Ltd, Seachain Bookshop and L.L. Ramdhanny and Sons Ltd. Other companies agreed to give a fixed quantum of earnings for profit-sharing. For example, Hubbards gave its workers five months wages and Huggins paid its labour force six weeks wages. Similar agreements were worked out between trade unions and state sector enterprises.<sup>17</sup>

While the PRG encouraged the expansion and consolidation of the trade union movement in Grenada it also placed great emphasis on democratic forms of organization. As Bishop explained at the regional trade union conference held in Grenada in November 1981: 'Along with ~~the~~ sudden explosion in the membership of our unions is the emphasis the new leadership is putting on their democratisation. This is very much allied to the general thrust in democracy right through our society since the Revolution, in all structures of mass organisations, community groups and the other organs of our people's power. ... before the Revolution there was a tradition in some unions of few or no General Meetings.'<sup>18</sup> Although concerted efforts were made to introduce democratic procedures in the Grenadian labour movement, the agrarian character of the society and absence of a strong collective identity amongst workers militated against trade union members taking an active part in the running of their unions. And



notwithstanding the 'democratic' intentions of the trade union leadership, they had no difficulty in getting the membership to agree to any policies or recommendations they put forward without a serious debate. For example, the Twenty-fifth Annual General Meeting of the Grenada Technical and Allied Workers Union (GTAWU), which I attended in February 1983, was a particularly undemocratic affair. GTAWU was the largest trade union in Grenada during the revolution and was led by a prominent NJM trade unionist, Jim Wardally, so its organizational practices provide a good illustration of the operations of the trade union movement as a whole. The meeting was held on a Saturday and was very poorly attended because on this day <sup>many people</sup> have farm work to attend to. Even though the meeting was well advertised in advance and the union provided free transport and refreshments for workers, only a handful of the union's membership showed up. The main report to the meeting was given by the President, Jim Wardally. GTAWU had intended to circulate copies of Wardally's report before the meeting, but the texts were not printed in time. Wardally reported on the union's activities over the past year and devoted particular attention to GTAWU's efforts to obtain compensation for a number of workers made redundant by private and public sector companies. After his speech, Wardally invited contributions from the membership. About three or four people asked for clarification about certain points which were raised but nobody expressed disagreement with the views that were put forward. The leadership of the union seemed pressed for time as the meeting had started late, so they made no serious attempt to encourage discussion but quickly moved a motion that the President's report be accepted. A somewhat ritualistic

showing of hands took place of those in favour. There were none against and no objections. The platform then proceeded to put forward a slate of candidates for election to the union's executive. Once again, the membership was called upon to rubber stamp the leadership's recommendations. It seemed as though the main purpose of the meeting was to educate GTAWU members on the social and economic policies of the PRG and the role of the working class in the revolutionary process. In a speech given before Wardally's report, Chester Humphrey, the First Vice-President of the union, made a number of remarks about the progress of the revolution that were identical to those made by Coard in an address given two days before. The key-note speech of the meeting was given by Bishop. He presented an outline of the PRG's policies in the period ahead and praised GTAWU for the work it had done over the past year and the 'discipline, unity and democratic participation of its membership'.

The GTAWU general meeting shows the difficulties that were involved in putting into practice the lofty ideals of trade union democracy which the PRG advocated.<sup>19</sup>

As already mentioned above, in 1983 the PRG called for the introduction of worker education classes in private and public sector enterprises. In the state sector the trade unions did not encounter any serious difficulties in setting up classes on a weekly basis, although many senior government officials did not see the relevance of the programme and did not bother to show up. In the private sector there was resistance in certain quarters, but the most enlightened section of the business class saw that the classes did not pose a direct threat to their interests. For although the

classes endeavoured to teach workers elementary facts about class struggle and the history of the Grenadian and international labour movement, they also sought to imbue workers with the notion of a 'patriotic national bourgeoisie' and pointed to the need for a harmonious relationship between workers and management. Some businessmen went as far as attending the worker education classes, and for this they received the acclamation of the trade unions. For example, Worker's Voice, the newspaper of the GTUC, commented: 'What is noticeable ... is that some privately owned factories like Hadeed's Factory and Tempe Soap Factory are also having classes. These owners are able to see the improved labour discipline and output as a result of the workers' <sup>(sic)</sup> Education classes.'<sup>20</sup> In nearly all cases the classes were well attended, and vibrant and stimulating discussions took place. This had a good deal to do with the fact that they took place during working hours and workers used the opportunity to relax and let off steam about working conditions. The worker education classes had a major impact on the political consciousness of Grenadian workers and enabled many to understand for the first time the utility of trade unions.

While the PRG respected the independence of the trade union movement in Grenada, it did not refrain from using coercive measures in those instances where unions held out for terms that the revolutionary government was not prepared to concede. A good example of this was the way in which the PRG handled the public workers' dispute which took place in early 1981. The dispute began in December 1980 when the Public Workers Union (PWU), formerly called the Civil Service Association, made a demand for a 9 per cent 'weighted average' increase in salaries over two years. The PRG's first offer

was for a 5 per cent increase in 1981, and a 7½ per cent increase in 1983. Several compromise offers were made by both sides without acceptance and, when a final deadlock was reached, the PWU along with the Grenada Union of Teachers (GUT) and GTAWU called a 'sick-out' on 3 March, just before the second anniversary celebrations of the revolution were due to commence. In response to the union action, the NJM mobilised hundreds of its supporters to march in protest, carrying placards which read: 'Sick-out can't stop we festival' and 'If you sick-out, stay out forever'. On 6 March several leading members of the unions received warning letters from the PRG, ten PWU members were suspended on half pay, one was dismissed and another one, the PWU President, Robert Robinson, was transferred from his post of Labour Commissioner to that of a road supervisor in a remote parish. The PRG viewed the 'sick-out' action as a move to discredit the government and destabilise the revolution, and defended its actions as follows: 'The PRG recognizes the rights of all workers to take legitimate and reasonable industrial action', But it felt that these rights carried an equal obligation to protect the country's interests. The sick-out is 'part of a plan by certain unpatriotic and counter-revolutionary elements to disrupt the second anniversary celebrations of our glorious March 13 Revolution and embarrass the PRG and the Grenadian people in face of our numerous friends and well-wishers.' In response to the PRG's tough stance the unions wrote a letter offering to resume negotiations if the letters of suspension were withdrawn, and, on 9 March, having received a reply that the offer was being considered by Cabinet, the 'sick-out' was called off that day. Negotiations were resumed and final agreement was reached on 22 May. Under the

agreement, the PRG agreed to withdraw the letters of warning, suspension and transfer and a three year contract was signed with salary increases of 17.3 per cent, 10 per cent and 12.5 per cent in 1981, 1982 and 1983 respectively.

The public workers dispute illustrates several points about the PRG's attitude towards independent action by the trade union movement. First of all, <sup>there was</sup> a dangerous proclivity to label genuine working class opposition 'counter-revolutionary' or CIA-inspired. In order to suppress the workers' revolt, the PRG resorted to some of the same anti-worker practices of Gairy: intimidation, suspension and transfer. At the same time, by organizing its most committed supporters in support of the government's stance the PRG sought to demonstrate that the majority of people in the country were opposed to the union action. This was another example of the PRG mobilising the masses in support of what can only be described as an authoritarian and undemocratic political position.<sup>22</sup> Nevertheless, because of the general sympathy which the trade unions had for the revolution they were prepared to back-down and enter into negotiations with the revolutionary government. So in spite of its authoritarian tendencies, the PRG refrained from the use of force or prohibition.<sup>23</sup>

Turning to the other 'mass organisations', the PFU, the NWO, the NYO and the NSSC, the PRG evinced a similar paternalistic and manipulative disposition. The PFU was created in October 1980 in order to provide an organization for poor and middle peasants, who were suspicious of peasant associations because of their past experience of corrupt and bureaucratic leadership. Initially, only thirty-six peasants joined the PFU. However, by 1983 this figure rose to 1,300.

Membership of the union was open to all peasants who owned and worked lands between  $\frac{1}{4}$  acre to 100 acres.<sup>24</sup> The PFU gave an independent voice to poor and middle peasants for the first time in their lives, and played a crucial role in the agrarian programme of the PRG.<sup>25</sup>

The NWO had its origins in the women's organisation affiliated to the NJM before the revolution, whose work was geared towards the mobilisation of women against the Gairy regime. Three months after 13 March a National Women's Conference was organized to initiate discussions about the future role of women in Grenada. Under the impetus of the women associated with the NJM, the PRG took a number of early initiatives to improve the position of women in society. On 20 March 1979, the PRG proclaimed the abolition of the sexual exploitation of women, and this decree was strictly enforced. Several months later, the revolutionary government established a Women's Desk in the Ministry of Education, Youth and Social Affairs for the purpose of advising the PRG on women's issues, co-ordinating the national programmes for women and dealing with the area of discrimination against women. In 1982 the Women's Desk was converted into a Ministry of Women's Affairs. Another early measure introduced by the PRG was a policy declaration providing for 'equal pay for equal work' in the state sector. The actual implementation of this policy was a long drawn out process as the PRG was reluctant to carry out enforcement in those sectors, particularly agriculture and road work, where there was resistance. In 1980 the Maternity Leave Law was introduced which gave every working woman the right to two months paid maternity leave during the period of birth of any

child. In December 1980 the first general meeting of the NWO was organized, and by this time the membership of the organization had grown to 1,500 operating in some 47 groups. It was decided at the meeting that membership of the NWO should be open to all women on the island, making it a truly national body. Following this decision the NWO experienced a mercurial growth and at one time boasted a membership of 6,500 (28 per cent of the adult female population), organised in 155 local groups in all parishes including the island parishes of Carriacou and Petit Martinique. From the documents of the NJM which became available following the US invasion, it appears that these claims were greatly exaggerated and in any event by 1983 the membership of the NWO had fallen off markedly and the organisation was in a state of disarray. Nevertheless, it was the most vibrant women's organisation to be set up in the English-speaking Caribbean and ensured that women played an active part in the revolutionary process. But it did not go beyond the parameters that were laid down for it by the NJM, and did not take up explicitly feminist issues such as abortion. It did, however, ensure that women were given prominent positions within the governmental structures of the revolution. About twenty women held high level positions. Dessima Williams served as Ambassador to the OAS; Jaqueline Creft was appointed Minister of Education, Youth and Social Affairs; Phyllis Coard, the President of the NWO, was the Vice-Minister of Women's Affairs; and Claudette Pitt served as Vice-Minister for Community Development. In addition, there were five Permanent Secretaries who were women and ten heads of national programmes. The Grenadian revolution had taken some important first steps to improve the position of women in society.<sup>26</sup>

Before the revolution the NYO was the youth arm of the NJM, operating underground with about forty members. Grenadian youth participated massively in the events of 13 March 1979 and were the driving force behind the intelligentsia which led the revolution. Underlying the militancy of the youth during the Gairy years was their direct confrontation with the most oppressive features of the 'constitutional dictatorship': massive unemployment, poor educational facilities, and police brutality. After the NJM took power, the problem faced by the party was how to maintain the intense commitment and militancy of the youth in a situation where the revolution was unable to provide an immediate solution to all the social problems faced by young people. Many youth who helped to overthrow Gairy expected the PRG to find an instant cure for unemployment, and the Rastafarian section of the youth thought that marijuana-smoking would be legalised and that the PRG would legitimise other aspects of Rastafarian culture. The revolutionary government faced an uphill battle in winning young people to its official communist ideology and maintaining their active participation in the programmes of the revolution.

In June 1980 the NYO was opened to mass membership. By the end of 1981 it claimed over 7,000 members. Like the trade unions and the NWO, the NYO encouraged its members to become involved in the main programmes of the revolution. In particular, NYO members were urged to join the People's Militia and recruit school students to the militia. While the NYO achieved some important successes, its work was impaired by a number of major weaknesses. These were outlined in a 1983 edition of the NYO's newspaper, Fight: 'The year 1982 was a fairly successful year for the National Youth Organisation ... However, there is absolutely no doubt that during the past year we have failed



miserably to meet the demands of the youth, students and children's population.

Several glaring weaknesses affected our work in 1982. ...

One of the major weaknesses in 1982 was the inadequate, exciting, stimulating and well organized activities to galvanise the youth and keep them vibrant and active. Our programme must certainly be much more attractive and exciting. In this way we would be able to attract much more young people in 1983. Hence the reason for the main focus of the NYO in 1983 will be on consistent organisation of sporting, cultural and recreational activities. ...

Another major weakness of our work in 1982 was the poor quality of leadership on the Base Group Level. The recent intensive leadership training course has had noticeable improvement on the quality of leadership. We have however, an extremely long road ahead of us to totally eliminate <sup>(s.c.)</sup> this problem.<sup>27</sup>

The NSSC worked closely alongside the NYO and experienced many of the same problems. In addition to organizing school students to participate in the main programmes of the revolution, the NSSC organized a national study drive. This was the issue discussed at the Council's first general meeting held in February 1981. In his report to the meeting, Tarli Francis, the President, said that the NSSC went through some trying times because it was beset by 'inexperience and a low level of organizational ability'.<sup>28</sup> Following the meeting the organization introduced various measures to improve its functioning and was highly successful in fund-raising and establishing links with regional and international youth organizations.

### The Parish and Zonal Council Meetings

In 1978 the NJM managed to set up a network of party support groups in each parish, and after the revolution these 'Parish Councils' continued as a forum for dialogue between the leadership and the people. With the influx of participants that these bodies increasingly began to attract, a decision was taken to break down each parish into several zones, and a new structure came into being: the Zonal Council meeting. The entire country was divided into thirty-six zones of roughly equal population size (equal to three to four geographic villages per zone). This ensured that virtually every adult in a particular zone could fit into the nearby primary or secondary school assembly. Alongside the Zonal Councils, the NJM set up parallel structures for workers, farmers, women and youth respectively. Issues of specific concern to these sectors were discussed at monthly Workers' Parish Council meetings, Farmers' Parish Council meetings, and parish meetings of the NWD and NYD. The principal aim of all these structures was to provide a direct line of communication between the people and the PRG. The process was based on the principle of accountability: the political leadership and the officials in charge of government programmes were required to face the people on a regular basis to account for their performance in running the country. A member of the PRG Cabinet was usually present at a meeting, and a meeting was allowed to request in advance the presence of any government official whom they wished to question.

In addition to the accountability procedure, the meetings served as consultative organs that fed ideas and proposals into the legislative process. All major pieces of legislation

passed after 13 March 1979 were only effected after the most elaborate process of consultation and discussion with the mass organizations, trade unions and representative bodies. In 1982 the democratization process was taken a step further with the presentation of the national financial budget to the people for criticism, suggestions, and recommendations. The process was again repeated in 1983. The budget formulation process was regarded by the Bishop regime as one of its most pioneering innovations and in reference to the 1982 exercise a publication that largely reflected the views of the PRG boasted: '... for the first time in the history of the Commonwealth, the people were directly involved in the preparation of the Budget-Plan of their country.'<sup>29</sup>

In essence the budget exercise involved the following procedures. First of all, expenditure requests from all government departments were studied by the Ministry of Finance. A preliminary draft budget was then submitted to the PRG Cabinet for discussion. This was followed by a period during which officials from the Ministry of Finance went before the trade unions, mass organizations and zonal and parish councils to discuss the draft. The high point of the exercise was the national conference on the economy, which was attended by delegates from all the mass organizations. Breaking up into workshops devoted to specific areas of the economy, the delegates made detailed comments and criticisms on the draft proposals. The budget then went back to the Ministry of Finance for final revisions and the the PRG Cabinet for approval. Finally, a detailed report was made to the people by the Ministry and an explanation was given of which delegates' were accepted, which rejected and why.<sup>30</sup>

The Parish Council system was a form of revolutionary direct democracy. This particular pattern of popular consultation was practical because of the miniscule size of the island, which meant that it was physically possible for the population to have a close dialogue with their leaders and scrutinize major pieces of government legislation. In a society which provided no real avenue for democratic debate one can readily appreciate the interest that was aroused by the system.<sup>31</sup> In the first few years of the revolution the Zonal and Parish Councils were well attended, although by 1983 there was an appreciable waning of support. As an authentic system of socialist democracy, however, the Parish Council system was still embryonic and did not allow for real power to be wielded by the masses. First of all, the executive committees of the Parish and Zonal Council meetings were appointed by the NJM. Although interesting and heated debates took place at the meetings they did not result in binding results and the election of delegates to ensure that the wishes of the meeting were carried out. At most there was an expression of wishes, which the leadership of the Council may or may not have taken into account. Furthermore, it was the Central Committee of the NJM which decided the main issues that were to be put on the agenda of the meetings, and this enabled the party to orchestrate and manipulate the discussions which took place. The workshop format which the meetings followed points to the fact that the Councils were conceived of as forums in which the PRG could 'educate' the masses about its policies, and not autonomous bodies that could challenge or overturn these policies if it was so decided. The guidelines issued by the NJM for the holding of Parish and Zonal Council meetings

to discuss the 1983 budget shows quite clearly the educational role that was assigned to the Councils, and that as 'organs of people's power' they did not have any real power. The preamble to the guidelines were divided into two sections: section A and Section B. Section A, entitled 'The Process' explained to workshop leaders what their objectives should be in guiding discussion on the budget: 'All workshop leaders and technicians should appreciate that the holding of these workshops is both an exercise in the democratization of the decision-making process as well as part of the structured adult education process.

We are going to educate by giving information on the national planning and budgeting system and by promoting the absorption (sic) of this information through participation in discussions out of which will come expressions of concern, opinions and suggestions for improving the system.

We should try to make participants aware that better participation on their part can only come about with more information and education.

It is therefore most important that workshop time be managed effectively so that the information imparted is structured and rounded and times given to this and to discussion are properly balanced.<sup>32</sup> Section B, entitled 'The Content', set out how the Parish or Zonal Council meeting should be structured: (i) Opening Plenary - A presentation will be made which highlights major achievements and shortcomings of 1982 and will outline the objectives and reasons for these objectives for 1983; (ii) Individual Workshops - These will focus on an examination of the 1982 performance of seven areas of the state sector and discuss their 1983 proposals; (iii) Closing Plenary - Reports from the individual workshops will be

presented. This should be followed by a brief wrapping up which draws together the common threads of the workshop reports and which summarizes on the theme that improvement of political and academic education leads to better participation in decision-making, increased production and productivity and a higher standard of living and a more rounded human being.<sup>33</sup> It is evident from the guidelines for holding meetings on the 1983 budget that the revolutionary democracy in Grenada was very much a 'guided democracy'. And the actual discussions which took place in the Parish and Zonal Council meetings brought out both the strengths and weaknesses of this system. The Report on the Economy prepared by the PRG was a massive document and was handed out at the meetings when the discussions on the budget were scheduled to take place. At several of the meetings which I attended, people were very pleased with the simple way in which information on the economy was presented and took great satisfaction out of the fact that they were being directly informed about the budget and could understand what it was all about. However, many people were highly critical of the fact that they had not received the report in advance, and could not, therefore, prepare themselves adequately for the discussions. So each meeting took the form of a seminar in which the workshop leaders outlined the main points in the report, and the participants could do no more than ask for clarification and come up with a few suggestions and criticisms from the top of their heads. By the time of the national conference on the economy, participants had had about a week or two to read the report. Although designated the 'National Conference of Delegates of Mass Organisations on the Economy', all of the participants were nominated by their respective mass organisation and took part in discussions as

individuals rather than as representatives of an organisation. The same workshop format was adopted. As in the case of the Parish and Zonal Council meetings, the conference broke up into a number of workshops, each of which focussed on one of seven areas of the state sector of the economy. The seven areas were: (i) finance and commerce; (ii) education, health and public administration; (iii) agriculture; (iv) construction; (v) tourism; (vi) industry; and (vii) public utilities. Participants could choose to attend any one of the workshops. Discussions in the workshops were more informed than those which took place in the Parish and Zonal Council meetings, and after making their presentations workshop leaders invited participants to make suggestions and recommendations. Some of the issues raised by the workshop leaders were highly technical so that most participants were unable to make meaningful contributions. Nevertheless, lively discussions took place and some credible suggestions were put forward. At the end of the workshop discussions, each workshop leader was given around seven minutes to give a report to the plenary session held toward the end of the conference. This was followed by closing remarks by Selwyn Strachan and Bishop, who both commented that they were greatly 'impressed' by the quality of this year's reports. Strachan said that the recommendations would be analyzed by the appropriate state body and taken into account in the formulation of the budget. He called on delegates to assist in the further discussions on the budget that were scheduled to take place in Zonal Councils in the next few weeks.<sup>34</sup>

Around three weeks later, on 17 March 1983, the National Budget and Plan Presentation took place. The main speech was given by Coard, who did not actually present the budget but

went over views and recommendations expressed during the budget exercise, and reassured his audience that the recommendations of the Zonal Councils 'will be studied ... with a view to seeing how many can be implemented.'<sup>35</sup> Coard further stated that the PRG would publish all of the suggestions, criticisms and proposals and a response would be made to each one of them. 'This', he declared, 'is what people's democracy is all about.'<sup>36</sup> As it turned out, the PRG did not in fact publish the recommendations made during the 1983 budget exercise, and pursued the policies outlined in the 1983 Report on the Economy.

The Parish and Zonal Councils and the national conference on the economy had no legal status. However, in May and June 1983 appointments were made to a Constitutional Commission, and it was announced that the time had come to 'take the process of the formal institutionalization of the Revolution a stage further and commence work on the preparation of the proposed new constitution.'<sup>37</sup> The Commission was mandated to present the first draft of the constitution within two years. In addition to getting 'information on alternative forms of political constitution' and receiving the views and proposals of all classes, strata and interests of the Grenadian people', the Commission's terms of reference included participation in public and other discussions on the draft constitution prior to preparing a final draft constitution for approval in a referendum. In preparing the draft, the Commissioners were given certain guiding principles upon which the Grenadian revolution was based. These included 'the building of a new and just society, people's participation in grassroots democracy, national unity' and 'the widest possible participation by the people in the country's decision-making process and



the day-to-day administration of affairs of state'.<sup>38</sup> The Constitutional Commission was headed by West Indian legal figures sympathetic to the PRG, such as Alan Alexander, from Trinidad and Tobago, and Richard Hart, the Jamaican lawyer who was appointed as Acting Attorney General to the PRG in 1981. In setting up the Constitutional Commission, the PRG was fulfilling the promise which it made in the Declaration of the Grenada Revolution, and the constitutional exercise was clearly designed to gain credibility for the revolution in the eyes of CARICOM and Western public opinion. In laying down 'guiding principles' upon which the revolution was based, the PRG sought to ensure that the existing Parish Council system was institutionalized. Hence, the system of government which the Constitutional Commission was working on was a one-party state with mass organizations and Parish and Zonal Councils centrally controlled by the NJM. This was a significant departure from the Jamesian conception of popular democracy espoused in the party's manifesto. Moreover, the NJM was ambiguous about how to apply its official communist ideas of one-party rule. And it was disagreements related to this issue which led to the disastrous events of October 1983.

## Chapter Four

## The Economic Strategy: An Overview

In accordance with its interpretation of the official communist theory of socialist orientation, the PRG evolved a radical economic strategy based upon a progressive expansion and rationalization of the activities of the state, government incentives to the tourist and industrial components of the bourgeoisie, and the mobilisation of international sources of finance from both East and West. The most comprehensive and detailed statement on the economic strategy is contained in the report presented by the PRG to the Fifth Meeting of the Caribbean Group for Co-operation in Economic Development held in Washington in June 1982.<sup>1</sup> After highlighting certain structural features of the Grenadian economy, the report identified five basic tasks faced by the revolutionary government:

1. To try to ameliorate somewhat the straightjacket and stifling strictures of the gold exchange standard<sup>2</sup> in all its several aspects and manifestations, and the massive economic ills of the economic behavioural patterns that the system had generated, i.e., automaticity between domestic income and growth or contraction; an extremely high import content of

consumption; the inability to apply a discretionary monetary policy to influence the level, flow and destination of domestic savings and to control or even minimally influence the financial sector of the economy; and the incapability of the system, when manifested fiscally, to balance the budget.

2. To set the basis for structural adjustment of the economy, economic diversification, sustained growth, self-sufficiency and fuller employment through a massive rehabilitation of run-down but still usable capital stock, including capital stock in the agricultural sector, and through a forceful, concerted programme to rehabilitate existing and construct new physical infrastructure in the form of roads, airport and public utility services on the basis of careful and meticulous evaluation of the economic and financial feasibility of the overall infrastructural programme as a whole, and of each of its constituent parts.
3. To take immediate measures to establish backward and forward linkages between major sectors of the economy; to demonstrate to the private sector the existence of myriad opportunities for profitable investment in the productive sectors and to put idle resources - both material resources like wasted fruit and agricultural by-products, and wasted human talent - to productive work by establishing, on the basis of strict regard to cost effectiveness, and on the criterion of self-liquidation and financial viability, a number of public sector enterprises in productive sectors and

agricultural distribution.

4. To bring order to public accounts, to cut out corruption, waste and speculation, to increase the revenue base, to cut current expenditure to the bone consistent with the efficient functioning of government and adequate maintenance of infrastructure and capital stock.
5. In full realization that the economy, for several years to come, will have to depend strongly on agriculture and tourism - both as major foreign exchange earners and as sources of employment - to take an interlocking series of specific steps to promote the growth and vibrancy of both sectors.<sup>3</sup>

The report then went on to explain, that because of the considerable dearth of domestic finance available for development, the PRG had sought and would continue to seek, international economic assistance, provided that any such assistance did not violate the integrity and sovereignty of Grenada as an independent nation-state. Notwithstanding the fact that the report was addressed to Western governments and multilateral lending agencies, it was a true statement of the PRG's commitment to a process of economic transformation that involved the active participation of Grenada's business class. State intervention was conceived as providing the infrastructural and technical basis for increased private sector initiative in productive activities. In this respect, the PRG's economic strategy was a programme of state capitalist development similar to that pursued in a number of the more developed countries of the English-speaking Caribbean. The distinctive feature of Grenada's economic strategy was that

state capitalism was conceived as a component of the 'pre-socialist stage' that would ultimately be superseded by a socialist transition, so that from the very beginning the state assumed more wide-ranging powers to intervene in the economy than in any other country in the Anglophone region. Thus, in general terms the PRG's economic strategy may be described as a synthesis between official communist ideas about transition in the periphery and Caribbean-derived theories of industrialisation in small states, of which W.A. Lewis was the chief advocate.<sup>4</sup>

This chapter examines a number of central features of the economic strategy. More detailed treatment is given to some of the most important initiatives and programmes of the PRG in chapters 5, 6, 7, and 8.

## The Expansion and Rationalisation of the State Sector

Under the Bishop regime there was a significant expansion in the activities of the state with the establishment or re-organisation of state enterprises in agriculture, agro-industry, fishing, tourism and banking. (See table 13). In addition, the PRG took measures to improve the efficiency of, and ensure greater local control over, public utilities. Nevertheless, the Central Government, comprising the government ministries, the administrative and judicial organs of the state and a number of ancillary departments, remained the most important component of the state sector accounting for over 80 per cent of financial operations in 1981. In the same year the Central Government's total expenditure amounted to EC\$143 million, 59 per cent of GDP.

Various methods were used by the PRG to modernize and rationalize the operations of the state sector. The revolutionary government was particularly concerned about controlling public spending, and introduced a number of expenditure controls. In 1977 the Gairy government established a monthly revenue and expenditure reporting system to identify and control overspending on a vote-by-vote basis. The Ministry of Finance was authorized to suspend payments against votes once the annual allocation was exhausted unless special notice was obtained from Cabinet. Later on in the same year the system was strengthened further by controlling monthly, rather than annual allocations. However, since these controls were effected in respect of payments rather than accruals, while having some success in limiting expenditures, they contributed to the problem of increasing arrears. In early 1978 monitoring procedures for current expenditures were drawn up and restraint

TABLE 13

STATE AND PARA-STATAL ENTERPRISES IN  
GRENADA IN 1983

NAME OF ENTERPRISEAGRICULTURE

National Co-Operative Development Agency  
 Cocoa Rehabilitation Project Management Board  
 Forestry Development Corporation  
 Grenada Farms Corporation  
 Grenada Sugar Corporation (Joint Venture)  
 Grenada Cocoa Association  
 Grenada Co-Operative Nutmeg Association  
 Grenada Banana Co-Operative Society

BANKING

Grenada Development Bank  
 National Commercial Bank  
 Grenada Bank of Commerce

EDUCATION

Grencraft

HOUSING

National Housing Authority

INDUSTRY

Quality Control Laboratory  
 Grenada Agro-Industries Limited  
 National Fisheries Corporation  
 Coffee Plant  
 Spice Processing Plant  
 Livestock Production and Genetic Centre

PUBLIC UTILITIES

Central Water Commission  
 Grenada Electricity Services  
 Grenada Telephone Company  
 National Transport Service

TRADE

Marketing and National Importing Board  
 Crucial Factor Restaurant

TOURISM

Grenada Resorts Corporation  
 Grenada Beach Hotel

PORTS

Grenada Ports Authority

MEDIA

Free West Indian

Television Free Grenada

Radio Free Grenada

Source: Economic Memorandum Presented by the Government of Grenada, Appendix 1; World Bank, Economic Memorandum on Grenada, 1982, p. 128



was observed in non-personal emolument items, but wage increases and the employer of last resort approach to employment mitigated against overall expenditure control. By the end of the year monthly budget monitoring, the basis for expenditure controls, had ceased to operate effectively. Shortly after the revolution, the PRG began to work out a more effective solution to this problem. In August 1979 the revolutionary government established monthly expenditure limits for each Ministry, and the accounting officer in each spending unit was required to review and submit a daily summary of expenditure to the Ministry of Finance for scrutiny. The scheme was tightened further in January 1980, and no Ministry was allowed to exceed its allocated monthly limit except by special approval of the Cabinet. However, due to the preparation of the Festival of the Revolution in March 1980 and the damage caused by Hurricane Allen in August, expenditure controls became difficult to implement in some areas.<sup>5</sup>

In 1982 the PRG launched a major initiative to improve the efficiency of the state sector. In his opening address to the Conference on the Economy For Managers and Heads of State Enterprises, Bishop announced the PRG's intention to introduce a series of measures that would increase the profitability of state and parastatal enterprises and thereby maximise the utility of public spending: '... traditionally when governments have got involved in economic enterprises many of the workers in those enterprises continue to approach their job with a very civil service-type mentality, viewing their work in terms of drawing a monthly salary as usual, having the Government always as a back-up system, as a buffer,

and therefore in the final analysis continuing to shift the responsibility for efficiency and productivity onto the backs of already over-burdened taxpayers.

That psychology it seems is very, very deep in comrades who are involved in state and para-statal enterprises. And that psychology is one of the things that in 1982 we must crush completely.

Comrades are going to have to develop a new approach, a new attitude to running these enterprises that lays predominant emphasis on the fact that these are independent economic enterprises that must stand on their own feet, that must survive as a result of production going up, of worker productivity increasing, of efficiencies being introduced, of proper management, of serious planning.

... We also have to develop a state of mind that says that the benefits and the services which we have traditionally provided over these past three years for our people have been provided largely on the basis of taxation, and of course through assistance in different forms. But not very much of this was achieved on the basis of production and there again we have to achieve a major shift in that area. We have to move away from a psychology which says that in order to provide services for our people that the taxes alone will do that.<sup>6</sup> On 8 April that year the Cabinet approved a policy directive to all state and parastatal enterprises setting out standardized accounting and financial proceedings and laying down a strict time-table for the presentation of financial accounts by the enterprises. In addition, the borrowing activity of each state enterprise was subjected to the approval

of both the Cabinet and the Board of Directors of the enterprise in question. The directive stated that no new state enterprise was to be established nor could any existing enterprise be expanded without the submission of detailed feasibility studies to the Ministry of Planning. Such studies were to be analysed and vetted by the Ministry of Planning - with assistance and support from funding agencies such as the CDB, the Canadian International Development Agency (CIDA), and the European Investment Bank (EIB) - and due consideration would be paid to the availability of sources of finance on terms and conditions that would allow the enterprise concerned to achieve a sufficient surplus to cover the resultant debt burden. It was also stressed that all state enterprises were to pay all forms of duties and taxes as applied to private companies, unless a specific exemption was granted by the Cabinet. The Cabinet directive also called upon the Board of Directors of each enterprise to work out a system of penalties for late submission or non-submission of all the data required. One penalty suggested was that the manager of each enterprise be put on half salary for the period of non-submission of data or non-fulfilment of tasks. Full salary, including backpayment could be restored once the manager completed his or her allotted tasks.<sup>7</sup>

Another set of guidelines in the Cabinet directive dealt with productivity and provided for workers' participation in the running of state and parastatal enterprises. They called for full discussions between workers, their union representatives and the management of each workplace, following which, it was stated, a committee or several committees should be established to examine three specific

issues: production and productivity; emulation; and workers' grievances and discipline. Concerning production and productivity the directive highlighted the importance of raising the skill and academic levels of workers through means such as on-the-job training; pointed to the need to improve work methods and the organisation of work in order to increase the individual and collective productivity of workers, emphasizing that as a means of achieving this piece-work should be introduced whenever feasible; called for the evaluation and elimination of all cases of 'disguised unemployment'<sup>8</sup> following frank discussions between the management, workers and their union representatives; and finally, proposed that consultations should take place with the workforce to assess the progress made in the fulfillment of production plans and drawing up targets each year. As regards emulation, the directive gave an instruction that suitable criteria should be established to recognise and reward on a monthly basis outstanding work performed by different categories of workers; and it was stated that agreement should be reached on appropriate moral and material incentives that could be awarded to exemplary workers. Each enterprise was called upon to set aside a fund as part of its existing budget to pay for emulation awards.<sup>9</sup> Lastly, with respect to workers' grievances and discipline, two recommendations were made. Firstly, that regular monthly meetings with workers should take place to discuss their grievances. Secondly, that a code of discipline should be drawn up that is agreed upon by management, workers and their union representatives.

The directive also announced that the Cabinet Secretary would be sending a draft proposal on profit-sharing to each enterprise for discussion with a view towards implementing

profit-sharing and/or production bonuses for the year 1982. In addition, there was an instruction that there should be at least one workers' representative elected by all workers on the Board of Management of each enterprise. Summarising the objectives to be attained by the various measures just discussed, the directive declared: 'Profit/Surplus/Capital accumulation is critical to economic development. All State enterprises must therefore consciously strive to achieve the maximum surplus possible within over-all policy guidelines set by the Government.

Good organisation of production and sound management, combined with full worker participation are precise (sic) elements in reaching a surplus.

The implementation of the above fundamental principles by Board, management and workers will guarantee success for the enterprise and the nation. They must form the principal objectives guiding the performance of all state and parastatal enterprises.'<sup>10</sup>

In another series of measures designed to place state enterprises on a sound commercial basis, the PRG moved aggressively to reduce the operating deficits of the island's two main public utilities, the Central Water Commission (CWC) and the Grenada Electricity Services (Grenelec). Under the Gairy regime the CWC had not been able to generate sufficient revenue to cover its expenditures, partly because of low tariffs and payment arrears. Government subventions were used to offset its operating deficits while its capital expenditures were traditionally financed by external sources such as the CIDA and the CDB.<sup>11</sup> In 1980 the PRG introduced a set of measures

to improve the financial position of the Commission. In the past the CWC did not prepare a budget; in 1980 a system of semi-annual budgets was introduced. In addition, the bill collection and record-keeping activities, which had been shared between the Ministry of Finance and the Commission, were centralized in the latter's hands. In this respect a survey was launched to update the records of users living outside of St. George's. The Commission also raised water rates effective 1 October 1980 from EC\$1 to EC\$10 per 1,000 gallons for metered customers, and from EC\$2.5 to EC\$10 per long ton for ships.<sup>12</sup> Thus, in 1981 the operating deficit of the Commission was virtually eliminated. Further increases in water rates in 1982 allowed the Commission to increase its revenue by 20 per cent over the 1981 figure.<sup>13</sup>

The actions taken by the PRG to ensure the viability of Grenelec were a good deal more controversial. Prior to the revolution the electricity company was a joint venture between the Commonwealth Development Corporation (CDC) and the Government of Grenada. From 1960 onwards the CDC held 192,000 shares representing 59.3 per cent of the company's subscribed capital. Following the revolution relations between the PRG and the CDC deteriorated rapidly and became overly strained in August 1980 when the CDC-appointed Chairman of Grenelec, John Taylor, applied for an increase in the government-controlled rates for the sale of electricity. Taylor claimed that the increase was necessary to raise money to carry out essential maintenance work. However, the PRG was extremely suspicious of the CDC's intentions. The revolutionary government was dissatisfied with Grenelec's supply of electricity to the island and harboured fears that

the British-based multinational corporation was trying to destabilize the revolution. The PRG refused to grant the increase and appointed a Commission of Inquiry to investigate the operations of the company. The Commission reported in early 1981 and proposed that the 'considerable debt' owed to Grenelec by the CWC and the Central Government should be paid off. It also proposed 'the negotiated transfer by CDC of a block of shares to the Government acting on behalf of consumers.'<sup>14</sup> Subsequently, the confrontation between the PRG and CDC took a new turn when, at a rally held on 23 May to commemorate African Liberation Day, Bishop announced that he had uncovered a 'plot' against the revolution by CDC, Esso Standard Oil Company and Barclays Bank International. 'It was a very simple and basic plot ... and it had three or four sides', Bishop alleged. He said that one side was to allow the generating equipment of Grenelec to run down and not bring in any spares. Another was to fail to collect bills from customers: so that there would be no cash to pay for the fuel supplied by Esso. In an obvious reference to Barbados, Bishop asserted that the plot had originated in an island 'not far from' Grenada, 'an island that has been involved in other respects against our revolution' and where a number of regional companies have their headquarters. On 21 May, Bishop went on, a series of 'coincidences' took place in which the plot matured, and it was now possible to understand their full significance. The first co-incident was that Grenelec's Board of Directors decided to hold one of their infrequent meetings on the very same day that Esso wrote them a letter demanding the outstanding payment of over EC\$1 million for fuel and threatened to cut off the fuel supply if payment was not

forthcoming. Esso further stated that if an immediate payment was not made, then, whenever the account was paid off in full further supplies of fuel would be provided on a basis of payment before delivery. Due to the fact that Grenelec's fuel stocks had been allowed to run down, the demand for prompt payment was particularly ominous. Moreover, John Taylor told the PRG that Grenada was unable to raise the necessary money from Barclays Bank International, the company's bankers, and asked for government assistance to get a loan from the state-owned National Commercial Bank. The request was turned down, Bishop told his audience. The PRG, he added, had watched the unfolding of the plot and was not surprised that another part of it was being implemented, with fuel supplies running out, with Esso demanding immediate payment before fresh supplies were provided and with Barclays refusing to make finance available. 'We are not surprised about any of this because we knew of a plan coming up, but we have the responsibility of running this country and, because we recognise that it is a national crisis you are trying to create, and because the laws of Grenada provide for people who conspire to try to sabotage electricity, if any of you try to get involved in this "sagadan"<sup>15</sup> you are working out, then Richmond Hill will have to do the talking. Finally, the Grenadian Prime Minister told his listeners that the struggle with Esso and Barclays would continue and that these companies would 'have to remember that, if in a time of crisis like this they don't want to put their best foot forward, then, afterwards, they might not have any foot at all to put forward.'<sup>16</sup>

The next day the PRG passed a law which transferred



32,000 shares in Grenelec to the government making the PRG the majority shareholder in the company. Winston Bullen, an ardent supporter of the Bishop regime, was made the Chairman of the company. Following Bishop's speech it appears that discussions took place between the PRG on the one hand, and Barclays and Esso on the other hand. Barclays agreed to supply the finance to pay the debt to Esso and Esso said that they would give Grenelec credit on a month to month basis. Addressing workers at Grenelec's power station on 25 May, Bishop accused the CDC of incompetence: 'If every week you want to make the taxpayers of this country, the consumers of electricity, keep paying for your negligence and recklessness and irresponsibility, and if you are getting money for management but you don't want to manage, and if you feel that it is only CDC you are concerned about and not the local company, then, we will take over the right to manage for you and we will start to run this company to make sure that, in the future, the possibilities of this kind of sabotage and blackmail are greatly reduced.'<sup>17</sup>

Under the management of the PRG Grenelec greatly expanded its production and sales of electricity, enabling the company to make a net profit of EC\$283,250 in 1982. However, due to problems with the generators at the plant the country continued to experience frequent black-outs.

Along with efforts to control public spending, increase the profitability of state enterprises and eliminate the operating deficits of public utilities, the PRG sought to streamline the operations of the state sector by introducing a new energy policy. Grenada is totally dependent on imported petroleum for energy consumption. Electricity is generated

exclusively by Grenelec, and consumption of oil (gasolene, kerosene and diesel) is on average 130,000 barrels a year. In terms of fuel consumption per capita, Grenada ranks low in the world, with roughly half the average of developing countries. Imports of petroleum and petroleum products was estimated at US\$4.4 million in 1980; this represented some 8 per cent of merchandise imports in that year. The PRG's plans for the development of agro-industry and the expansion of tourism would have significantly increased the requirement for energy consumption in Grenada in a relatively short space of time. In anticipation of this and the balance of payments pressures that the high cost of imported petroleum would have caused, in 1980 the PRG implemented a number of conservation measures, including the creation of an Interministerial Energy Committee which monitored the use of energy in the public sector. The revolutionary government also explored two alternative sources of energy: offshore oil and hydro-electric power. Located near the continental shelf of Venezuela, Grenada was hopeful that the exploration of offshore oil would turn out positive results in a few years, and a preliminary geological survey for oil exploration was started with the assistance of the Caribbean Fund for Technical Co-operation. In addition, the seismic tapes made during exploration under the Gairy regime were reprocessed. These preliminary tests were to be finished in time to enable international petroleum companies to bid for drilling concessions. Owing to a dispute over territorial waters between Grenada and neighbouring territories, however, drilling activity was delayed. The PRG was also optimistic about the prospects for hydro-electric power because Grenadian topography is suitable for the construction of small-scale

hydro-electric dams. Finally, the revolutionary government also sought to reduce the cost of petroleum supplies by making government-to-government arrangements with Trinidad and Tobago and Venezuela, the two countries that provide most of Grenada's oil.<sup>18</sup>

## The Introduction of Planning and Training

As part of its drive to modernize and refashion the state apparatus to enable it to play a catalytic and directional role in the process of social transformation, the PRG introduced a number of changes in the Ministry of Planning and devoted considerable attention to upgrading the skills of state employees. From the early days of the revolution the PRG recognised the importance of planning for the success of the economic strategy as a whole. Nevertheless, it was sober and quite candid in its assessment of what could be achieved in this direction. Speaking in an interview published in The Courier, Coard explained: 'You can call anything a plan. You can all (sic) it a 5-year or 10-year or 15-year plan, but those are games for schoolchildren. You are really fooling yourself if you believe that that is planning, unless you have control over all the variables, or most of the variables. In an open, dependent economy, on which fluctuations in the world economy have a devastating effect to a degree that you cannot fully predict and cannot control; and when you don't even have reliable data upon which to base anything, talk about planning is merely to impress people.

Maybe you can fool them, but you are not fooling yourself. We don't believe in indulging in that kind of game, of saying that we are into 5- and 10- and 15-year plans, when it is not physically possible. If at some stage we can diversify our economy so as to prevent some of the shocks by putting our eggs in more baskets, both in production, through agro-industry and manufacturing, and in exports and imports, then we will begin to create part of the basis for planning. If also we are able to have a greater degree of predictability over the

variables which operate within our particular economy and if, in addition to that, we develop the kind of information systems which serve our purposes, then we can begin to talk seriously of a 5-year plan. Even so it will have to be flexible. It will have to be within a framework which has some relationship to reality, rather than something which is fixed in an artificial way and which in reality doesn't work out the way one says it will on paper.'<sup>19</sup> In 1981 the PRG restructured the Ministry of Planning so that it could function as a genuine planning institution. The Ministry was organized into a Macro-Planning Unit, a Project Unit, an Economic and Technical Co-operation Unit and an Administration Unit; and there was a significant increase in the number of professional staff appointed, some of whom were experts funded by organisations such as the Organisation of American States (OAS), the European Development Fund (EDF) and the United Nations Development Programme (UNDP). With the assistance of the OAS, the revolutionary government set up a computer centre and began to computerize all the data sources of the state. Under Gairy, the only kind of planning which took place was project planning; this covers the whole process from the identification of a project to its formulation, pre-feasibility studies, feasibility studies, obtaining the necessary funding and ensuring the successful implementation of the project by whichever Ministry or government department is responsible. The changes brought about by the PRG greatly increased its capacity to carry out this kind of planning. At the same time, steps were taken to make macro-economic planning possible. In his 1982 Report on the Economy, Coard declared the PRG's intention to prepare a Three-Year Plan for the period 1983 to 1985. He also stated that an attempt would be made to plan

certain areas of activity in 1982. A methodology had been prepared by the Ministry of Planning, Coard said, which was discussed by the NJM and the PRG and brought to the attention of all state institutions in seminars held in December 1981. As a result of this exercise, the PRG had decided to focus on the country's material requirements and three areas were selected for special consideration in the 1982 Plan. The first area that the 1982 Plan would seek to cover would be the labour force. After evaluating the number of employees and the categories of labour that would be required by state bodies, the Ministry of Planning would consider means of obtaining payment for those employed. Coard said that the second area of attention in the 1982 Plan would be investment. The Ministry of Planning intended to collect, co-ordinate and assess the investment plans of state bodies in order to ensure that they were in keeping with the PRG's policy goals. Finally, the 1982 Plan was to focus on the main technical and material supplies of state institutions. Each government ministry and state enterprise would be asked <sup>to submit</sup> to the Ministry of Planning their requests for supplies. Once the total requirements of the state sector were calculated, the Ministry of Trade would attempt to get the goods at a cheaper price by buying in bulk from the least expensive source. In drawing to a close the item on planning in his report, Coard called for the active participation of the masses in the planning process: 'We have to remember, that any planning process at all must be linked with the real world.

Any planning process cannot be meaningful if it is done in the confines of an office. Furthermore, planning is not and cannot be a bureaucratic exercise. Planning must always

be the means of ordering the socio-economic process occurring in the country. Then what is absolutely necessary is for planning to be linked directly and concretely with increasing the living standards of the people. We must always remember that planning cannot solve all our problems. A plan does not run an economy or a factory, or a farm. People do. People make the plans. (sic) and people implement the plans. So that, the people must be involved at all stages of the Plan - the preparatory stage - right through to the implementation stage, the masses of the country must be involved. All sections of the society must become part of the process. Our private sector, our co-operatives and our mass organisations have a vital role to play.<sup>20</sup>

The following year in his 1983 Report on the Economy, Coard explained that due to the inadequacy of the data available and a lack of trained personnel in many government institutions, the Ministry of Planning was unable to prepare the Three-Year Plan for 1983-1985. Nevertheless, he went on, the attempt to draw up the Three-Year Plan had been an extremely valuable educational experience for all managers and technicians; and many of them had now become 'enthusiastic' about the planning process. Moreover, Coard announced, the Ministry of Planning had produced a broad perspective Plan encompassing the PRG's goals for the period 1983-1985; and detailed state sector plans for the year 1983 had also been worked out for each state institution. The state sector plans were presented along with the recommendations of the Ministry of Planning in the brochure containing Coard's report, and Coard called on his audience to put forward their views and suggestions on each plan.<sup>21</sup> Further on in his report, Coard

divulged that the first stage of the project to plan the technical and material supplies of the state sector had been completed. In all, a total of ninety-nine products had been considered and concrete steps were to be taken to import in bulk at least some of the main items. Coard did not provide any information in his report on how successful the PRG had been in trying to plan the investment and labour force requirements of government bodies in 1982.<sup>22</sup>

Additional information on the PRG's attempts to introduce planning was provided by Clairmont Kirton, the Guyanese-born Head of the Macro-Planning Unit. Kirton stated that the PRG intended to stick to One-Year Plans up until 1986, when the first Five-Year Plan would be introduced. He, Kirton, was primarily responsible for preparing a draft of the Plan. When asked how the PRG's planning efforts fitted in with the regime's notion of socialist orientation, Kirton said that the PRG was being extremely tactical in its presentation of its economic strategy. Economic data using Marxist categories were being tabulated but not made public because of the PRG's relationship with Western governments and financial institutions. The information was being sent to Cuba and other socialist countries in order to enable them to play a greater role in the economic affairs of the island. Acknowledging that the private sector continued to dominate economic activity in the country, Kirton promised that the merchant class would be 'dealt with' in due course.<sup>23</sup>

In making an assessment of the PRG's attempt to introduce planning in Grenada, one can say that the revolutionary government gave a considerable amount of thought to the subject, made strenuous efforts and attempted to involve the masses in the planning process. The main objectives of planning were



to rationalize the operations of the state sector, increase the PRG's ability to intervene in the economy and progressively orientate the economy towards the Soviet bloc. However, the revolutionary government's efforts to introduce planning were severely handicapped by institutional, data, technical and personnel constraints. The PRG's predicament was best summed up by Robert E. Cole in a paper presented to the Conference on Science and Technology held at the Dome in August 1980: 'The situation we face is a vicious circle. Past underdevelopment has left us without the resources and institutions necessary for planning. In turn, the absence of operational planning helps perpetuate our underdevelopment. The logical place to break the circle is by bringing planning on-stream. This however, is not a simple process; it requires thought, work and resources. On the other hand, failure to move in this direction is far more costly, since that failure condemns us to making poor use of what we have for the indefinite future.'<sup>24</sup>

The PRG experienced a similar situation in its attempt to introduce training in Grenada. For many years prior to March 1979 little had been done by way of organising training in the state sector; the programmes organised by the Gairy regime were ad hoc, unco-ordinated and unintegrated. The last serious training efforts to be carried out at senior levels were in 1976 and 1977. The PRG was greatly alarmed at this state of affairs. Recognising the need for basic management skills and training at all levels in the ministries, state and parastatal enterprises in May 1980 the revolutionary government established an In-Service Training Unit. Headed by a Director of Training, the Unit supervised training

activities for government employees. The motto of the Unit was to bring about 'Change Through Training' and as a first step the Unit sought to assess the training needs of the state sector. In terms of facilities, three conference rooms at the Extra Mural Department of the University of the West Indies in St. George's were available for training. Movie and overhead projectors were also at hand, though there was no VTR equipment. Library resources and other training materials were also lacking. In terms of resource personnel, there were a number of trained people who could be utilized in training programmes.<sup>25</sup> The PRG also made maximum use of the training programmes and institutions established by CARICOM. The most important regional programme, which played an important role in providing support for the Inservice Training Unit, was the Centre for Development Administration (CARICAD). Created in 1979, CARICAD was a regional organization responsible for improving the management capability of the Caribbean public sector to assist in sustaining the socio-economic development in the region, and aimed at erasing deficiencies in public sector management through a comprehensive approach in training, research, information, consultancy and advice and strengthening training divisions by providing training material, technique and personnel. Another programme which the PRG availed itself of was the Caribbean Regional Training Programme (CRTP). Launched by CARICOM on 27 July 1979 the CRTP was a four-year project financed by the US Agency for International Aid (USAID) to develop and train manpower to improve productivity in both the public and private sectors. The CRTP sought to upgrade the managerial and technical skills of government employees and small businessmen in the CARICOM member states. The executing agencies for the CRTP were the Eastern Caribbean Common

Market (ECCM) Secretariat and the CARICOM Secretariat. The CRTP had two components: individual training grants and special focus seminars. The grants were geared toward enabling officials to receive short-term specialized training in the region to improve certain functional skills. Finally, owing to the importance of development projects in the economic strategy of the PRG, the revolutionary government required senior level officials to attend the training programmes of the Project Administration Training Unit (PATU). This organization was set up in September 1980 by the CDB in response to the findings of the Eaton Report, which drew attention to the need for more staff trained in project work in the LDCs.<sup>26</sup> The CDB also considered that too much of its time was spent on project preparation, which is a task that, ideally, the borrowing country should undertake.<sup>27</sup> The PATU programmes comprised high-level training courses lasting ten weeks, for about twenty-five participants per course. The courses were organized on a regional basis and were open to senior- and upper middle-level managerial and technical personnel in the public sector of CDB member countries, particularly the LDCs. They covered all aspects of the project cycle - identification, preparation, appraisal, implementation and evaluation. To achieve this, PATU organized a number of training programmes, specialized seminars and workshops for personnel involved in the preparation and management of development projects in the region.

Along with providing increased training opportunities in Grenada and the region, the PRG sought a number of other methods of developing a corps of technocrats and highly skilled professionals for the island. These methods were spelt out by Coard in his interview published in The Courier:

'Now we are seeking to do this [develop a corps of technocrats and professionals] both by trying to harness and utilize more efficiently Grenadians who already have ability and who were already living in Grenada at the time of the revolution; and secondly by harnessing Grenadians living abroad who are helping many other countries to build their own processes. I am talking about advanced countries now; that is, North America and Britain and some of the larger Caribbean territories. These people are highly skilled and highly experienced; having them back home would make an enormous difference in pushing the process forward.

[Thirdly] ... by getting outstanding Caribbean professional who have a great range of skills and experience and are willing to come here and work in Grenada and help to build the country for us.

[Fourthly] ... by sending out some of our brightest young people on scholarships in several different countries outside so that as quickly as possible, four, five or six years from now, they will begin to return home with the necessary skills in chemical engineering, civil engineering, mechanical engineering, veterinary science, different branches of agricultural science, management studies, economics and so on, all the different areas which are vitally necessary for us to push the economy and society forward.'<sup>28</sup>

While the PRG's state sector training drive had a marked impact in improving the knowledge, skills and attitudes of government employees many problems remained. In his 1983 Report on the Economy, Coard reproved certain managers for refusing to attend the management training courses which the PRG had

been providing. He also deprecated some Permanent Secretaries for preventing workers in their ministries from attending middle-management, supervisory and secretarial courses provided for them. Coard apportioned the blame for this resistance to a lack of political consciousness on the part of the government officials involved and went on to imply that this was one of the reasons why the PRG had designated 1983 the 'Year of Political and Academic Education'. He called for a heightening of the campaign to raise the educational level and political consciousness of the Grenadian people.<sup>29</sup> In putting forward this view, Coard was demonstrating the importance which the PRG attached to political and academic education as means of increasing the number of trained personnel in the country. This objective was spelt out by Coard in the item in his report on planning: 'Let us not forget, too, that political and academic education from literacy up to primary and secondary levels, will provide the basis for many of today's workers to become the managers of tomorrow's state companies. The 'Year of Political and Academic Education' has thrown up hundreds of workers who have the ability to become the skilled technicians, professionals, managers and planners for the Grenada of the future.'<sup>30</sup>

In addition to political motivation, a number of structural factors also served to obstruct the PRG's efforts in training. The state sector continued to experience considerable difficulties in retaining trained staff. Not only were there losses of capable personnel to the private sector with its higher salaries and more lucrative benefits, but the management system as a whole was also being depleted by emigration and the loss of staff to regional and international agencies. There were also a number of 'defections' caused by

the PRG's ideological and organizational offensive in the state sector, although, for obvious reasons, it would be difficult to identify specific instances of this.

## Taxation and Social Reform

The economic strategy pursued by the Bishop regime was to a large extent shaped by the decision taken by the revolutionary government to stay within the East Caribbean Currency Authority (ECCA). Established in 1965, ECCA originally comprised six member states of the Eastern Caribbean - Antigua, Dominica, Monserrat, St. Kitts, Nevis, St. Lucia and St. Vincent and the Grenadines. In 1968 Grenada joined the Authority. After December 1973 ECCA members shared a common currency, the East Caribbean dollar, which was initially pegged to the pound sterling at a rate of EC\$4.80 per pound. In July 1976 it was repegged to the US dollar at a rate of EC\$2.70 per US dollar. During the period of the revolution ECCA did not have the powers of a central bank;<sup>31</sup> it had no authority to regulate credit policies, to fix interest rates or establish the reserve requirements of the commercial banks. Thus, the PRG's membership of ECCA limited its ability to use monetary and exchange rate policies in response to balance of payments difficulties. Moreover, Grenada had no central financial institution of its own and the government's holdings of foreign assets were very small and kept as sinking funds against external debt. Consequently, the only buffer the country had to the automatic adjustment of imports to a drop in foreign exchange earnings - as occurred in 1980 - were the willingness of the private sector (mainly the commercial banks) to increase its net foreign exchange liabilities, and the government's limited capacity to borrow abroad. Owing to the restrictions on ECCA's powers, Grenada along with other member governments had little influence over the lending policies of the commercial banks; there was no

means of channelling the funds of the banks into productive activities. In 1982, for example, the commercial banks in the region lent only EC\$37.8 million for agriculture and EC\$67.6 million for manufacturing. The corresponding figures for the distributive trades and personal loans were EC\$144.6 million and EC\$245.3 million respectively.<sup>32</sup>

Notwithstanding these limitations, however, the PRG also derived certain economic and political advantages from its membership of ECCA. In the first place, Grenada did not have the means to establish a central bank and issue currency of its own; and if the PRG were to have done so it would have rendered the island's economy open to financial conspiracies hatched in Washington. Thus, Grenada's membership of ECCA allowed the country to forgo the expense involved in setting up a central bank, and, at the same time, provided a measure of protection from economic destabilization. In addition the PRG was able to make use of the technical expertise and economic data possessed by ECCA, and in times of balance of payments difficulties - such as 1980 - draw upon the financial resources of the Authority.<sup>33</sup>

On account of the PRG's inability to use monetary mechanisms and the restraint which it exercised in transforming property relations, taxation was the principal lever used by the revolutionary government to effect economic and social policies. In 1980, the first year in which the PRG presented a budget, a package of measures were introduced which reduced personal income tax by 21 per cent, costing the revolutionary government EC\$1.7 million. Personal allowance on taxable income was raised from EC\$1,200 to EC\$1,500 per



year. A husband and wife were given the entitlement to file separate income tax claims, thus broadening the scope of the increase in personal allowance. Previous allowances for a husband or wife (EC\$600), maintenance, or alimony (EC\$960), a housekeeper (EC\$120) and a dependent relative (EC\$120) remained the same. The allowance for children was raised from EC\$350 per child to EC\$650 for the first two children and remained at EC\$350 for each additional child; and an entirely new educational allowance of EC\$700 was introduced to help offset the costs incurred to the parents of children studying abroad. The education allowance applied whether or not the children involved were on scholarship as long as parents supplied documentary evidence confirming that they gave financial support to the children being claimed for. In addition, if after taking all allowances into account chargeable income came to EC\$100 or less then there was an exemption from income tax altogether. Persons previously in this category would have had to pay EC\$50 per annum. Finally, there were significant reductions in the rate of taxation for low and middle income wage earners. According to the PRG, this package of tax measures exempted over 30 per cent of Grenadian workers from paying income tax, and some two-thirds of the benefits went to the lowest paid categories of workers whose taxable income was EC\$5,000 and under.<sup>34</sup>

In order to pay for the wide-ranging reductions in income tax, the PRG levied increased charges on large- and medium-sized companies, closed off a number of tax loopholes to the private sector and raised taxes on certain goods and services. New licences were introduced for companies involved in trading in dry goods, hardware, groceries and non-essential items.

Previously, such businesses had not been liable to pay licences. Small traders were not required to pay the licence fee. The most important new charge levied on the private sector was the 'Withholding Tax'. This tax became payable on all monies sent abroad by the subsidiaries of foreign companies operating in Grenada (including commercial banks) and monies sent out of the country to individual non-residents as rentals or dividends. The tax on such companies, in addition to regular company tax and tax on interest, amounted to 25 per cent of any profits sent abroad. Also, ticket tax, a tax on tickets to destinations outside the CARICOM area, was changed to 5 per cent of the cost of the ticket instead of the flat rate of EC\$5.<sup>35</sup>

After 1980 taxation was used by the PRG primarily as a means of raising revenues for the revolutionary government's development programmes. The Bishop regime was of the view that state revenues should mainly be used to generate employment in productive activities and not to provide social benefits. Other means were employed to finance the other social reforms that were introduced. In 1981, 1982 and 1983 there were substantial increases in two taxes in particular: stamp duty and consumption duty. Both of these were taxes levied on imports. Thus, in 1981 there were modest increases in stamp duty and consumption duty. The following year increases in stamp duty and consumption duty were accompanied by a series of new taxes on services, products and companies. Information about these was disclosed by Coard in his presentation of the 1982 budget. Consumption duty was raised by between 10 and 25 per cent on imported items produced outside of CARICOM. The list included luxury consumer goods as well as items produced in Grenada such as beverages, garments and tinned fruit.

Coard also announced the imposition of an International Airport Levy of 2 per cent on all imports coming into the island. The revenue generated by this levy was to be used for work at the new international airport under construction at Point Salines. And in another measure designed to generate additional finance for the project, the PRG passed the International Airport (Insurance Companies) Investment Law 1982, which required all insurance companies operating on the island to buy International Airport Bonds with 10 per cent of their total premium income. The commercial banks were also summoned to make a greater contribution to the development drive. The Special Deposits Levy, which the commercial banks customarily deposit with the Treasury, was increased from 10 per cent to 20 per cent. The final measure announced by Coard was an increase in company tax from 50 per cent to 55 per cent. However, in order to encourage greater private sector investment in the economy, rebates were to be given to companies that re-invested their profits in Grenada. For companies that expanded their operations in productive spheres such as hotel construction and manufacturing, a rebate of 15 per cent would be given. Companies that established new activities in other 'non-productive' areas would receive a 10 per cent rebate. Summarising what he loosely referred to as a 'carrot and stick device', Coard stated: 'In other words, for those who sit on their behinds and do nothing about reinvestment, the tax has gone up by 5 per cent. But for those who are interested in getting into investments either in their existing undertakings or in some new undertakings, ~~then they will~~ then they will find themselves paying in reality either only 45 per cent Company Tax instead of the old time 50 per cent or 40 per cent instead of the old time 50 per cent and the present time

55 per cent.'<sup>36</sup> Towards the end of 1982 and in early 1983 the PRG introduced further increases in stamp duty and consumption duty leading the business community to request 'an urgent meeting' with Coard.<sup>37</sup> (See table 14).

Alongside the substantial increases in taxation the PRG raised income for state expenditure by borrowing money from the commercial banks and the agricultural marketing associations. These funds were used for development projects and to finance a number of social programmes. In each year of the revolution the PRG passed one or two Finance Borrowing Authorisation Laws empowering the Minister of Finance to borrow money from any of the commercial banks operating in the island. In 1979 the Minister was authorised to raise up to EC\$2 million and by 1981 this figure was raised to EC\$3 million. In 1979 also the Agro-Industries Finance Borrowing Law was passed authorising the Minister of Finance to borrow EC\$650,000 from the commercial banks 'to promote, finance and develop agro-industries', and subsequently three other laws were introduced enabling the GCNA, the GCA and the GBCS 'to provide loans to meet the partial cost of establishing and developing approved agro-industries.'<sup>38</sup> Also in the first year of the revolution, the PRG introduced the Loan (Low Cost Housing Loan) Law, 1979 which authorised the Minister of Finance to raise EC\$3,750,000 from the commercial banks for low cost housing. Additional funds were obtained from the insurance companies and other sources so that by December 1979 the PRG could announce an EC\$7.5 million housing programme. The need for such a programme was spelt out in an official government document in these terms: 'As in most other developing countries, housing is a critical problem in

TABLE 14

CHANGES IN SELECTED TAX AND OTHER REVENUE-GENERATING  
MEASURES INTRODUCED BY THE PEOPLE'S REVOLUTIONARY GOVERNMENT

	1979	1983
	%	
Stamp Duty	7.5	20.0
Consumption Duty <sup>(a)</sup>	7.5	15.0
Foreign Exchange Tax	5.0	5.0
Company Tax	50.0	55.0
Withholding Tax	n.e.	25.0
Special Deposits (Banks) Levy	10.0	20.0
International Airport (Insurance Companies) Investment Levy	n.e.	10.0
International Airport Levy	n.e.	5.0

(a) Refers to the average rate of Consumption Duty.

n.e. Non-existent

Source: Grenada: The People's Laws 1980;  
Grenada: The People's Laws 1981;  
Grenada: The People's Laws 1982;  
Grenada Government Gazette, 1 Jan. - 3 June 1983.

Grenada. In 1970 (the most recent census available), 46% of the population lived in overcrowded conditions, 56% of households lacked electricity, 64% lacked running water, and 77% lacked indoor toilets. Population has increased since 1970 while no significant new housing has been constructed. Thus present conditions, although unquantified, must be worse.<sup>39</sup> The housing programme included a low-cost housing scheme and soft loans for house repair. Some 300 houses were to be built on government lands. The scheme was started in Grand Anse, St. George's and Telescope in St. Andrews and by November 1981 a total of thirty-two houses had been constructed. The houses were rented to government employees and other middle income workers and once the tenants had paid enough rent to cover the cost of the houses they would have become the owners paying no more rent. Under the housing repair programme community organisations identified the homes which were most in need of repair, and offered their labour on week-ends to help offset the cost. The loans came in the form of the materials needed to repair the home, and after the repairs were made the beneficiaries were given up to ten years to repay the loan. The loans were of two types. The first type was given to people who earned less than EC\$150 per month; and the second type to people who earned more than EC\$150, but less than EC\$250 per month. People in the first category were given up to EC\$1,000 in materials and were only required to pay two-thirds of this amount, the rest being a grant from the PRG. Repayment was at a rate of EC\$5 per month for ten years. People in the second category were also given up to EC\$1,000 in materials. However, they were required to repay the whole amount at a rate of EC\$17 per month and within a period of

five years.<sup>40</sup> In his 1982 Report on the Economy, Coard disclosed that in 1980 593 loans were given for house repair totalling EC\$532,288, and in 1981 these figures rose to 973 and EC\$781,682 respectively.<sup>41</sup>

In addition to the housing programme the PRG introduced a number of other social programmes. These included: free secondary education and the provision of free uniforms and school books for the lowest income families; free milk and school lunches; the improvement of health facilities and the introduction of free physical and mental health care.

In evaluating as a whole the public spending programme of the PRG several points should be made. First of all, while the radical taxation policies and other revenue-generating measures of the revolutionary government led to a substantial increase in the revenues of the state, thereby contributing to the PRG's development programme, it also produced a number of social effects that militated against the socialist goals of the revolution. The tax concessions made in favour of the working class in 1980 were undoubtedly generous, but they were not of sufficient magnitude to appreciably affect the level of income inequality in the country. (See table 15). It is true that the overall growth brought about in the economy led to an improvement in the living standards of certain sections of the poor; however, because the bourgeoisie continued to dominate economic activity and retained its privileges in income, housing and education, it was an even greater beneficiary of the modernization drive. For, as Griffin has pointed out, poverty is a relative phenomenon. In spite of improvements in their own living standards, the poor will

TABLE 15

INCOME DIFFERENTIALS IN GRENADA IN 1983

<u>OCCUPATION</u>	<u>MONTHLY INCOME</u>
	EC\$
Bank Manager	5,000
Director of a Large Company	5,000
Government Minister	2,000
Insurance Company Agent	1,500 - 3,000
Qualified Teacher	800 - 1,000
Unqualified Teacher	300 - 400
Road Worker	250
Estate Worker	175

Note: In 1983 the Ministry of Labour had no up-to-date labour statistics. These figures were provided by Franklyn Philbert, the Commissioner of Labour.

Source: Ministry of Labour, St. George's, 1983.



continue to consider themselves poor if the rich are seen to be getting even richer.<sup>42</sup> And in a society that remained open to the 'demonstration effects' of Western tourism and Grenadian migrants returning from the metropole, this factor took on an added dimension. This would, indeed, help to explain why many of the 'less politicised' poor people in Grenada during the revolution genuinely believed that the PRG was acting on behalf of the rich. Another problem with the PRG's taxation policy was its deleterious effect on the real income of wage earners. In his Reports on the Economy for 1982 and 1983, Coard presented figures which, he argued, showed that in 1981 and 1982 wage increases had kept ahead of increases in prices. Without even questioning the accuracy of Coard's figures, there were a number of factors which he omitted to mention which would lead one to arrive at a different conclusion to the one presented by the deputy Prime Minister. Given the highly skewed nature of income distribution in Grenada the average figure for wage increases could only serve to obscure the wide discrepancies that existed in the wage and salary rises obtained by individuals employed in different occupations. Moreover, Coard's figures on wage rises in 1981 indicated that low paid workers received the smallest rises in pay. Working in areas such as agriculture, construction and the services sector, these workers constitute the overwhelming majority of the island's wage earners. Furthermore, when one considers that most of the growth in employment took place in government-sponsored construction activities and that the PRG tended to hire labour on very low pay, then it becomes evident that the income of the majority of wage earners did not keep pace with inflation. Indeed, many workers complained

about the revolution having brought about a sharp increase in the cost of living. Government officials, however, were usually quite inventive in their response to criticism of this character. They said that people had 'forgotten' what things were like under Gairy, and, as if to solicit support for their argument, the masses would be constantly reminded of just how bad things had been under the mystic. Coard's reports were also silent about the reduction in real income brought about by the fall in prices of Grenada's main agricultural exports.<sup>43</sup> In chapter one we saw that many individuals employed in a wide range of occupations in Grenada derive a significant portion of their income working part-time in agriculture. There was also a certain lack of realism in Coard's reports. In 1983, for example, he said that since the PRG had imposed the highest taxes on luxury goods and other items imported from abroad, it was 'mainly those families who were not willing to eat local and buy local, only those who wanted to use things from abroad who had to pay more.'<sup>44</sup> In a society which has historically imported the main bulk of its food, medicines and consumer goods these were pretty harsh words. There was also a class contradiction involved here. For it was only the upper middle class, the rich and tourists who could have afforded to pay the mark ups caused by government taxation as an increasing number of goods traditionally used by Grenadians were put beyond the reach of poor people. It was as if the PRG was saying to the poor, if you cannot afford something it is because it is imported or a luxury item and you have no business buying such things in any way. Let the rich people and the tourists have them, they do not understand the socialist goal of the revolution to 'eat local and buy

local'. There is no need to expand on how much of an irony this represented for a regime which considered itself to be a 'worker's government'. This is not to suggest, however, that there was any easy solution to this problem. Finally, in his reports, Coard tended to overstate the contribution made by the 'social wage' to improving living standards. From most of the evidence available it would seem that the social benefits provided were not extensive enough to alleviate some of the hardships that were being caused. Thus, on balance, one can say that while the taxation policy of the PRG made an important contribution to the modernization drive of the regime, its effects on income inequality and the real income of the poor were less impressive.

## Chapter Five

## The Search For A 'Patriotic National Bourgeoisie'

In spite of the fact that during its four-and-a-half years in office the Bishop regime called for the active participation of Grenada's business class in its economic programme and introduced a number of measures to assist the private sector, the relationship between the PRG and the bourgeoisie remained tense and dissonant. To a certain extent, the revolutionary government's difficulties with Grenada's capitalist class were analagous to those faced by a number of radical Third World regimes. Michael Manley, who experienced a vicious private sector backlash against the reformist policies of his PNP administration in Jamaica, has summarised the problem quite well: 'It is this the conflict in society brought about by a challenge to the international system<sup>7</sup> which makes a mixed economy, with social and political aims of a socialist nature, so difficult to manage. Central to the mixed economy is the understanding that both private and public sectors will co-operate to promote economic development. When the private sector feels there is no threat to its class interests and that the public sector is merely engaged in productive capitalist activity for the state, all is well. But where the development of a public sector is part of an overall strategy to change the balance of relations between

classes in the society, the private sector reacts differently. True, some elements co-operate once they feel assured that this mixed economy really has a place for private business. Indeed, they may feel more secure in a society which they see tackling injustice.

But other parts of the private sector do not co-operate, doubtless feeling that their class interests are threatened. Some mark time, do not reinvest profits. Others actively seek ways to sabotage the economy, running down their businesses, exporting their capital illegally. Still others simply depart, complete with worldly goods, often to set up points of overseas resistance to the government which tried to disturb their power.<sup>1</sup> As we know, Manley was unable to resolve this contradiction and it was this, in large measure, which led to his defeat in the October 1980 elections. Indeed, Manley's predicament was particularly untenable on account of the preponderant role played by North American capital in the Jamaican economy, the organic connection that exists between this capital and the local bourgeoisie and the presence in Jamaica of a totally unscrupulous and rabidly anticommunist political party, the Jamaica Labour Party (JLP), which continued to enjoy mass support.<sup>2</sup> In this sense, the circumstances which confronted the PRG were somewhat more favourable. Most of the island's economy was in the hands of Grenadian and Caribbean companies, the industrial base of the society was extremely slender and therefore, the impact which an investment strike could have was limited, and, finally, all organized political opposition had been silenced. Nevertheless, the tension which existed between the revolutionary government and the island's business class was ominous and did place a question mark over the long term viability of the PRG's economic strategy.

## The Question of Expropriation

Two months after the revolution, Bernard Coard spoke at the Annual General Meeting of the Chamber of Commerce. Seeking to allay any fears that businessmen may have held over the revolutionary ideology of the NJM, he called on his audience to keep an open mind on the subject: 'We have always insisted that we want to be judged by results, not rumours, not gossip, not propaganda, not malicious old talk. We are only asking you to judge us by results.'<sup>3</sup> He then went on to give a categorical pledge that, unlike the Gairy regime, the PRG would respect private property: '... with the revolution has come an end to the forceable seizure of people's property without compensation.'<sup>4</sup> The Chamber of Commerce took Coard's statement at face value and in its 1979 Annual Report commented favourably on the PRG's policy towards the private sector: 'The Council of Management continued to give serious consideration to the growing threats to private enterprise with particular reference to the indiscriminate acquisition of agricultural land and was therefore pleased to note the new government's pledge to respect the rights of ownership of property. This was reaffirmed by the Minister of Finance, Trade and Industry at the meeting with the Chamber's delegation ... The Minister further stated that Government participation in productive enterprises was contemplated but that this would be mainly in joint ventures in industrial promotion. Government had in mind a mixed economy and intended to adopt a flexible position as it was proposed to proceed on democratic lines.'<sup>5</sup> Going on to outline the views of the Chamber on the 'advantages' of private enterprise, the Report continued: 'If the system of private enterprise is to be preserved its benefits must

continue to outweigh its disadvantages and it must maintain its superiority over public enterprise. It must also play its part in the economic development of the State, especially in promoting full employment and greater equity in income distribution. Public enterprise can encourage waste, inefficiency and corruption. On the other hand the profit motive and competition in private enterprise tend to keep wastage at a minimum and provide a stimulus to greater efficiency. But the unscrupulous businessman smears the image of private enterprise. The business community must therefore maintain a high standard of ethics and police itself in order to win the respect and confidence of consumers and the co-operation and loyalty of employees. Private enterprise will thus avoid being hedged around with restrictions, licences and other controls which are often disincentives to new private investment and can impede economic growth.<sup>6</sup>

In an interview published in The Courier in 1980, Coard re-stated the PRG's commitment to uphold capitalist property relations, but this time entertained the idea of 'compulsory acquisition'; this was in fact an allusion to certain expropriatory measures which the revolutionary government had already taken and its contemplation of the use of this formula to legitimize further acts of expropriation: 'We see it [nationalization] as an extreme measure to be used in a special case. I don't know whether one could even call it nationalization. I am talking about, for example, things that happen in other islands, and I think in Britain, it's called compulsory acquisition. In the case of America its called imminent domain or something like that.

In other words, if, for example, the only place in the whole country where you can build an airport happens to be in

a particular spot, in our case Point Salines - and all the experts over 25 years have told us that there is only one place in Grenada where you can build an international airport, where there is enough flat land, enough space, the right cloud cover, the absence of cross-wind problems etc. - and the people there don't want to sell the land, obviously the government will have to compulsorily acquire that land. The owners will be fully compensated but it will have to be compulsorily acquired, otherwise the country cannot have an international airport. If that's what you mean by nationalization, yes, you will have situations like that.

But, in other words, if you mean confiscation of people's property, that is out. Our position on that is quite clear. We are not in favour of compulsorily acquiring people's property.

But where the national interest is involved, we will have to do it, like every other country does, but with full compensation. Seizing property without compensation is not part of our policy.<sup>7</sup> It was in fact at the airport site, Point Salines estate, that the PRG made its first 'compulsory acquisition' shortly after the revolution. Although the revolutionary government promised to make a prompt payment to the owners of the estate, the Julien family, in 1983 no settlement had been reached. The compulsory acquisition of property in Grenada is provided for under powers contained in a statute existing from colonial times, the Land Acquisition Ordinance 1958. This statute, which authorises acquisition for any public purpose, provides for payment of market value compensation. In 1981 the PRG introduced the Land Development and Utilization Law, which, making use of the powers contained i



the Land Acquisition Ordinance, empowered the Minister of Agriculture to compulsorily lease for ten years the idle portions of any estate over 100 acres. In early 1983 this law was used by the PRG to take over a number of estates, although in carrying out the take-overs the revolutionary government did not stick to the letter of the law. Some of the estates acquired could in no way have been described as 'idle land' and in certain instances compensation was not paid.<sup>8</sup>

In addition to the semi-legal expropriations carried out in the countryside, the PRG also confiscated property without compensation in the case of two particular individuals. People's Laws Nos. 95 and 96 of 1979 provided for the expropriation without compensation of the properties acquired during their terms of office by Gairy and his deputy Derek Knight. These actions were justified by the PRG on the grounds that all the assets owned by these two individuals were 'acquired by means of corruption and the blatant abuse and misuse of the powers of ... office.'<sup>9</sup> It should be pointed out that these measures were in violation of clause six of the suspended constitution which states that: 'No property of any description shall be compulsorily taken possession of, and no interest in or right over property of any description shall be compulsorily acquired, except where provision is made by a law applicable to that taking of possession or acquisition for the prompt payment of full compensation.'<sup>10</sup> and 'No person entitled to compensation ... shall be prevented from remitting, within a reasonable time after he has received any amount of that compensation, the whole of that amount (free from any deduction, charge or tax made or levied in respect of its remission) to any country of his choice outside Grenada.'<sup>11</sup>

Along with the measures already discussed, the PRG held open the option of a direct intervention in the economy in cases where there was suspicion of economic destabilization or if it was considered that an industrial dispute was causing serious damage to the economy. Mention has already been made of the steps taken by the PRG to put an end to what it considered to be economic sabotage on the part of the CDC.<sup>12</sup> The dispute which took place at the Grenada Bottling Plant Ltd in Tempe, St. George's, provides an illustration of the PRG's use of direct intervention in industrial relations. The Bottling Plant is a wholly-owned subsidiary of W.E. Julien and Company Ltd and provides all the island's Coca Cola. On 16 August 1979 workers at the factory went on strike to protest against the unfair dismissal of two workers. After the dispute had dragged on for five weeks, with the management refusing to reinstate the workers, the PRG intervened, took over the running of the plant and gave the workers their jobs back. In an interview published three months after the incident, Selwyn Strachan, who was at the time the Minister of Labour, Works and Communication, explained the PRG's approach to the issue as follows: 'It was not a question of us taking full control of the factory. It was a question of trying to get a settlement and up to now, although the factory has been run by government, the ownership still remains in the hands of W.E. Julien and Company. All we are concerned about now is getting the industrial matter settled. Once that is settled, they can continue running the factory.'

We have a number of things to do. We cannot take that on now. That is for another stage in the struggle.<sup>13</sup> An important factor influencing the PRG's decision to assume control of the factory was the obstinacy of the plant's management and the

disrespect with which it treated government ministers. By its intervention the PRG was teaching the company a lesson and asserting the authority of the revolution; and in doing so it provided a demonstration of its commitment to the cause of the working class. The PRG ran the factory for two years during which time it appears to have encountered a number of technical difficulties. By March 1982 the PRG and the company had sorted out their differences and it was announced that Julien's had resumed management of the factory and all funds which the PRG had collected during the two years of its control would be handed over to Julien's.<sup>14</sup>

The events which occurred at the River Antoine estate in February 1980 provides another example of the PRG's pragmatic approach to the question of property relations. At that time the estate was taken over by its labour force, who protested about working conditions and rates of pay, and declared a People's Collective Farm. The take-over was organized by the 'Budhlall Gang', led by brothers Kenneth and Kennedy Budhlall, and the PRG alleged that they were linked to a CIA plot to overthrow the revolution. It was further claimed that the Budhlall Gang wanted to use the estate for the mass cultivation of marijuana, since at a public demonstration they called for the legalization of the drug. The PRG condemned the occupation of the estate, and in response to the public demonstration organized a counter-demonstration in which it dubbed its opponents 'marijuana capitalists'. The leaders of the Budhlall Gang were arrested and River Antoine was returned to its owners, although the PRG conceded that the workers' complaints were legitimate and set up a Commission of Inquiry to examine conditions on the estate.<sup>15</sup> In a public statement on the incident, the PRG affirmed that while it fully supported

workers' rights to decent living and working conditions, it 'could not and would not support the seizure of people's property as a means of resolving the conditions of hardship of the workers ...'<sup>16</sup> The PRG's action was heartily applauded by the estate's owners, the de Gale family, and this was expressed by David de Gale in a letter sent to The Times: '... it is relevant to record publicly that when, in February 1980, our family estate was peremptorily taken over by a village commune and renamed 'The People's Collective Farm' government support was immediately forthcoming for the manager's protection and the estate was returned (eventually) to normal working.

It is by judicious, well regulated behaviour that Mr Bishop - like Mr Mugabe - hopes to transform his small nation into a homogenous structure of living communities.'<sup>17</sup> As things turned out, however, the de Gale family was to radically modify its assessment of the Bishop regime. For River Antoine was one of the estates expropriated in early 1983, and up until the time of the US invasion the PRG and the de Gale family were at loggerheads over the manner of the take-over and the terms of compensation. It would seem, therefore, that the PRG's public stance on the 1980 take-over was determined by its desire to maintain the support of the planter class at that particular conjuncture, and not allow forces to its left to precipitate a premature confrontation. The revolutionary government was adamant that it alone would dictate the nature and pace of the transformation process taking place in the country.

The PRG's approach to the question of expropriation, then, was very tactical and pragmatic. Given the widespread ownership of property in the island and the extreme shortage of

trained personnel with a socialist conviction, the revolutionary government was obliged to refrain from a policy of wholesale nationalization. Moreover, in order to maintain the confidence of the bourgeoisie the PRG stated publicly that it was opposed to nationalization without compensation, and intervened physically to restore an estate to its owners after it had been forceably taken over without the sanction of the revolutionary government. But this public stance provided a camouflage for a policy of gradual expropriation, and the pre-existing laws in the country were used in a somewhat opportunistic fashion to legitimize this policy.

## Economic Incentives and the Bourgeoisie

Pursuant to its goal of promoting the growth of the industrial and tourist components of the local business class, the PRG introduced a wide-range of incentives to encourage private sector investment. Mention has already been made of the 1982 tax measures which provided rebates of up to 15 per cent for local companies which re-invested their profits in Grenada.<sup>18</sup> Additional incentives were made available under the Qualified Enterprise Act, the Hotel Aid Ordinance and the Fiscal Incentive Act. In March 1983 the PRG published its most comprehensive policy statement on its relations with the private sector, the Grenada Investment Code.<sup>19</sup> This document identified areas of economic activity suitable for private sector involvement and outlined the basic principles governing joint venture operations between the PRG and private enterprises. In the preamble to the text, the revolutionary government vaunted the reputation it had acquired for sound management of the Grenadian economy. The PRG honoured its commitments and undertakings, it was claimed, and had a perfect record for the settlement of Grenada's financial obligations. The preamble also drew attention to the good industrial relations climate in Grenada resulting from the 'enlightened economic and labour policies' pursued by the PRG, and, asserted that negotiations with investors took place within the context of 'honesty and non-corruption'. In welcoming foreign investment in Grenada, the Investment Code pointed out that particular encouragement was being given to investments which served at least one of four specific objectives: (i) the creation of employment; (ii) the expansion of production; (iii) the

preservation of the quality of the environment; (iv) the generation of and/or the conservation of foreign exchange earnings. There was also an insistence that foreign investment 'should indeed mean that foreign funds will be invested in the economy' and there was a call for agreements to include provisions for the training of Grenadian nationals. Three specific categories of investment areas were identified. The first group was designated 'Areas of Investment Normally Reserved for the State and Para-statal Bodies', and a number of activities were listed in which, it was stated, the PRG reserved the right to preclude private sector ownership and control. If private investment was deemed necessary in these activities then it could only take place on the invitation of state and para-statal bodies. The list comprised the following enterprises and activities: public utilities, radio, television, infrastructural facilities including quarrying, the national airline, the telecommunications network and trading in certain strategic and basic commodities.

The heading of the second group was 'Areas of Restricted Further Growth For the Private Sector'. The PRG intended to prohibit the establishment of new private enterprises in the following areas: banking, insurance, importing and wholesaling, fishing (except artisanal fishing) and internal transportation. The third group was entitled 'Areas of Investment Normally Reserved for Nationals'. In this section the PRG stated its intention to prohibit any future investment by foreigners in certain activities in which it was considered there existed adequate capability and expertise amongst Grenadian nationals. Included in the list were the following areas: retail and distribution trading, taxi and self-drive services for the

tourist sector, cinemas, travel agencies, real estate agencies, automobile and other repair services, agriculture, civil engineering and contracting, restaurants, night clubs, hairdressing, and laundry and dry cleaning services.

In line with the economic and political strategy of the PRG as a whole, these three categories of investment areas were evidently designed to strengthen the state's control over strategic areas of the island's economy, prevent the further growth of the bourgeoisie in non-productive activities, and retain Grenadian ownership and control of a number of tertiary activities.

Another section of the Investment Code announced the PRG's intention to refrain from 'all acts of acquisition and/or expropriation of investments' within Grenada. It pointed out, however, that where such an undertaking was done for a public purpose it would be on the basis of fair and adequate compensation and in accordance with the existing legislation. Summing up the PRG's approach to this question the Investment Code affirmed: 'Where the Government embarks upon the acquisition or expropriation of an investment, it would seek to do so by first negotiating with the party or parties concerned to arrive at a just settlement.'

It is the policy of Government at all times to maintain a politically stable environment conducive to the planned development and growth of the economy including the private sector.<sup>20</sup> Finally, in the Investment Code Incentives Law, 1983, which formed an appendix to the Investment Code, a number of incentives were offered to potential investors. These were: tax concessions for approved enterprises; the exemption from payment of withholding tax by an approved enterprise; the



exemption from payment of transfer tax by investors in an approved enterprise; the inclusion of hotels, condominiums, and guest houses in the list of qualifying businesses on which income tax capital allowances are granted; and accelerated depreciation allowances.

In addition to providing incentives for investment in productive activities, the PRG sought to stimulate private sector activity through state intervention in banking. After the revolution the PRG set about re-organising the GAIDC, which, as has been documented in chapter one, was plagued by corruption and maladministration under the Gairy regime. A banking specialist from the CDB made a number of proposals to the PRG about the organization of the GAIDC, and in response to these proposals the PRG appointed a new manager to run the Corporation, established a new administrative structure and assumed liability for the debts owed by the GAIDC to the local commercial banks. Satisfied with these changes, the CDB began to release funds to the GAIDC which had been temporarily held up. In 1980 the Corporation was re-named the Grenada Development Bank (GDB).

In making funds available to the GDB, the CDB restricted the maximum size of loan the GDB was able to make to a private borrower to the equivalent of US\$100,000. In addition, the GDB was prevented from making loans available to the state sector. Considering itself hamstrung by these restrictions the PRG submitted a proposal to the CDB calling on the bank to increase the maximum loan size to US\$200,000 and requested a change in policy that would enable the GDB to make loans available to the state sector. In 1982 the CDB sent Conrad Griffiths, an industrial development specialist, on a two year

assignment to Grenada. Griffiths was asked to perform four major functions: (i) provide assistance to the GDB in the approval and supervision of loans for industrial projects; (ii) provide small businessmen with technical and management expertise; (iii) assist in the training of a local industrial officer to assume Griffiths' functions after the two year assignment had elapsed; (iv) liaise with the Chamber of Commerce and individual entrepreneurs, and submit their proposals for loans of over US\$100,000 to the CDB for approval.<sup>2</sup> As a result of the work of Griffiths and the re-organisation of the GDB, there was a sharp increase in the amount of loan approvals made by the bank to entrepreneurs operating in the manufacturing sector of the economy. (See table 16).

Most of the loans disbursed by the GDB to the manufacturing sector went to provide assistance to businessmen producing garments, furniture and spaghetti.<sup>22</sup> Due to the fact that most of these enterprises were export-orientated, the increased manufacturing activity brought about by GDB loans and other incentives contributed significantly to the revolutionary government's export drive; and as most of these exports were destined for the regional market, trade relations with CARICOM became of greater importance to the Grenadian economy.<sup>23</sup>

Shortly after the revolution, the Canadian Imperial Bank of Commerce announced its intention to cease operations on the island for financial reasons and the PRG used the occasion to acquire ownership of the bank's facilities and establish a state bank, the National Commercial Bank (NCB). The NCB was registered as a limited liability company with the PRG as the sole shareholder, and a publicity campaign was launched to promote the new bank. By 1983 the NCB was the

TABLE 16

LOANS APPROVED BY THE GRENADA DEVELOPMENT BANK  
TO INDUSTRY AND TOURISM<sup>(a)</sup>

YEAR	AMOUNT EC \$
1980	500,000
1981	66,000
1982	878,000

(a) The overwhelming majority of loans were made available to industry as opposed to tourism. It was not possible to disaggregate the figures.

Source: Grenada Development Bank, St. George's, 1983

second largest bank on the island after Barclays Bank International and had branches in St. George's, Grenville, Gouyave and Carriacou. In three years it made net profits of over EC\$900,000.

Prior to the revolution the current account of the state, called the Government Consolidated Revenue Fund, was handled by all the four commercial banks through a system of quaterly rotation. The PRG continued this arrangement but reserved the most profitable areas of government business for the NCB.

In order to galvanise local savings for development purposes, the NCB offered an interest rate of  $3\frac{1}{2}$  per cent, which was 1 per cent higher than that of the foreign-owned commercial banks. Cheaper loans were also offered to borrowers. The NCB charged  $12\frac{1}{2}$  per cent interest on loans made to customers purchasing consumer durables but only 9 per cent on loans taken out for industrial purposes. The NCB was run along commercial lines and complemented the lending activities of the GDB. The NCB provided short term facilities to cover the operating expenses of entrepreneurs who had successfully negotiated long term loans from the GDB. There was also an arrangement between the NCB and the GDB to share the security for loans. This was something which the foreign-owned commercial banks had refused to do in the past.

In addition to its developmental objectives, the NCB contributed to a number of social programmes of the PRG and provided finance for private housing. Traditionally, most of the finance for house construction in Grenada came from the insurance companies. However, most of the insurance companies only provided long term mortgage finance once a house was actually built; this was in order to ensure that the house

had no structural defects which might lead to a reduction in its sale value. A commercial bank would be called upon to make funds available to construct the house, after which the loan would be taken over by the insurance company in question over an extended period of time. The establishment of the NCB significantly increased the funds available for this sort of bridge financing in Grenada.

In early 1983 the PRG bought the head office of the Royal Bank of Canada as a going concern. This followed an announcement made by the Royal Bank that it would cease its operations in Grenada. The bank's head-office decided to close its Grenadian branch as part of a move to rationalise its activities in the Caribbean. The opportunity was used by the PRG to establish a second state bank in Grenada - the Grenada Bank of Commerce (GBC). The PRG was the sole shareholder of the GBC and the bank was accorded the same priorities as the NCB. It seems that the GBC was established to provide for an element of competition within state banking.<sup>24</sup>

It took some two years for the PRG and the Grenadian private sector to reach agreement on the exact wording of the Investment Code. The primary factors responsible for this appear to have been the 'ideological' character of the original draft, certain differences of opinion between the revolutionary government and the bourgeoisie over economic policy and the lack of clarity on the part of the PRG itself about its long term economic goals. The publication of the Code in March 1983 suggests that, in spite of a number of unresolved differences between the two sides, some sort of modus vivendi had been reached. Nevertheless, there was a varied response to the incentives provided in the Code, as

indeed there had been to the earlier economic initiatives taken by the PRG to assist the private sector. Because of the PRG's control of the media and the disinclination of the bourgeoisie to air its grievances in public it is difficult to assess the true feelings of businessmen about the economic policies of the revolutionary government. Nevertheless, a number of sources do provide suggestive information on this matter.

Shortly after the national budget presentation in March 1982, David Minors, who was then the President of the Chamber of Commerce, sharply criticized the PRG over its economic policies. In an interview with the Caribbean News Agency (CANA) he complained that the revolutionary government was using the businessmen's association as 'window dressing'. Minors was critical of the new tax measures announced by the PRG, expressed apprehension about the prospects of Grenada benefiting from the Caribbean Basin Initiative launched by the Reagan administration and stated that he found it irksome that the Chamber was not allowed to publish its monthly bulletin because of the 1981 Newspaper Law. 'There have been many instances in which we could have embarrassed government and we have gone out of our way not to do so, but we can't say the same for government', Minors claimed. 'They have used all sorts of opportunities to tear into the private sector unfairly and in an unwarranted manner.' Minors argued that the new trading regulations introduced by the PRG meant that whatever was imported or exported from 'a pin to an elephant' would be subject to licence; and that was a disincentive to business. Turning to the rebates on company tax that the PRG was offering to companies which re-invested their profits in

Grenada, Minors recalled that Coard had described it as a 'carrot-and-stick device'. 'My reaction to that description of the taxation', stated Minors, 'is that the carrot is an anaemic variety grown on the arid dry lands of the island, while the stick is a wallaba pole.' Spelling out the argument, he continued: 'If you are facing a situation where 55 per cent of profits goes back to government in income tax, and 25 per cent goes to workers - which I do not object to - and inflation is running at 15 to 20 per cent annually, just to replace stocks and keep going will take up all that and still have you borrowing from the bank, far less to undertake expansion.' In respect to Grenada's chances of benefiting from the Caribbean Basin Initiative, Minors said that it was his understanding that Grenada would be excluded from bilateral aid, but was not excluded from the trade and investment part of the plan. 'I think it would be an uphill job to benefit fully under investment because there are other countries around posturing correctly, and the mere fact that the government of the United States has said that Grenada has a totalitarian regime will keep North American investors away.' On the question of the Chamber's bulletin which reviewed business performance, Minors said that for the past six months they had received promises from various government officials that the Chamber would receive an exemption under the Newspaper Publications Law. Finally, Minors claimed that while the Chamber did have opportunities to hold discussions with the PRG, 'a lot of it is just talk and nothing happens.'<sup>25</sup>

In January 1983 the Chamber of Commerce was given the go-ahead to publish a special newsletter, pending the resumption of the monthly news bulletin. Although the tone of the newsletter was certainly more conciliatory than the

interview given by Minors, it did allude to a lack of response on the part of the business community to the PRG's economic policies. The first item contained in the newsletter was the New Year's message of the new President of the Chamber, G.A. Menezes. In it he called on the private sector to respond to the revolutionary government's development drive: 'Government is expending considerable sums with a view to upgrading and improving the country's infrastructure. Whatever our persuasion, we must recognise that "one hand cannot clap". The public and private sectors must co-operate if worthwhile economic growth is to be achieved. Neither can stand alone and hope for success.

It is therefore my wish that in 1983 we examine all possible ways of increasing productivity and trade through investment, and having set our minds on realistic objectives, pursue them relentlessly until success is achieved. As "faint heart never won fair lady" so stagnation profits us nothing.<sup>26</sup> The newsletter also contained a report on the Extraordinary General Meeting of the Chamber held on 24 November 1982. The meeting was held to inform businessmen of certain initiatives taken by the Chamber's Council of Management, aimed at identifying and pursuing sources of capital for economic expansion by the private sector. G.A. Menezes gave the main report at the meeting. In his speech, reported in the newsletter he outlined the PRG's policy of promoting manufacturing activities: 'The time had come for the private sector to consider the transition from its traditional role of merchant trading and to become more production orientated and more export orientated.

The President considered the private sector to be at the



crossroads where, by its own endeavours, or lack of them, it can either go forward or be overtaken by events.'<sup>27</sup> Continuing his report, Menezes stated that members of the Council of Management had made approaches to government officials in Canada, regarding economic assistance to Grenadian businessmen. The Canadian officials had indicated their readiness to meet with representatives of the Chamber to consider funding for private sector projects in Grenada. In the first instance, Canadian development agencies would be called upon to provide assistance. Menezes said that the PRG had been made fully aware of this initiative and had agreed that it should be pursued.<sup>28</sup> Finally, the newsletter reported on a second Extraordinary General Meeting of the Chamber held on 12 January 1983. The main item on the agenda at this meeting was the new round of tax increases which came into force on 1 January. At the meeting businessmen discussed the effects the new tax measures would have on a wide range of consumer goods. Members of the Council of Management informed businessmen that they had written to Coard 'requesting as a matter of great urgency' a meeting with him to express the Chamber's views on government taxation policy. No response to the letter had been received. Nevertheless, the views and opinions of businessmen were noted down at the meeting, so that they could be presented to Coard 'if and when he agrees to a meeting.'<sup>29</sup>

The reports contained in the newsletter of the Chamber of Commerce, then, provide further evidence of the disquiet that prevailed in the business community over the economic policies of the PRG. Indeed, in spite of the incentives provided by the revolutionary government private sector investment in Grenada fell sharply during the course of the revolution. (See table

17). This provides a good index of the loss in confidence among businessmen brought about by the revolution. However, while there was a decline in private investment under the PRG a number of enterprises were able to increase their profit margins because of the overall growth in the island's economy brought about by the high inflows of aid to the state sector. Paradoxically, it was the comprador bourgeoisie that benefited most from the economic policies of the PRG even though the revolutionary government itself sought to progressively eliminate this section of the property-owning class. In financial year 1982, Jonas Browne and Hubbard (Grenada) Ltd recorded a pre-tax profit of EC\$1.9 million - an increase of 37.2 per cent over the 1981 figure. It was also the largest profit made in the company's history. Reviewing the performance of the company in 1982, C.F. Toppin, the Chairman, gave the following explanation for the good results: 'What has caused us to have good results in a year when revenues from agriculture and tourism are seriously reduced, and what of the future.

Undoubtedly the capital spending by the public sector has had a marked impact on trade and has more than made up the shortfall of spending money from our traditional industries. Hopefully, an improvement in the world economy, coupled with the improvement of infrastructure and the rehabilitation of agriculture from now until 1985, should create an investment climate for private sector investment which, together with increased earnings from traditional industries would lead to continued economic growth. We are watching the position carefully with a view to expansion geared to take maximum advantage of this projected situation.'

<sup>30</sup>

In carrying out fieldwork in Grenada in early 1983, I conducted interviews with a number of Grenadian businessmen

TABLE 17

PRIVATE INVESTMENT IN GRENADA - 1976-81

	1976	1977	1978	1979	1980	1981
Private Investment EC \$ million	7.9	8.5	7.9	4.8	3.5	2.0
Private Investment as a Percentage of GDP	8.2	11.0	7.7	4.4	3.2	1.2

Source: Economic Memorandum on Grenada, pp. 114-115.

and representatives of regional development agencies. The comments made by these individuals provides additional information on the unease felt by the business community over the economic policies of the PRG. Among those interviewed were the managers of three privately-owned banks on the island. Acting as book-keepers for the capitalist class as a whole, bank managers have a close acquaintance with many individual businessmen and are acutely aware of developments in the private sector. Thus, the views expressed by the three bank managers may be considered representative of the business community as a whole. Of course, one should bear in mind that in view of the political climate in Grenada under the PRG few businessmen were prepared to be completely candid in their public statements.

Chester Hinkson, the Manager of the Bank of Nova Scotia, stated that the tax structure in the country was much too tight and many businessmen were complaining. He believed that taxation was causing inflation to move ahead of the cost of living; and in order to demonstrate that real wages had fallen under the PRG, he pointed out that in spite of the Grenadian custom of eating ham at Christmas, many stores still had large unsold stocks of the product. Hinkson was very sceptical of government figures on unemployment, arguing that the jobs created by the PRG could not have absorbed the number of jobless in the country. Turning to threat of competition from the NCB, Hinkson said that the Bank of Nova Scotia had no plans to close, since, on account of the bank's professionalism and international contacts, it could compete successfully with the NCB. Most of the large companies prefer to stay with the private banks, he added, because of their mistrust of the

PRG. Finally, Hinkson reported that a lot of money was going out of the country illegally; he had personally seen businessmen stuffing money into suitcases, which were then put on boats destined for a neighbouring island or tax havens such as the Cayman Islands.<sup>31</sup> The scale of this activity was, however, questioned by Claremont Kirton, Head of the Macro-Planning Unit. In the interview I conducted with him following my conversation with Hinkson. Kirton acknowledged that money was probably leaving through unofficial channels, but argued that if it were taking place on a large-scale then evidence would have shown up in the money supply figures. Kirton had served as an economist under the Manley administration in Jamaica and had acquired considerable experience of capital flight. He said that if it were happening in Grenada, he would have been able to detect it.<sup>32</sup>

Geoffrey Commissiong, the manager of Barclays Bank International, expressed similar views to Hinkson with respect to the PRG's taxation policy. Going on to speak about the PRG's strategy of promoting investment in manufacturing, he stated that Barclays continued to invest most of its profits with the ECCA since there were no liquid investments on the island and providing funds to industrial enterprises was fraught with too many risks. 'West Indians are not factory oriented', he opined, and argued that the Caribbean was littered with failed manufacturing ventures. Commissiong then complained about the preferential treatment which the PRG was giving to the NCB. 'This should not happen in a free enterprise system', he asserted. Nevertheless, Commissiong did not believe that the PRG was 'going communist', and remained 'cautiously optimistic' that it would not. He said there was

nothing to nationalize in Grenada and if the PRG took over one business place then all businesses in the country would close down.<sup>33</sup>

Gordon Steele, manager of the Grenada Co-operative Bank Ltd, was critical of several areas of the PRG's economic policy. The Co-operative Bank traditionally catered for small savers who loaned money from the bank to purchase land, fertilizer and consumer goods, so Steele was more concerned with the effects of government policy on lower income groups. He said that the bad servicing of loans had risen significantly under the PRG and attributed this to the fall in prices of agricultural commodities and increased government taxation. Steele did not believe that real wages were keeping pace with inflation and described the successive increases in the rate of stamp duty as 'vicious'. He also expressed concern at the level of commercial borrowing the PRG had undertaken in connection with the international airport. 'How will the country service this debt?', he asked.<sup>34</sup>

The views expressed by the three bank managers were echoed by a number of officials of the CDB, who have expert knowledge of the Grenadian economy and close contact with the island's business class. Conrad Griffiths, the CDB industrial development specialist mentioned already, said that most businessmen still had a wait-and-see attitude towards the PRG's economic programme. While there had been a spurt of activity in certain manufacturing enterprises, the three largest companies on the island had not made any approach to him about investment opportunities. Griffiths surmised that the international airport would make a big difference to the tourist industry, which had a considerable amount of excess capacity, but said that the country's image was 'a big problem'.<sup>35</sup>

Neville Grainger, to whom the CDB assigned the responsibility for the development banks in the Eastern Caribbean, praised the PRG for its sound management of the Grenadian economy. He was particularly impressed by the efforts made by the revolutionary government in training public sector employees. Nevertheless, Grainger identified two main difficulties with the PRG's industrial export drive: competition from the Far East and the problem of keeping foreign businesses in the country after the expiry of their tax holiday period.<sup>36</sup>

Samuel Singh, the deputy Director of the Industry Division of the CDB, was far more critical in his assessment of the PRG's economic policies. Singh led the CDB mission which visited Grenada in 1982 and probably has a greater acquaintance with the Grenadian economy than any other CDB official. Singh argued that the PRG had stifled the development of the private sector. He acknowledged that there had been a pick-up in certain manufacturing activities, but attributed this to the work of Conrad Griffiths rather than any change in attitude on the part of the business community towards the PRG. Many businessmen had told Singh that the political situation in the country was getting worse as the PRG had now begun the process of 'indoctrination'. This was a reference to the worker education classes introduced in 1983 by the trade unions in a number of state and private establishments. Singh did not believe that the PRG's formula of promoting worker education classes to increase productivity could work. While certain businessmen made public statements in support of the PRG's initiative, privately they admitted that they felt threatened. Singh also reported that invoicing techniques were being used by businessmen to disguise the true extent of their profits

and re-direct money away from Grenada to neighbouring islands and tax havens. Finally, in discussing the growth in the economy which took place under the PRG, Singh pointed out that a certain amount of caution should be exercised when examining official government figures. The PRG was recording many things in the national accounts data which were not recorded before, and this had inflated government figures.<sup>37</sup>

Following the downfall of the Bishop regime and the US invasion of Grenada in late 1983, Grenadian businessmen felt that they could air their views in public once again. Of course, those dramatic events greatly influenced the public pronouncements that were made. Nevertheless, the interviews and statements from the business community published during this period do provide an important insight into the relationship between the PRG and the private sector. At a special meeting held on 1 November 1983, the Chamber of Commerce issued a statement in support of the US invasion of Grenada and spelling out their disagreements with the PRG: 'From the beginning of the revolution on March 13, 1979, our Chamber has repeatedly expressed its grave concern over the infringement of the basic rights and freedoms to which the people of Grenada are entitled. We have protested the expropriation and closure of the public media, and unlawful detention without trial or due legal process of our citizens. We have sought continuously to have the People's Revolutionary Government redress its wrongs and proceed to the holding of free and fair elections as was promised on the morning of the revolution and on many occasions thereafter. We have brought to the attention of the People's Revolutionary government the economic hardships placed upon the people of Grenada by their oppressive policies whose net



effect was to worsen the living standards of Grenadians and which conspired against the development of the country's economy. We have worked actively to influence the People's Revolutionary government to adopt more reasonable positions internally, and externally, albeit with very little success.

We have observed with alarm the increasing and unnecessary militarization of our country and the patent efforts to restructure the economy of Grenada in a fashion that is alien to our people's aspirations. Our concerns found tragic expression on Wednesday, October 19, 1983, when scores of Grenadian men, women and children were wilfully murdered in peaceful demonstration by units of the People's Revolutionary Army at Fort Rupert. Our country has never experienced savagery of this nature.<sup>38</sup>

To conclude this chapter on the relationship between the PRG and the private sector in terms of the NJM's search for a 'patriotic national bourgeoisie' the following points can be made. Because of the predominantly comprador and petty bourgeois configuration of the island's class structure and the extreme shortage of trained personnel with a socialist conviction, the PRG adopted a highly pragmatic and tactical policy of gradual expropriation. However, this programme was mainly confined to the agricultural sector. The PRG devised a number of schemes and incentives to promote the growth of the manufacturing and tourist components of the capitalist class at the expense of the comprador bourgeoisie. However, because of the lack of response to the PRG's measures the desired transformation in the physiognomy of the bourgeoisie was not taking place. The comprador bourgeoisie was able to increase its profit margin while enterprises in tourism and manufacturing

did not perform as well as was anticipated; and the outlook for foreign investment in these areas was uncertain. Furthermore, a question mark lay over the actual viability of the industrialisation programme. It is not at all clear whether Grenada would have been able to find a reliable and expanding market for the manufactured goods projected because of the competition it faced from the Far East and the growth of protectionism in CARICOM. Again, although the PRG continually stressed the importance which it attached to the private sector, it was not prepared to make concessions to the bourgeoisie over such issues as freedom of the press, political detainees and foreign policy. Yet these were some of the main issues which invoked the hostility of the business community and lead to a loss in confidence and a steep decline in private sector investment. It was these issues also which jeopardized the PRG's prospects of receiving aid and investment from the West. In spite of these problems, however, the PRG did succeed in bringing about growth in the island's economy. The state sector investment programme was of sufficient magnitude to offset the drying up of private investment. Equally, although certain businessmen did resort to economic sabotage, the impact of this was not too debilitating. However, it is highly unlikely that this state of affairs could have continued for an extended period of time. The PRG's investment programme had placed a severe strain on the financial and technical resources of the island, and the country's debt to the West seemed likely to rise considerably in the years ahead. These developments would have exacerbated the tension which existed between the PRG and the bourgeoisie. Thus, while the Bishop regime fared better than the Manley government in attempting to manage a 'mixed economy', the Grenadian revolution evinced in

chrysalis the same fundamental contradiction as 'Democratic  
Socialism' in Jamaica.

## Chapter Six

## The 'Aid Boom'

While the PRG actively encouraged private investment in Grenada it attached far greater importance to the mobilisation of economic assistance on concessional terms from foreign governments and financial institutions. Thus, overseas aid became the principal catalytic agent in the transformation of the Grenadian economy. Aid enabled the PRG to expand and modernise the state sector so that it could play a directional role in economic affairs. Aid was also responsible for the growth that took place in the economy, provided most of the jobs and greatly improved the island's infrastructure. This 'aid boom' was a very distinctive feature of the Grenadian revolution and was facilitated by the miniscule size of the island in which relatively small aid inflows can have a substantial effect on economic activity.

Long before the revolution the NJM recognised the possibilities that existed of obtaining international financial assistance, and following 13 March 1979 strenuous efforts were made to use up the 'slack' debt capacity which was the legacy of the incompetence, mismanagement and corruption of the Gairy regime. At the same time, the PRG explored a number of new sources of aid. In all, one can identify four main categories of aid donors to Grenada: (i) Western governments and financial institutions; (ii) the socialist countries; (iii) the

oil-exporting countries; (iv) non-governmental organisations. (See table 18). On account of the preponderant role that was played by aid and the diversity of the donors involved, the Grenadian revolution provides an exceptionally good testing ground on which to examine the effectiveness of aid in alleviating poverty in the Third World; and it also affords a comparison of the relative strengths and weaknesses of a host of important aid donors.

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TABLE 18

GRENADA - CAPITAL GRANTS, 1977-82  
(EC\$ Million)

	1977	1978	1979	1980	Preliminary 1981	Projected 1982
UK Development Aid	0.3	0.1	-	0.6	-	0.3
CIDA	1.2	0.8	0.4	0.9	-	-
EDF	-	0.7	0.7	0.5	4.0	3.0
CDB/USAID	-	-	-	1.1	0.3	2.6
OAS	-	-	0.7	0.4	-	-
UNDP	-	-	0.1	0.3	0.1	-
UNICEF/FAO	-	-	0.1	0.2	0.1	-
CUBA (of which airport related)	-	-	27.0 (27.0)	12.2 (11.3)	24.1 (23.0)	28.2 (20.0)
Algiers	-	-	-	-	0.9	-
Syria	-	-	-	2.2	3.2	-
Lybia	-	-	-	-	0.8	-
Other Arab Countries	-	-	5.4	8.6	-	-
USSR	-	-	-	-	3.0	-
German Democratic Republic	-	-	-	-	-	3.0
Other	-	-	-	0.3	0.2	0.2
<b>Total Grants</b>	<b>1.5</b>	<b>1.6</b>	<b>34.4</b>	<b>27.3</b>	<b>36.7</b>	<b>37.3</b>

Source: Economic Memorandum on Grenada, p. 125

## Western Governments and Financial Institutions

## The International Monetary Fund and the World Bank

One central feature of the PRG's economic policy that owed a great deal to Bernard Coard's familiarity with international finance was Grenada's strict observance of the external requirements for the repayment of the national debt. As a result, US efforts to use the International Monetary Fund (IMF) and the World Bank to destabilize the revolution were only partially successful. Although the US is the single most important power in the IMF, controlling 20 per cent of votes and well able to organise loan vetoes and other financial conspiracies against the wishes of a majority of member states, it was not able to block all funds to Grenada nor impose regulations on government spending.

In March 1981 the PRG applied to the IMF for an SDR 6.3 million (equivalent to about EC\$21 million) extended fund facility (EFF). This funding had been agreed to by IMF officials and the PRG after an IMF visit to Grenada, and was destined for capital projects in agriculture, agro-industry, tourism and housing. However, the US director on the Board of the IMF opposed Grenada's application on the grounds that Grenada did not have a balance of payments problem to justify the loan - although the 1980 trade deficit totalled US\$33.4 million. Under IMF rules, an EFF is intended to aid a two-year or three-year programme aimed at correcting the structural causes of a payments imbalance. Giving in to US pressure, the IMF only gave a US\$4 million standby credit, to be used for short-term financial stabilization but not the basic capital



improvements Grenada needed. At around the same time, the US used its influence inside the World Bank to withhold the Bank's endorsement of the island's public investment programme, thus blocking Grenada's access to some US\$3 million in concessional funds from the Bank's soft loan arm, the International Development Agency. The lack of endorsement also made it difficult for Grenada to raise funds from other international banks and lending agencies. In response to these acts of economic aggression, the PRG threatened to withdraw from the IMF and the World Bank within two weeks if both institutions did not stop interfering in the internal affairs of Grenada. Speaking at the Second Congress of the Association of Third World Economists, Kenrick Radix accused the US of vulgarity, and of attempting to manipulate Grenada's political course, using the IMF and the World Bank as its surrogates. If concrete measures were not taken within two weeks, he warned, Grenada would withdraw from both organisations 'and let them return the deposits they have in our name, for we believe that we might be able to make better use of them than they.

If they do not approve, we will launch a worldwide campaign to expose them, to make our country's experience a worldwide experience.'<sup>1</sup> Subsequently, at a joint meeting of the IMF and the World Bank held in Gabon, the PRG lobbied support for its position. Although the PRG did not in fact withdraw from these institutions, by making the maximum publicity over the issue and mobilising support within the IMF and the World Bank, it exposed the role of the US and reduced Washington's ability to use these bodies against the revolution. By scrupulously meeting repayment schedules and utilizing assistance efficiently the PRG defied attempts by the international financial agencies

to deny it funds. However much the sympathies of those who controlled the IMF and the World Bank lay with the positions adopted by the US administration, and however political the effects of the terms under which they make loans, these bodies ultimately found it exceedingly difficult to reject or ignore the accounts produced by the PRG. As a consequence, they were obliged to continue relations with an extremely well behaved client and even grudgingly offer their congratulations for the performance of the economy under the PRG's supervision. In September 1983, Coard announced that the IMF approved the payment of a loan of EC\$40 million to Grenada. The only major condition laid down by the IMF was that the PRG could not borrow any additional money from international commercial banks for a period of three years. However, this condition did not have any bearing on the projected EC\$20 million which the PRG had already contracted to borrow from a number of different sources at commercial rates for investment purposes. Coard explained that there was no reason for the IMF to impose any stringent conditions on loans to Grenada because the country had had good economic performances in recent years. He added: 'We are in a very strong bargaining position with the IMF. They can't tell us cut back on Government expenditure on the recurrent account because of a massive gap, because we have no massive gap.'

We have a surplus and the surplus is growing every year. They can't say cut back on Government's social programmes such as health and education. They can't tell us to do that because we have a surplus.'<sup>2</sup>

## The Caribbean Development Bank

Article 1 of the CDB's charter declares that the purpose of the Bank is to 'contribute to the harmonious economic growth and development of the member countries in the Caribbean and to promote economic co-operation and integration among them, having special and urgent regard to the needs of the less developed members of the region.'<sup>3</sup> According to the Bank's President, William G. Demas, CDB has a niche in the region and is advantageous to donors and beneficiaries for a number of reasons. First of all, CDB aid delivery is administered at less cost per dollar of aid delivered than for almost all other aid donors, particularly those whose activities are small and diverse. In fact, this has been recognised by the major international development banks who, concerned over cost-effective aid delivery, use CDB's services to channel funds, particularly to the LDCs. Secondly, with the expertise of its Caribbean staff, CDB has an intimate knowledge of, sensitivity to and empathy with, regional problems. Other factors isolated by Demas include the fact that CDB offers to aid donors the advantage of aid co-ordination and that the support of the CDB is seen by many contributors as a tangible contribution to regional integration and co-operation.<sup>4</sup> Most of the members of CDB are Commonwealth Caribbean countries, however, the Bank also includes Britain, Venezuela, Mexico, Canada, and Colombia. At a special meeting of the Bank's Board of Governors held in 1971, the Board decided that Commonwealth Caribbean members should always have a majority of the voting power in the Bank and a majority of the number of directors. According to Demas, this creates a sense of identity and dignity for the major beneficiary countries, and ensures that the

countries of the Commonwealth Caribbean receive inflows of external resources in the context of economic self-reliance and are therefore not placed in a position of total dependency.<sup>5</sup> On account of the voting power arrangement of CDB and article 35 of the Bank's charter, which emphasizes the international character of CDB and imposes on the Bank an obligation neither to interfere in the political affairs of any member nor to be influenced in their decisions by the political character of the member concerned, the US government was unable to prevent any of the funds it donated to the Bank through the US Agency for International Aid (USAID) from reaching Grenada. However, in June 1981 the US made a direct challenge to the CDB's charter by offering a US\$4 million grant to the Bank on condition that none of the money go to Grenada. The grant was earmarked for programmes addressing 'basic human needs'. In response to this provocative offer from the US administration, the CDB's Board of Directors took a firm decision to uphold the Bank's charter and voted unanimously to refuse the grant. In addition, a number of Caribbean states openly denounced this victimization of Grenada by the US, thus blocking Washington's bid to isolate the PRG in the region.<sup>6</sup>

The financial operations of the CDB are of two kinds: ordinary operations and special operations. Ordinary operations are financed from the Bank's share capital and the proceeds of loans raised in capital markets or borrowed or otherwise acquired by the Bank for inclusion in its ordinary capital resources. In the ordinary operations of the Bank, loans may be spent on goods produced in and services supplied from member countries only or other countries which in the opinion of the Board of Directors have contributed substantially to

the resources of the Bank. The Bank's terms for lending vary from time to time in accordance with decisions taken by the Board of Directors. At the time of the revolution the rate of interest on loans financed from its ordinary capital resources was 12 per cent. Depending on the project being financed, an appropriate period of grace is given and usually the loan is thereafter repayable over a period of 10 to 15 years.

The special operations of the CDB are financed from the Special Development Fund and other Special Funds. Contributions or loans to the Special Development Fund are made available to the Bank on particularly favourable terms, for on-lending to projects at low rates of interest and extended maturities, taking into account the economic circumstances of the country in which the project is located as well as the requirements of the project. The Bank also accepts contributions or loans for other special funds which it may administer on terms agreed with the contributors so long as the purposes are consistent with its objectives and functions. In its special operations, the proceeds of loans may be used for the procurement of goods and services only in those countries specified as eligible countries in the agreement which makes the funds available to the Bank. At the time of the revolution the rate of interest on loans financed from the special funds resources was 4 per cent per annum. The grace period is usually up to five years, and in most cases the loan is thereafter repayable over a period of 15 to 20 years. The US is the biggest single contributor to the special funds resources of the CDB. In December 1982 US loans made up US\$21,899,000 out of a total figure of US\$139,147,000 in the Special Development Fund, and US\$100,800,000 out of US\$187,015,000 in the Special

Funds. The other main contributors to the special funds resources of the CDB are Canada, Britain, Venezuela and West Germany.<sup>7</sup>

The main bulk of Grenada's loans from the CDB came from the special funds resources of the Bank. This meant that although funds were obtained on highly concessional terms, they were subject to the performance criteria and conditionality of the international aid organisations. For example, USAID programmes stipulate that the proceeds of its loans may only be used for the procurement of goods and services in the US and certain Latin American countries which are dominated by American multinational companies, and require the goods purchased to be carried in ships flying the US flag.<sup>8</sup> Thus, assistance from the CDB served to reinforce Grenada's dependence on the West, even though the long term goal of the PRG was to reduce this dependence.

Because of the economic reforms introduced by the PRG, the revolutionary government was able to obtain a significant increase in funds from the CDB. Among the projects funded by the CDB were the Feeder Road Programme, the Carriacou Sheep Production Scheme, resurfacing the Western Main Road, the Mamma Cannes Water project, port development at St. George's, the repair and construction of bridges and primary schools, and the rehabilitation of agricultural estates. Mention has already been made of the technical expertise made available by the CDB to the GDB and the facilities it provided for training public sector employees.

### The European Economic Community

The main bulk of the overseas aid provided by the EEC goes to the sixty-three African, Caribbean and Pacific countries that are associated to the EEC under the terms of the Lomé Convention, which was first signed in 1975 and renewed in 1979. The Lomé Convention is a treaty of co-operation between supposedly equal partners which includes trade access provisions, aid, agreements on investment guarantees and undertakings on political co-operation and consultation. The contractual nature of Lomé has given rise to elaborate joint consultation procedures and the ACP states have a formal negotiating status with the Community - not only with respect to implementing, renewing or renegotiating their Convention but also with respect to certain matters of EEC external economic policy affecting ACP states. This is a distinctive feature of the EEC aid programme and has no international parallels. EEC aid is also distinctive in several other respects. First of all, aid from the Community has a particularly high grant element. Nearly 80 per cent of the aid disbursed by the European Development Fund (EDF), the EEC's principal development agency, is provided as grants and the remainder attracts only a maximum of 1 per cent interest with repayment being phased over forty years with a ten year grace period. However, much more onerous terms are attached to loans from the European Investment Bank (EIB), which functions as a normal bank and is the sister organisation to the EDF. EEC aid is also relatively less tied than that of many donor organisations. This is because works and supplies contracts for EDF projects are made through open international tender within the ACP-EEC

region. Recipients can therefore shop around in a much larger and competitive market than is the case in many bilateral aid programmes. Nevertheless, the tying of EEC aid to procurement in the ACP-EEC region does have its drawbacks like any other tied aid. In the case of Grenada and the other ACP states in the Caribbean, it would be easier to obtain supplies from North America. It is not simply the extra cost which procurement in Europe implies to the region, but also the ordering and shipping delays, and the complications of dealing with unfamiliar firms and supplies.<sup>9</sup>

An additional feature of the Lomé Convention is that it confers upon the ACP states the power of project determination and intervention in the deliberation of the EDF. These powers are unmatched by those of previous conventions, or by any other bilateral or multilateral donor. Furthermore, because EEC aid is 'programmed' over five years it allows the ACP states to plan development spending with reasonable certainty that funds already earmarked will be made available. This 'indicative' aid programme allows the government to arrange with the donor the total amount of EEC government finance available for commitment over the five year period - few other donors are as forthcoming as this. Any other aid mechanisms included under Lomé arrangements (such as 'regional' aid for more than one country and emergency assistance) are additional to the programmable part and are thus regarded by the recipient as a bonus. Nevertheless, a number of problems have arisen with regard to these features. One overriding criticism made of EEC aid is that implementation procedures are inordinately drawn out. While the Community tends to argue that the major cause for this rests with the inefficiency of the ACP states,



there are, as Rajana points out, more serious reasons which emanate from the EEC itself.<sup>10</sup> Bureaucratic disputes in the EDF and other factors result in considerable delays in the implementation of Community aid. One consequence of this is that since EEC aid is not indexed against inflation, its worth in real terms decreases proportionately with the delay in commitment and disbursement.

Finally, it is necessary to debunk EEC claims that the ACPs and the EEC are equal partners in the administration of EEC development assistance. The partnership principle has not been extended to joint decision-making. Only one of the EEC's aid bodies having an executive function, the Committee for Industrial Development, is jointly managed with the ACP states - and this is an area which has been starved of funds. The ACPs have been denied effective representation on the crucial decision-making body, the EDF Committee. It is the EDF Committee which submits recommendations over the funding of projects to the EEC Commission which makes the final decision on the matter. It is true that the ACP state does have the right to argue its case with the EDF Committee and to request that the EEC Commission forwards its project to the ultimate Community authority, the EEC Council of Ministers.<sup>11</sup> But these lobbying mechanisms cannot be regarded as co-management. Overall, developing countries are no more partners under the EEC's aid programme as they are under bilateral aid. The interests of the Community come first. To quote Rene Dumont: 'La Communauté économique européenne et un club de pays riches, unis pour le devenir encore plus.'<sup>12</sup>

The PRG quickly recognised the possibilities that existed of securing an increased amount of development assistance from the EEC. In 1980, at great cost to such a tiny country, Grenada established an embassy in Brussels in order to strengthen its links with the Community. The fact that the PRG had successfully projected the revolution as innovatory, non-aligned and respectful towards capitalist property relations, struck a chord with Claude Cheysson, who was at the time the Commissioner of the EEC. And following a visit by an EEC aid programming mission, Grenada was granted a special allocation by the EDF of EC\$12.5 million. In an interview published in The Courier, the official journal of the EEC, Bishop spelt out the PRG's attitude towards economic assistance from the Community: 'EEC co-operation is extremely important to us. We see the EEC countries as being the third major block in the world today. We believe the Community is in a key area of the world and it is very important for us to maintain very close links with it. We see the EEC as having tremendous possibilities for assisting the development of many Third World countries, including, of course, countries from this region and including Grenada. Our position is that we need to strengthen and deepen our ties with the EEC countries.'<sup>13</sup>

The aid programme drawn up by the EEC and the PRG prioritised transport and communication which were allotted 48 per cent of the total assistance package. Most of this money was earmarked for the resurfacing of the Eastern Main Road, which links the eastern and western coasts of the island. A brief discussion of the performance of this project will be made further on. The rest of the aid programme was assigned to EDF support for government efforts in education and training, the improvement of cultural and social activities

in community centres, assistance towards the establishment of curative and preventive medicine, the provision of technical training for Grenadian fishermen and the provision of experts for projects and defined priorities of the PRG. Under a separate arrangement, the EEC also provided milk and food aid to the island and assistance for hurricane damage.<sup>14</sup>

In March 1981 the US waged a concerted campaign to persuade EEC members not to help finance the international airport project launched by the PRG. The main focus of the campaign was the airport financing meeting scheduled to be held under EEC auspices in Brussels the following month. The World Bank also took part in the campaign by secretly circulating documents to participants at the Brussels meeting, claiming that the airport project was not feasible. Bowing to the pressure, five EEC members (Belgium, France, West Germany, Italy and the Netherlands - Britain had not been invited) declined to attend, arguing that they would be represented by the EEC Commission. However, Claude Cheysson described Grenada's request for assistance as 'entirely normal' under the terms of the Lomé Convention, and added: 'The only abnormal thing is the American interest. What America thinks is of no importance. Let us forget about the Americans. This is a decision for the EEC and Grenada.'<sup>15</sup>

In the event, the conference, which was held on 14-15 April and attended by Algeria, Cuba, Iraq, Libya, Nigeria, Sweden, Syria and Venezuela, as well as OPEC and other international agencies, issued a communique supporting the airport project. Coard, who headed the Grenadian delegation, said the West Europeans were 'upset and annoyed at the bully-boy tactics of the United States', and that their decision to be

represented by the EEC Commission by no means amounted to a boycott, since they were among the countries holding bilateral talks with the PRG over funding for the project. He also described as 'exceptionally powerful' the resolution of support for Grenada passed unanimously by the ministerial council of the ACP states on 7 April, condemning the US for interference in Grenada's internal affairs.

A significant feature of EEC aid, which has not yet been discussed and is of particular relevance to Grenada, is its new emphasis on microprojects. These are tripartite ventures which involve local communities as well as the EEC and the recipient government. The PRG made maximum use of the EEC's microproject programme, and undertook the construction of a number of community centres some of which had been conceived or initiated under the Gairy regime. In his interview published in The Courier, Bishop made special reference to EEC assistance in this area: 'Many of the community centres were built with the assistance of the European Economic Community, and in all cases the Community (sic) input has been very strong. In St. Patrick's, where one new community centre is being built, the extent of community mobilization and involvement has really been quite extraordinary. People are putting in their own voluntary labour and are able to get something concrete out of it, which clearly will be socially and economically relevant to the building of the economy.'<sup>16</sup>

The Eastern Main Road Project, which was financed entirely by the EEC, was the second largest infrastructural project undertaken by the PRG after the international airport. In carrying out work on the project, the PRG took advantage of all the provisions which exist under the Lomé Convention for

ACP countries to manage development projects themselves. However the revolutionary government ran into a number of difficulties stemming from its own technical and administrative limitations and certain problems caused by the EEC's method of disbursing aid. The financing for the project had been agreed upon under the Gairy regime, but it was the PRG that brought it to fruition and in 1980 work began. In order to maximise the employment generating potential of the project, the PRG elected to supply all the labour rather than use private contractors that could have been provided by the EEC. This meant that Grenada had to find its own engineers, and since there were no road engineers available on the island the PRG asked the Cuban government to send four engineers to work on the Eastern Main Road. Cuba was already providing most of the materials and labour at the international airport site, and the PRG also decided to ask the Cubans to supply cement mix from Point Salines to the Eastern Main Road project. On both accounts the Cubans were found to be lacking. Only one engineer showed up and he did not stay for very long. According to Alberto Ferrari, the EEC technical advisor to Grenada, the Cubans claimed that they did not have any engineers who spoke English. Ferrari found this hard to believe,<sup>17</sup> although it should be borne in mind that Cuba earns a good deal of its foreign exchange exporting engineers and technicians to some of the richer Third World countries so one can well appreciate the constraints on the Cuban government in sending engineers to Grenada. The Cubans also proved unable to supply the cement mix in sufficient quantities, even though they were under contract from the EEC to do so.

Another factor holding up the project was that Michael Prime, the Permanent Secretary in the Ministry of Construction

and had the overall responsibility for infrastructural projects, was greatly overworked. He was a lieutenant in the PRA before he became Permanent Secretary and still held important military responsibilities. Furthermore, he was not suitably qualified to do the job which had been assigned to him. Again, the project was beset by problems caused by the PRG's inability to find the necessary counterpart funds to meet EEC contributions. The net result of all these technical hiccups, financial constraints and administrative incompetence was that the project made very slow progress. And on account of inflation this led to a considerable escalation of costs. In addition, the PRG's inability to find ready cash meant that workers were continually being taken on and laid off the whole time. Thus, whereas some 175 workers had been employed on the project when it began, by April 1983 this figure was down to 107. And Patrick Noel, the Project Manager of the Eastern Main Road, expressed the view that the number employed could fall to as low as 60 if government funds were not forthcoming in the near future. Both Noel and Ferrari believed that the PRG had taken on too many projects for the amount of technical personnel that was available in the country. Noel said that he had raised this point with the PRG, but was ignored. He further added that there was no atmosphere of free debate about these issues, and if one were too critical of government policies there was a strong likelihood of being called a 'counter' (i.e., counter-revolutionary).<sup>18</sup>

Finally, Ferrari also reported on the shift in the EEC's towards Grenada which had taken place in the last year or so. He said that the Community was concerned about the strengthening of political ties between Grenada on the one hand, and Cuba and the Soviet Union on the other hand. Relations between the

EEC and Grenada were a good deal cooler than they had been in the first year of the revolution.<sup>19</sup>

#### Canada

The Canadian overseas aid organisation, the Canadian International Development Agency (CIDA), was established in 1968 and represented a move by Canada, in line with other Western capitalist powers, to greatly expand its foreign aid programme. According to CIDA the primary objective of the Canadian aid programme is to 'support the efforts of developing countries in fostering their economic growth and the evolution of their social systems in a way that will produce a wide distribution of the benefits of development among the populations of these countries, enhance the quality of life and improve the capacity in all sectors of their populations to participate in national development efforts'.<sup>20</sup> In reality, however, national self-interest rather than philanthropy is the basis for Ottawa's development assistance programmes.

About three-quarters of the aid disbursed by CIDA is bilateral, and about 20 per cent of this bilateral budget is devoted to food aid. Less than 10 per cent is spent on technical assistance, which covers the costs of sending Canadian advisors overseas or of training programmes for Third World students. The remaining 70 per cent of bilateral aid is extended in grants and loans for various kinds of economic assistance. By the middle seventies, the proportion of grants to loans was 63 per cent to 37 per cent. Some 90 per cent of loans are disbursed according to the 0/10/50 formula - 0 per cent interest, 10 years grace for repayment of principal, and

50 years to maturity. Other loans are offered according to a concessional 3/7/30 formula.

CIDA requires that 80 per cent of all bilateral aid be spent on the purchase of goods and services in Canada, and two-thirds of the value of this merchandise must actually be added in Canada. Multilateral aid provided by CIDA, however, is not tied to procurement in Canada, but most multilateral aid is generally spent on goods and services available only in the advanced capitalist countries. The added costs which tied aid bestows upon the recipient country has been acknowledged by CIDA itself. In 1979 Maurice Strong, the first President of CIDA, estimated that the direct cost of tying CIDA's aid exceeded 25 per cent of the competitive international prices for goods and services. Costs are inflated in two ways. First of all, because aid-receiving countries are obliged to spend their funds in Canada suppliers are able to charge monopoly prices for goods provided under the aid programme. A second way in which costs are added to the recipient country is due to the fact that goods produced in the donor country are more expensive than those from other countries.

An additional dimension to the problem of tied aid is to be found in CIDA's technical assistance programme. The Agency spends over US\$50 million annually to send Canadian technical advisors and teachers overseas and to train Third World students in Canada. Canadian experts working on development projects in aid-receiving countries may be considered an indirect means of peddling Canadian exports since they are likely to recommend the purchase of Canadian products or brands with which they are familiar. Moreover, a tied technical assistance grant obliges recipient countries to pay Canadian



advisors and teachers at Canadian rates. This gives rise to a wide disparity between the income and lifestyle of Canadian experts and their local colleagues. Although Canadian advisors cost less than experts from multilateral institutions like the World Bank, they are more expensive than many other donor organisations. With salaries, living expenses, trips home and other perks, it costs CIDA up to US\$90,000 per annum to keep a consultant in the field. In contrast, volunteers with the Canadian University Service Overseas (CUSO) cost about US\$15,000 annually. Consequently, developing countries receive only one Canadian expert for the price of two from Europe or three from another part of the Third World. Moreover, aid-receiving countries have claimed that less than 50 per cent of the aid-financed experts, advisors, consultants and teachers they receive will 'produce' more than their local costs (housing, support staff, travel, etc.).

As is the case with most bilateral development agencies, development projects submitted by Third World countries to CIDA must conform to the Agency's policies and standards. Thus, developing countries shape their funding requests in a way that is acceptable to CIDA, and alternative project designs that might be more in tune with the development needs of the country are discarded from the outset. Moreover, because CIDA has a greater administrative capacity, technological expertise and access to the files of multilateral institutions on the requesting country it is in a strong position to dictate almost every detail of the development projects which it funds.

On account of its substantial interests in banking and bauxite in the Commonwealth Caribbean, Canada has long held a pre-occupation with the political stability of the region.

A confidential document of the Canadian Cabinet issued in the mid-1970s stated unequivocally that the Canadian aid programme 'may be seen as a useful support for peace and stability within the region and hence an effective support for all Canadian interests.'<sup>21</sup> It is this consideration which has made Canada an active supporter of the Caribbean regional integration movement and led to the English-speaking Caribbean becoming the highest per capita recipient of Canadian bilateral aid.

During an official visit to Jamaica in January 1981, Mark MacGuigan, the Canadian External Affairs Minister, promised to double bilateral flows to the region within three to four years and subsequently committed CIDA to tripling annual disbursements from US\$31 million in 1979-80 to as much as US\$90 million by 1986-87. Both political and commercial considerations lay behind the Minister's announcement. Canada's share of the Commonwealth Caribbean market has declined markedly over the years from 17 per cent in 1950 to a mere 5 per cent in 1978. Boosting aid to the region is viewed by Ottawa as the best strategy for promoting Canadian exports and re-asserting Canada's commercial status. The aid drive also forms part of Canada's response to the new strategic importance which the US attaches to the Caribbean Basin in the wake of radical political developments in Jamaica, Nicaragua, El Salvador and Grenada. MacGuigan accepts the US contention that the economic and political crisis in the Caribbean and Central America could jeopardize Western interests in the region, and suggests that Canada can play a distinctive role. Canada considers that it is in a good position to represent the West because of Britain's withdrawal from the region and

the suspicion and hostility that exists towards the US in various quarters. At the same time, Canada is seeking to demonstrate a degree of political independence from US policy in the region.

Many of MacGuigan's sentiments were again expressed by the Canadian Prime Minister, Pierre Trudeau, at the two-day summit conference held in Castries, St. Lucia in February 1983 to discuss Canada-CARICOM relations. It was the first such meeting since the 1966 Canada-West Indies Conference held in Ottawa and Trudeau used the occasion to announce the establishment of an annual small projects fund for the Caricom Secretariat commencing with some US\$405,000 for 1984-84. The assistance package is being administered by the Canadian High Commission in Georgetown. Trudeau also gave details of a new project for training young Commonwealth Caribbean diplomats and other initiatives. Finally, in his opening address to the conference, Trudeau outlined Canada's policy towards socialist regimes in the region: 'When a country chooses a socialist or even a Marxist path, it does not necessarily buy a package which automatically injects it into the Soviet orbit.'

The internal systems adopted by countries of Latin America and the Caribbean, whatever these systems may be, do not in themselves pose a security threat to this hemisphere ...<sup>22</sup> He further added, that it was only when countries adopted systems which deliberately linked themselves to outside forces or sought to destabilize their neighbours that a threat was posed, and, if countries kept their social and humanitarian obligations to their people in the forefront of their actions they would always have Canada's help.<sup>23</sup> In enunciating this position, Trudeau was in fact providing a rationale for Canada's decision to resist US pressure to limit aid to

Grenada and Nicaragua. This was also in keeping with Ottawa's policy in the past, when, for instance, it continued to provide aid to Cuba and the Manley government in Jamaica in spite of pressure from Washington.

As a traditional donor of aid to Grenada, after the revolution Canada was approached by the PRG for development assistance in a number of areas. CIDA was already involved in one important project in Grenada during the time of Gairy. This was the Grenada Cocoa Scheme which was started in 1975 and provided fertilizer to cocoa growers. In 1979 CIDA agreed to incorporate this scheme into a much larger programme, the Cocoa Rehabilitation Project, whose goal was to replace a large proportion of Grenada's aged stock of cocoa trees.<sup>24</sup> The Cocoa Rehabilitation Project also incorporated the Central Garage Unit Project, which provided the systems, technicians and equipment for central maintenance of the government vehicles participating in the Rehabilitation Project. CIDA also provided assistance for the improvement of port facilities in St. George's and at the Harvey Vale Jetty, and a smaller amount of funding was provided for education. Assistance was also made available through Mission Administered Funds disbursed by the Canadian High Commission in Barbados.

The conditions attached by CIDA to the Grenada Cocoa Scheme and the Cocoa Rehabilitation Project provide good examples of the encumbrances placed on Canadian aid. The Cocoa Scheme was initially financed by a loan to the Gairy government of Can. \$850,000 for the purchase of Canadian fertilizer. Formula 0/10/50 applied to the loan and repayment was to be made from a Cocoa Rehabilitation Account at the GDB. The

fertilizer was sold to growers by the GCA and the proceeds from sales were placed in a revolving fund, some of which was used for annual purchases of fertilizer from Canada. With the coming on stream of the Cocoa Rehabilitation Project, it was decided that the net proceeds of the revolving fund should be made available to the Cocoa Project Management Board, the executing agency of the Rehabilitation Project. According to the Plan of Operation For the Cocoa Rehabilitation Project, the proceeds derived from the sale of Canadian procured fertilizer should have amounted to approximately Can. \$1 million at current dollar value over four years. Thus, from an initial grant of Can. \$850,000 in 1975, CIDA expected to generate sales of Canadian fertilizer to the tune of Can. \$1 million in the first four years of operation of the Rehabilitation Project. Moreover, under the terms of the Grenada Cocoa Scheme the Grenadian government was obliged to purchase all of its requirements of fertilizer from Canada.<sup>25</sup>

According to Terry Ross, a Canadian political scientist who conducted a study of CIDA programmes in Grenada in early 1983, most growers on the island were indisposed to the use of Canadian fertilizer. They considered it to be of inferior quality to the Dutch fertilizer to which they had become accustomed. Because the Canadian fertilizer was subsidized, however, they used it grudgingly.<sup>26</sup>

The Cocoa Rehabilitation Project itself was scheduled to last until 1990 and conformed to CIDA's standard tying arrangements. The total cost of Canadian aid to the project was to have amounted to Can. \$7.3 million of which only Can. \$2.0 million would have been untied. And of the untied proportion of the aid, a mere Can. \$345,000 was to have been

spent locally in Grenada. The total cost of Grenadian inputs including allowances for contingencies and inflation was estimated at EC\$6.8 million (Can. \$2.85 million) over and above current ongoing expenditures. Of this amount, EC\$3.3 million was to be provided by Canada through counterpart funds generated by the sale of fertilizer (mentioned already) and a working grant. The balance of EC\$3.5 million (Can. \$1.5 million) was to be funded by Grenada primarily in the last four years of the project.<sup>27</sup>

Thus, as with the Cocoa Scheme, the Rehabilitation Project constituted an effective subsidy for Canadian manufacturers of agricultural products and farming equipment and would have generated repeat business for these firms for a considerable time to come. Of course, the Project would also have been highly beneficial to the PRG and cocoa growers in Grenada in that it would have increased farm income substantially and made a major contribution to foreign exchange earnings. Whether these new cash inflows would have been sufficient to meet the escalating costs of Canadian spare parts, repairs, fertilizer, insecticides and expertise is, however, another matter altogether.

#### FRANCE

The coming to power of Francois Mitterand in France brought about a substantive shift in French foreign policy. France has a foreign policy tradition underscoring its independence vis-a-vis the two super powers, and in its bid to resuscitate French capitalism and re-assert the sovereignty of France, the Mitterand government has publicly criticised US foreign policy on a number of important issues. Of all the

major Western powers, France has the least to fear from a cooling in relations with Washington. The French economy is less intertwined with America's than that of most advanced capitalist countries, and its own nuclear 'force de frappe' makes it less dependent on US military protection.

The Caribbean Basin has been assigned an important role in the Mitterand regime's plan to redeploy French capitalism in association with the EEC. During the current period of retrenchment in certain markets and stagnation in international trade, the semi-industrialisation which is taking place in countries such as Mexico, Venezuela, Trinidad and Tobago, Jamaica, Puerto Rico and Brazil has given them a new importance in the world economy and they now offer a potential that is not negligible for the export of French and European capital goods. It is the aim of the Mitterand administration to use the French colonies of Martinique, Guadeloupe and Guyane as logistical supports for its policy of implanting French capitalism in the Caribbean Basin and Latin America. This is why in spite of the Third Worldist colouration of the Mitterand regime, the French Antilles have been more tightly integrated into the web of metropolitan control. Revolutionary developments in other territories in the region have presented Mitterand with a welcome opportunity to enhance the 'socialist' dimension of French Third World policy and distance Paris from the belligerency of US policy the Caribbean and Central America. In opposition to the 'Cold War' policies of the Reagan administration, France has put forward a comprehensive political solution to the crisis in the Caribbean basin. The French strategy has been expressed though the provision of increased economic aid to the region, the supply of arms to Nicaragua, the improvement of relations with Cuba and support

for the campaign to establish a New International Economic Order.<sup>28</sup>

Having already established close relations with Claude Cheysson while he was the EEC Commissioner for developing countries, the PRG wasted no time in making overtures to the newly-elected government of Mitterand of which Cheysson was the Minister of Foreign Affairs. Bishop was the first CARICOM head of state to be invited to Paris by Mitterand. The visit took place in September 1982 and was described by Bishop as being of 'historic significance to Grenada in its thrust to develop closer relations with France and to widen its international links.'<sup>29</sup> The most important outcome of the visit was the decision made by the French government to provide economic and technical assistance to Grenada and the other member states of the Organisation of Eastern Caribbean States (OECS). The assistance package was extended through the Fund for Action and Co-operation (FAC), which prior to Bishop's visit had only disbursed aid to former French colonies and a few Portugues-speaking African countries. In disclosing details about the French aid programme, Bishop commented that for the first time France would be giving grants to small Caribbean island states, as Canada and the EEC had been doing for some time.<sup>30</sup>

Following Bishop's visit to France, a high-level technical mission was sent to Grenada to work out the details of French assistance to programmes in health, education and agriculture. In early 1983 the first French technicians arrived on the island. The short duration of economic aid from Paris makes it difficult to evaluate the impact of French assistance.



## Britain

For Britain, trade with the Caribbean represents only a tiny proportion of the country's total trade, but for the Caribbean, Britain is still the main market for its major export crops, taking the bulk of the region's sugar exports, almost the entire banana crop and most of the citrus. None of these products are very competitive on the world market, and in the past they have relied heavily on the help of Britain in providing guaranteed markets. With Britain's entrance into the EEC, London progressively reduced its economic and political commitments to the region. Britain's growing indifference to the Caribbean has led it to follow the lead of US policy towards the region.

The 'special relationship' between Britain and the US, which was born of Second World War collaboration and whose remnants include complementary intelligence gathering, has continued to exert an oblique pressure on British foreign policy. The main benefit to Britain in the 'special relationship' is its ability to influence US foreign policy, however, there is an ever-growing set of arenas where British and US interests collide, so that the points of harmony acquire greater importance. The absence of many potential causes of friction between the two sides over policy towards the Caribbean makes it a useful issue for the British to embellish their 'special relationship' with the US.<sup>31</sup>

The Labour government of James Callaghan initially followed a non-interventionist policy towards the Grenadian revolution. Gairy had become particularly unpopular with the British Labour Party after he had signed a military alliance

with the Pinochet regime in Chile, so the overthrow of his government did not cause a great deal of consternation in Whitehall. Although Britain did not take long to recognise the PRG, the Labour government demonstrated its distance from the revolution by turning down the PRG's request for military assistance. Subsequently, Callaghan, an avowed atlanticist who had worked hard both as Foreign Secretary and Prime Minister to to rekindle the Angol-American 'special relationship', deferred to American apprehensions about the security threat posed by the Grenadian revolution and took the initiative in persuading neighbouring states to set up a mobile regional defence force with the capability to intervene in any of the participant islands.

The Thatcher government which came to office in mid-1979 was prepared to go much further in supporting the Caribbean policy of its North American ally. Of all the major Western powers, the Conservative government has been the most responsive to Washington's requests for support in bringing economic and political sanctions to bear on Grenada. While Thatcher continued to meet existing aid obligations to the island administered through the British Development Division (BDD) based in Barbados, the Conservative government consistently refused to begin informal negotiations to draw up a new bilateral aid agreement. Grenada was also excluded from aid extended to other Windward Islands to rehabilitate the banana industry following the damage caused by Hurricane Allen. The Tory government justified its aid embargo on Grenada by arguing that receipts from the EEC and other sources reduced the necessity for a direct British contribution, but such considerations did not prevent the Foreign Office from extending an aid programme in 1980 of £27 million to other

Caribbean islands, who also benefited from EEC assistance. The political basis for the British censure of Grenada was, however, disclosed by Nicholas Ridley, the Foreign Minister of State at the Foreign Office, who was quoted as saying: 'Grenada is in the process of establishing a kind of society of which the British government disapproves, irrespective of whether the people of Grenada want it or not.'<sup>32</sup> More detailed information on British aid policy towards Grenada was provided by John Kelly, the representative of the British High Commissioner resident in Grenada. Kelly explained that in Britain's view the PRG was a 'socialist' government but contained communist members. Britain wished to maintain friendly relations with Grenada and would seriously consider giving aid to the country if the PRG would improve its performance in three areas: (i) show a greater respect for human rights; (ii) return to constitutional rule; (iii) call general elections. Kelly stated that the Thatcher government was not pushing for a Westminster model of parliamentary democracy as it was recognised that this system of government was not necessarily suited to many Third World countries. The Commonwealth included a great number of regimes that did not conform to the British notion of parliamentary democracy, but this did not adversely affect their relations with Britain. If the PRG wished to institute some form of one-party state Britain would have no objection to this. However, it was imperative that Grenada institutionalised its system of government and called elections. Kelly also commented on the official government reaction to the report on the Caribbean produced by the House of Commons Select Committee for Foreign Affairs. The Committee heard evidence from many expert witnesses in the Caribbean

and elsewhere during the course of 1981 and 1982 and produced a document highly critical of the Thatcher government. Putting forward the position that Britain had perhaps withdrawn too abruptly from its long-standing commitment to the area, it argued that in the present circumstances there was a good deal of justification for Britain to make an active contribution to the achievement of stability, security and development in the Caribbean. It further isolated economic problems as the key to the instability of the region and criticised the Foreign Office for generally taking an unjustifiably optimistic view of the economic prospects of the region. In this regard, it acknowledged the achievements made by the PRG in its social and economic policies and noted, by contrast, the poor performance of the other small territories of the Eastern Caribbean. The Thatcher government responded to these criticisms by asserting that it did have a commitment to the long-term development of the area, and that political criteria should be taken into account in disbursing aid. Kelly reported that Grenada's growing ties with the Soviet bloc was viewed with great apprehension by the Foreign Office, and this was one of the main reasons why the Thatcher government could not accept the Select Committee's view of Grenada. In this connection, the PRG's decision in early February 1983 to replace reports from the BBC World Service with news items taken from TASS, was seen in London as further evidence of Grenada moving into the Soviet camp.<sup>33</sup>

## The Socialist Countries

Given the fact that Grenada under the PRG was officially recognised by the Soviet Union and its East European allies as a 'state of socialist orientation' one would have expected these countries to have provided a large amount of economic assistance to the Bishop regime. What for these countries would have constituted a relatively small amount of overseas aid could have made a big impact in transforming the Grenadian economy. As it was, however, while assistance from the socialist countries was significant, it was by no means preponderant and certainly not on the scale that might be expected given the political complexion of the Bishop regime. Several factors would seem to be responsible for this. First of all, there appears to have been an overriding political consideration. As part of its strategy of building the broadest base of support for the revolution at home and abroad, and counter US accusations that Grenada was a client state of Moscow, the PRG consciously chose not to become overwhelmingly reliant upon East European assistance. It seems that the Cubans also gave counsel along these lines in the light of their own experience of aid from the countries of the Council for Mutual Economic Assistance (CMEA). Recalling the Soviet decision in 1969 to suspend oil supplies to Cuba, the Castro regime has striven to diversify its trading relations and reduce the country's dependence for strategic supplies on the Eastern bloc. Undoubtedly, the Cuban leadership informed the NJM about the problems they had had with East European aid. The socialist orientation strategy also laid great emphasis on the need to make the maximum use of economic assistance from the West. In addition to these factors, one can explain the

parsimony of the socialist countries towards Grenada in terms of fundamental constraints in the East European economies. The economic arrangement that exists between the Soviet Union and Cuba has no other parallel in Soviet relations with Third World states. Halliday and Molyneux have identified six factors which have placed limits on Soviet development aid to governments in the capitalist periphery: (i) the lack of hard currency foreign exchange; (ii) the overall constraints on Soviet action arising from the shortage of funds within the Soviet economy; (iii) Soviet weakness in key areas of development technology, especially those related to agriculture; (iv) the unpopularity of foreign aid with a Soviet population itself exposed to consumer shortages; (v) a political refusal to take responsibility for what are seen as the consequences of capitalist imperialism; (vi) a distrust of the Third World regimes in question.<sup>34</sup> It is factors such as these which have restricted the amount of assistance given by the Soviet bloc to revolutionary states like Angola, Mozambique, and Vietnam and led them to turn to the West for economic aid. Grenada was only one of a number of radical Third World regimes that have been obliged to supplement East European aid with assistance from other sources.

From Grenada's point of view, the fact that Western donor organisations such as the CDB, EDF and CIDA had considerable knowledge and expertise relevant to the English-speaking Caribbean made their assistance particularly welcome in the immediate aftermath of the revolution. In terms of the NJM's stated goals of a progressive disengagement from imperialism and an evolutionary transition towards socialism, it seems that Western sources were going to be relied upon for

a certain period of time, after which assistance from the socialist countries would have come to play a more preponderant role. From the point of view of the Soviet bloc, a time-span of several years was probably deemed fit to test the revolutionary (i.e., pro-Soviet) credentials of the PRG, and its ability to administer East European aid. During this period a Grenadian technical and political cadre conversant with the workings of the CMEA countries could have been trained.

#### Cuba

The coming to power of the Manley regime in Jamaica in 1972 opened up a new period in Cuba's relations with the Commonwealth Caribbean. Manley worked closely along with Forbes Burnham of Guyana in calling for the English-speaking Caribbean to establish economic and political relations with the Castro regime, which up until that period had been kept at arms length by the Anglophone states because of their support for the US policy of isolating Cuba. In the same year as Manley's victory at the polls, the Seventh Conference of the Heads of Government of the Commonwealth Caribbean jointly agreed to the early establishment of relations with Cuba 'be they economic, political or both.'<sup>35</sup>

In 1973 both Manley and Burnham took up Fidel Castro's invitation to travel with him to the Non-Aligned Summit Conference in Algiers, and both leaders subsequently paid highly publicised visits to Cuba where they were awarded the Jose Marti National Order. In addition to these connections, bilateral relations were established between Havana and each

of the two Commonwealth Caribbean states. Cuba provided technical assistance and other forms of economic aid, and commercial agreements were entered into. Jamaica and Guyana also collaborated with Cuba over foreign policy matters, and political relations between Kingston and Havana became particularly close, and controversial, as the Manley regime became the target of US efforts at destabilization. Cuba supplemented its bilateral connections with Jamaica and Guyana with open support for CARICOM, and called for a closer integration between all Latin American and Caribbean states irrespective of the internal political systems of such states. In its public pronouncements, the Cuban leadership stated that it wished to have cordial relations with all Caribbean governments, and that Cuba never publicly criticised or disagreed with Caribbean governments even when they attacked Cuba because Cuba took the view that these countries behaved in this manner because of US pressure.

The revolutions in Grenada and Nicaragua in 1979 re-asserted armed struggle as a credible path of attaining state power and beginning the process of social transformation, and provided Cuba with more dependable allies in the region. However, Havana's adoption of the official communist policy of revolutionary change in the Third World and its own experience of trying to build socialism led it to exercise great caution in the development of its relations with the two fledgling revolutionary states. Cuba showed a great deal of respect for the integrity and independence of the Grenadian and Nicaraguan leaderships, and allowed them to chart their own course of revolutionary transformation. At the same time, there were severe constraints on the amount and quality of the



assistance which Cuba could extend to these nascent revolutions

Cuba, along with Jamaica and Guyana, responded favourably to the PRG's request for military assistance made within hours of the seizure of power. Exactly one month after the revolution, a Cuban freighter with 1,000 tons of cement for Grenada docked in St. George's and also unloaded a number of wooden cases containing arms. Shortly afterwards, Cuba opened an embassy in the capital, the first full permanent diplomatic mission to be established in Grenada. Thereafter, the immediate assistance provided by Cuba centred on health and education. From June 1979 a medical team of twelve Cuban doctors was operating in the island, and provided the basis for the system of free medical health care introduced by the PRG. In his address to the Sixth Summit Conference of the Non-Aligned Movement in Havana in September 1979, Bishop referred to the role being played by the Cuban doctors to demonstrate how relatively small amounts of assistance can have a big impact in a small country: '... we must point out that even what might appear to be relatively minor assistance for a larger Third World country can have a tremendous impact in a smaller and poorer society. For example, when we requested assistance from the Revolutionary Government of Cuba and they sent us 12 doctors, this very generous assistance immediately had an overwhelming impact on our country. I am sure you will understand the extent of the impact that 12 additional doctors spread throughout an island as small as Grenada would have.

I do not want to be misunderstood. Obviously, the loan of even one doctor is an extremely valuable contribution even if made to a fairly developed country. But the point is that the impact that 12 doctors can make in a small state, as

contrasted to their impact in, say, a vast country as Ethiopia where almost literally they could be swallowed up, bears no reasonable comparison. For a small state ... relatively minor assistance of all kinds can make an enormous difference and have an enormous impact.'<sup>36</sup> Soon after the arrival of the Cuban doctors, 38 scholarships for higher education in Cuba were offered to Grenada. This programme expanded quickly and greatly increased the opportunities for higher education available to Grenadians. Traditionally Grenada sends around 30-40 students a year to the University of the West Indies based in Trinidad and Tobago, Barbados and Jamaica. Most of these students come from upper class families. In the last year of the Gairy regime, Grenada provided only three scholarships for study at the University of the West Indies and two of these were taken by Gairy's daughters. With the assistance of the Cuban programme the PRG was able to provide so many scholarships that there were not enough qualified students to fill them all. According to George Brizan, who served as a consultant to the Ministry of Education, at the end of May 1982 there were 224 Grenadians studying abroad, and of this number 157 were in Cuba. The overwhelming majority of those who were not studying in Cuba were undergoing training at universities in Eastern Europe. The PRG's scholarship programme gave rise to a class division amongst those who took up opportunities for higher education. The bourgeoisie was not keen for their offspring to pursue studies in 'communist countries' and continued to send their children to the University of the West Indies, so that most of those who went to the socialist countries came from poor families. Of all the subjects taken by the students on scholarships, there were three main

areas of specialisation: economic planning, engineering and medicine. Brizan estimated that the main impact of the overseas scholarship programme would be felt in 1985 when the first wave of graduates would be returning to the island.<sup>37</sup>

In June 1980 a 63-point scientific, economic and technical co-operation agreement was signed between Grenada and Cuba and a Cuba-Grenada Joint Commission established to monitor progress. In September the following year a second agreement was signed in Havana which involved more substantial levels of aid in a number of areas, particularly road repair, education and educational equipment, prefabricated housing and agriculture and agro-industries. Commenting on the agreement, Coard revealed that Grenadian business places were already importing thirty-six items from Cuban commercial houses as a result of the accords signed in Havana. He also stated that the Ministry of Trade and Industry which was already importing sugar, rice and cement from Cuba would be seeking to increase the number of items and arrange a line of credit with the Central Bank of Cuba.<sup>38</sup> A further agreement followed in December 1982 and a memorandum of understanding in the following June, outlining proposals for twenty-eight areas of bilateral co-operation in 1984, an increase of four over those of 1983. Highlights were a convention centre and a marine aquarium. This growing co-operation between Cuba and Grenada demanded better communication. In January 1981 Cubana Airlines inaugurated a direct weekly passenger service between Cuba and Grenada, and at the same time visa requirements for nationals travelling between the two countries were removed. The weekly flights facilitated economic co-operation and provided a boost to the tourist industry since visitors

from Miami, Montreal, Toronto and Vancouver could now fly to Grenada via Havana.<sup>39</sup>

Because of the technical and financial constraints on Cuba, which are the product of structural features of the Cuban economy and its continued vulnerability to the vicissitudes of the capitalist world market,<sup>40</sup> many of the projects which Cuba supported in Grenada were also funded by Western donor organisations. We have already seen the problems which arose in the co-ordination of Cuban and EEC assistance to the Eastern Main Road project. Difficulties of a similar nature also developed at the international airport project, the largest infrastructural project undertaken by the PRG. The idea of building an airport at Point Salines, a sparsely populated area of saltponds and bush, was first conceived in 1926. However, the physical problems involved in its construction led the British to construct an airstrip at Pearls, on the north-east coast, which opened in January 1943. The airport at Pearls could not be expanded further because of the surrounding topography on three sides and the sea on the fourth. These physical features of the airport site made night flights impossible and forced pilots to use a visual, rather than an instrument, approach when landing at Pearls. The prevailing winds further made the construction of a 'crosswind' runway impossible, although flat land was available. Thus Pearls could only accommodate Avro 748 turbo-prop aircraft carrying up to forty-eight passengers. As a result of these difficulties, tourists wanting to visit Grenada were obliged to trans-ship in neighbouring Caribbean territories, such as Barbados and Trinidad and Tobago, and this deterred many potential tourists from visiting the island. Moreover, even on landing at Pearls, which is situated some 16 miles from the capital and 20 miles

from the Grand Anse tourist area, access to the town and beach involved driving across a 2,000 foot mountain with innumerable hairpin bends. The absence of a direct flight from Europe and North America meant that after the revolution the governments of Barbados and Trinidad and Tobago could exert political pressure on the PRG. Thus, for both economic and strategic reasons it was imperative that Grenada had a new international airport.

In September 1979 the PRG approached the US, European, Arab and Caribbean countries for assistance to start work on the airport project. Cuba, in a gesture of friendship and solidarity, made an immediate response to the PRG's request for assistance and agreed to supply US\$40 million worth of labour and machinery. However, as the total project was costed at US\$71 million and Cuba was unable to commit foreign exchange or provide specialist expertise, the PRG had to seek additional assistance elsewhere. By 1982 the revolutionary government had successfully negotiated grants from the EEC, Algiers, Syria, Venezuela and Libya, and commercial loans were obtained from private companies in Finland, Britain and the United States. Table 19 provides a breakdown of the main sources of funding for the airport project. While economic factors were central, political considerations were also involved in the PRG's efforts to secure funding from Western and Arab sources. In order to counter US allegations that Grenada was building a Soviet military base at Point Salines, the PRG sought to demonstrate the falsehood of American propaganda by pointing to the range of governments and companies providing assistance to the airport project. At the same time, the PRG insisted upon its right to receive economic

TABLE 19

## GRENADA: AIRPORT PROJECT

(EC\$ Millions)

	1979	1980	1981	1982	1983	TOTAL	PERCENT OF TOTAL
TOTAL	27.0	16.3	38.7	46.4	66.4	194.8	100.0
EXTERNAL FINANCING	27.0	14.4	37.9	33.3	61.7	174.3	89.5
Grants	27.0	14.4	27.1	22.7	28.8	120.0	61.6
EDF	-	-	-	(0.9)	(2.7)	(5.4)	
Algiers	-	-	(0.9)	-	(2.7)	(9.0)	
Syria	-	(2.2)	(3.2)	-	(8.1)	(5.4)	
Guba Materials	(27.0)	(4.3)	(9.0)	(6.0)	(4.0)	(50.3)	
Guba Labor	-	(7.0)	(9.0)	(14.0)	(14.0)	(49.0)	
Venezuela	-	(0.9)	(14.0)	-	-	(0.9)	
Loans	-	-	10.8	10.6	32.9	54.3	27.9
Libya (1)	-	-	(10.8)	-	-	(10.6)	
UK Export Credit (Plessey Airport Ltd UK)	-	-	-	-	(22.4)	(28.0)	
(85%) (2)	-	-	-	(5.6)	-	(5.0)	
(15%) (3)	-	-	-	(5.0)	(10.5)	(10.5)	
Finland Metex Corp. Ltd. (4)	-	-	-	-	4.7	20.4	
Domestic Financing	-	1.9	0.8	13.1	-	20.4	10.5

(1) Repayable between 1984 and 1988 at zero per cent per annum.

(2) Eight years, 2 years of grace, 7½% per annum.

(3) Commercial terms: 5 years, no grace period, 1%.

(4) Ten years, no years of grace, 8% per annum.

Source: Economic Memorandum Presented by the Government of Grenada, 1982, Statistical Appendix, Table 8.

assistance from Cuba, and highlighted the fact that the Cuban aid was an outright gift with no commercial strings attached. The construction team at the airport consisted of 300 Cubans and 250 Grenadians, working and living together in wooden dormitories. Dubbed 'internationalist workers', the Cubans were applauded for their discipline, hard work and simple life-styles, and Grenadian workers were encouraged to emulate the work ethic of their comrades from socialist Cuba. The Cuban work brigade also provided a pool of highly motivated technicians and lorry drivers who could be deployed for maintenance and relief work at state and para-statal enterprises.

Notwithstanding the important contribution that was made, Cuba's inability to provide more of the foreign exchange and specialist expertise for the airport project placed a great strain on Grenada's financial resources. Less money than had been hoped for was obtained from the EEC as a consequence of US and British opposition. And some of the money promised by Libya and Iraq did not materialise. France, Mexico and Canada decided not to supply aid directly for the airport, but did continue to include Grenada in their development programmes, thereby releasing other capital funds within the state sector for expenditure on the airport. Even so, the PRG was left to find a lot of money from its own resources and this created pressing cash-flow problems which led to the imposition of progressively stricter expenditure controls. Because of the attention it would arouse in Washington, the PRG was anxious not to seek Soviet aid for Point Salines. However, the critical financial situation which the revolutionary government faced did lead eventually to the making of a request for EC\$15 million, which was still under consideration in Moscow

in October 1983. Thus, in spite of the economic and strategic importance of the international airport its sheer scale in comparison with Grenada's own economic resources, combined with the hostile attention it generated, made it an extremely heavy burden for the revolution to carry in its formative period. The attempt to supplement Cuban aid with economic assistance from the West proved to be far more difficult to implement in practice than was originally conceived, and left the PRG in a sort of no man's land in which socialist aid was insufficient to complete the project and yet it was this aid which prevented the PRG from obtaining more funding from the West.

The projects undertaken by the PRG at Point Salines and on the Eastern Main Road provide examples of the problems that were involved in blending Cuban aid with assistance from the West. At the same time, many difficulties were encountered on projects that were wholly funded by Cuba. Of all the Cuban-sponsored projects in Grenada, the National Fisheries Corporation (NFC) established in 1981, was probably the most disappointing of all. In spite of the fact that fish is the biggest single source of protein in Grenada, before the revolution fishing was a small-scale enterprise done mainly by aging fishermen in small boats. Cuba donated seven 65-foot ferro-cement fishing trawlers which provided the basis for the NFC fishing fleet. From the very beginning the Cuban boats began to give trouble. Two of the boats broke their moorings and went out to sea, and it took a good while for the PRG to recover them. The engines on most of the boats were defective so that as late as 1983 the fishing fleet was not fully operational. Tony Moody, an agricultural specialist at the Commonwealth Secretariat who served as an adviser to the



PRG, was highly critical of the quality and condition of the boats supplied by Cuba. He said that the boats were too small and what Grenada needed was good quality fibre glass boats and not the ferro-cement type of trawlers donated by Cuba.<sup>41</sup>

Finally, Cuba supplied a considerable amount of military assistance to Grenada. The full extent of this was revealed at the time of the US invasion when the CIA obtained the secret protocols to the PRG's treaties with Cuba, the Soviet Union and North Korea. The equipment supplied by these three countries included thousands of rifles, machine-guns and small arms, mines, armoured cars, coastguard boats, trucks, anti-aircraft guns, searchlights, anti-tank weapons, tons of ammunition, wireless equipment, tents and uniforms. Cuba pledged twenty-seven permanent and twelve to thirteen temporary military advisors and, with the Soviet Union, agreed to train PRA members in their respective countries. Included in the treaties with all three suppliers was the clause that both parties 'will take all measures ... to assure the secrecy of the military assistance'; that with Cuba additionally stressed the need to keep secret 'the permanency of the military personnel in both states and the character of their activities.<sup>42</sup>

#### The Soviet Union

Because of the political repercussions that it might have caused in Washington, in the first few years of the revolution the PRG consciously refrained from making public the nature of its political relations with the Soviet Union. No doubt the political discussions which took place between the Grenadian and Soviet leaderships during this period were often mediated

by Cuba. Nevertheless, in spite of the surreptitious nature of political relations between the two states, in 1980 the Soviet Union began to provide modest amounts of economic aid to Grenada. It is difficult to determine the exact amount of Soviet aid in the early period because for political reasons it was decided that some of the aid should be provided indirectly through Cuba. In July 1980 Coard made a trip to Eastern Europe, and on his arrival in Grenada he announced that the Soviet Union had promised to give Grenada agricultural machinery worth EC\$3 million, plus two years' supply of spare parts. Hungary undertook to lend EC\$2 million for the purchase of generic medicines, Czechoslovakia promised to conduct feasibility studies into a hydro-electric scheme, East Germany pledged EC\$800,000 worth of medical and sporting equipment, and Bulgaria offered to supply two ice generating plants.<sup>43</sup>

In July 1982 Bishop paid a state visit to the Soviet Union and an agreement for technical and economic co-operation was signed. Moscow agreed to assist Grenada in a number of areas, including, the setting up of a satellite earth station, the development of a seaport on the east coast, the improvement of the water distribution system and in the area of education.<sup>44</sup> The Soviet Union also undertook to purchase significant quantities of Grenadian cocoa and nutmeg.<sup>45</sup> Later on in the year a Soviet embassy was established on the island and this facilitated closer collaboration between Grenada and the Soviet Union. In October 1983 only a few of the Soviet projects had begun.

#### East Germany

At around the same time as his visit to the Soviet Union, Bishop also made a state visit to East Germany where another economic and technical co-operation agreement was signed. East Germany extended an EC\$16 million line of credit to finance modernisation of the telephone system, the provision of tractors to the state farming sector, the purchase of telecommunication equipment and the setting up of a cocoa processing plant. As regards the latter, when a team of East German technicians arrived in Grenada to begin work on the project they found that their cocoa plant was far too big for Grenada's needs. Consequently, the PRG was forced to look elsewhere and eventually came across an appropriate plant in Spain which the PRG made plans to purchase in 1983.<sup>46</sup>

#### North Korea

In April 1983 Bishop made an official visit to North Korea where he obtained a long term grant of EC\$25 million. The main features of the aid agreement were: assistance in agricultural technology to irrigate some 1,000 acres of land to increase food production in twenty food crop zones; the provision of agricultural machinery and equipment, including thirty tractors; the establishment of a new agro-industrial plant to supplement the one in operation at True Blue;<sup>47</sup> the construction on the island of two diesel-engine fishing boats, built from local woods, and the training of Grenadians in boat building and fishing; and the building of a modern sports stadium to seat at least 15,000.<sup>48</sup>

### The Oil-exporting Countries

Notwithstanding its official communist ideology, the NJM considered Grenada to be part of the Third World and believed that economic and political collaboration with other developing countries was an important task in the struggle for a New International Economic Order. In pursuit of this goal the PRG developed strong links with a number of Third World countries, and was able to obtain substantial amounts of economic assistance from some of the wealthier Third World states, most notably the oil exporting countries.

### The Organisation of Petroleum Exporting Countries

The industrialised countries have greatly exaggerated the amount of additional revenue obtained by the member countries of the Organisation of Petroleum Exporting Countries (OPEC) following the quadrupling of oil prices in 1973, and the effect that this had on other developing countries. This forms part of the ideological and political campaign that has been waged to mystify the real causes of the capitalist world recession of 1974-75, whose origins lay in the inherent contradictions of the capitalist mode of production. Undoubtedly, the oil explosion of 1973 and subsequent increases in the price of oil did aggravate the already chronic balance of payments deficits of developing countries and led them to halt or even abandon important development projects. But the overall position of Third World countries was dealt an even greater blow by three other factors: (i) sharp increases in the price of foodstuffs and fertilizer which they had to

import from the industrialised countries; (ii) the price collapse of a whole series of raw materials which developing countries produce; (iii) a reduction in the volume of their industrial exports as a consequence of the international recession. These factors had a more devastating effect on Third World economies than the dramatic increase in the price of oil. Moreover, most of the petrodollar surpluses of the OPEC countries were subsequently spent in the West in the form of long term and short term investments, deposits in international organisations and purchases of capital goods for the grandiose development plans which many of the states embarked upon. Consequently, the amount of resources at the disposal of the OPEC states are far less than those presented by the industrialised countries.<sup>49</sup>

Disregarding these factors, Western commentators have made strident appeals to the OPEC countries to improve their performance as aid-givers in order to compensate developing countries for the increases in oil prices. OPEC's rejoinder to criticism of this character is to assert that it sees no obligation to compensate consumers for oil price rises. Producers of no other commodity compensate their customers for price increases, and the OPEC states are themselves developing countries with development needs of their own. Nevertheless, several OPEC countries and the cartel as a whole have become substantial aid donors. In fact, collectively OPEC's performance in terms of aid disbursed as a percentage of GNP surpasses that of the West. Aid disbursements by OPEC states reached a peak of 2.71 per cent of GNP in 1975 against the UN's target of 0.7 per cent. For the OECD countries the proportion has hovered round the 0.34 per cent mark for the

past decade. Not only have the OPEC states made some big contributions to existing multilateral organisations, but they have also set up new multilateral and bilateral aid funds of their own. Between 1973 and 1979 net disbursements of aid by OPEC states totalled US\$30 billion, and OPEC has co-financed many valuable projects in developing countries with Western aid donors, including schemes that might never have got off the drawing board. And OPEC aid has not been tied to the purchase of OPEC states' manufactured goods nor to the employment of their technicians.<sup>50</sup>

The principal lending agency of OPEC is the Fund for International Development (FID), created in January 1976 to provide economic assistance to other developing countries on highly concessional terms. OPEC considers FID to be a vehicle for developing solidarity between OPEC and other Third World countries and promoting financial co-operation between them. The Fund gives priority to balance of payments support.

On account of the PRG's strong commitment to the Palestinian cause at the United Nations, the Arab countries in OPEC looked favourably on Grenada's requests for economic assistance. In July 1981 FID agreed a loan of US\$2 million to the PRG for the importation of capital goods, spare parts, foodstuffs and other essential consumer items. Repayment of the loan was to be effected in fourteen semi-annual instalments commencing on 15 October 1984 after a grace period running up to that date. Grenada was required to pay interest at the rate of one per cent per annum and service charges at the rate of  $\frac{1}{2}$  per cent per annum on the principal amount of the loan actually withdrawn and outstanding.<sup>51</sup> In July 1983 FID extended another loan to Grenada of US\$1 million for similar

purposes. The grace period on this second loan extended to 15 July 1986, after which repayment was to be made in eight semi-annual instalments. This time Grenada was required to pay interest at the rate of 3 per cent per annum and service charges at the rate of 1 per cent per annum.<sup>52</sup>

In addition to these loans for balance of payments support, OPEC provided assistance for road construction, the international airport and the expansion of the Grenada Sugar Corporation. Individual member states of OPEC - notably Libya, Algeria, Syria, Iraq and Venezuela - also supported a number of government projects through their bilateral aid programmes.

#### Venezuela

Venezuela has used its oil revenues to build up the manufacturing sector of the economy and has looked upon the Caribbean basin as a potential market for exports. Venezuela has also sought to win support among Commonwealth Caribbean countries for its territorial dispute with Guyana, and these two factors has led Caracas to become a significant aid donor to the region. In 1980 Venezuela earmarked US\$5.9 million in aid to Caribbean countries. Of this amount, US\$700 million was allotted to an oil facility it is financing with Mexico. The scheme provides nine Caribbean and Central American states with 160,000 barrels of crude a day on generous credit terms with an incentive to develop their own energy resources.<sup>53</sup>

Shortly after the revolution, the PRG developed close relations with Venezuela and a Venezuelan embassy was established on the island. The government of President Luis

Herrera Campins provided substantial assistance to the PRG through the Fondo Inversiones de Venezuela (FIV). Some US\$1.3 million was made available for the construction of 100 houses; another US\$1 million for the improvement of housing; and US\$750,000 for the fishing industry. The Venezuelan government helped to finance the expansion of the runway and the construction of a terminal building at the airport in Carriacou, and paid for the construction of three playgrounds as well as the fence which encloses Pearls airport. It has also furnished athletic supplies to the tune of US\$30,000 and hospital equipment valued at US\$200,000. In 1982 Venezuela made a gift of 10,000 barrels of gas-oil to the island, and in the same year it provided 8,000 posters praising Grenada as a tourist paradise. A former supermarket at Grand Anse was transformed by the Venezuelans into the Venezuela-Grenada Co-operation Centre where various lectures, cultural events and Spanish language classes were held. In 1983 Venezuela agreed to send to Grenada for the duration of three months an instructor in international cuisine. In that year also, ten Grenadian students were attending Venezuelan institutions of higher education on scholarships.<sup>54</sup>

#### Trinidad and Tobago

The oil price explosion of 1973 led to a dramatic increase in the revenues of Trinidad and Tobago, and this oil bonanza enabled the twin-island state to offer economic assistance to other Commonwealth Caribbean countries. During the period 1974-1976 the twin island state disbursed loans totalling TT\$340.8 million to three CARICOM states for



balance of payments support. In 1978 an aid mechanism was set up under the stewardship of the Caribbean Aid Council. Loan approvals and disbursements under this facility were modest, however, primarily due to constraints caused by the project nature of lending. With the new round of substantial price increases for petroleum products in 1979 the balance of payments problems of many states supplied with oil by Trinidad and Tobago intensified, and this led Port of Spain to re-examine the scope for increasing its aid to the region. Pursuant to this review, in January 1980 a facility was established for financing oil, fertilizer and asphalt purchases by CARICOM states. The facility was structured to provide for the financing of the incremental costs of products, and was only applicable where the products were supplied from Trinidad and Tobago. With respect to the CARICOM LDCs, the facility provided for a maturity of fifteen years, including three years grace, at an annual interest rate of 2 per cent. Borrowers were permitted to service debt by the supply of commodities to Trinidad and Tobago, with the value of such payments estimated at the prevailing market price.

From the early days of the revolution, the PRG attached great importance to the establishment of close relations with Trinidad and Tobago, because of that country's aid programme and the economic and cultural links that exists between the two states. Furthermore, as the biggest market in CARICOM Trinidad and Tobago loomed large in the PRG's plans for export led growth geared towards the region. Nevertheless, repeated Grenadian efforts to open a dialogue with the government of Eric Williams were coldly rebuffed. Personal letters from Bishop to Williams went unacknowledged and

unanswered, as did other correspondence from PRG ministers to their Trinidadian counterparts. Williams agreed to the establishment of formal diplomatic relations between the two states but insisted that no more substantive co-operation could be discussed until elections were held in Grenada.

Following Williams' death in March 1981 the new Trinidadian Prime Minister, George Chambers, re-opened contacts with Grenada. Chambers adopted a tolerant attitude towards the Grenadian revolution, and in June 1981 the PRG was allowed to raise a loan of EC\$12 million under the terms of the Trinidad and Tobago oil facility.<sup>55</sup> During talks between Bishop and Chambers, the Grenadian Prime Minister gave an undertaking to hold elections, although not necessarily of a Westminster type. And on the basis of this assurance, Chambers spoke on Grenada's behalf at the CARICOM Heads of Government Conference held at Ocho Rios in Jamaica in November 1982, where an attempt was made to expel Grenada from the Community by changing the CARICOM Treaty so as to commit its members to the maintenance of parliamentary democracy and the defence of human rights. In July the following year at the next full summit CARICOM conference, Chambers and Bishop held several private meetings. Bishop, still anxious to improve relations with Trinidad, strongly backed Chambers at the conference in his successful bid for Trinidad to be recognised as the oil supplier of 'first resort' for those CARICOM territories without refineries and the source of any oil needed by territories with these installations. The two leaders also discussed once more the question of elections in Grenada and agreed finally that the point had been reached when proper diplomatic representation between their countries

had again become appropriate.<sup>56</sup>

### The Non-governmental Organisations

The effectiveness of private voluntary organisations in alleviating poverty in local communities of developing countries has been recognised in many quarters. These non-governmental organisations, or NGOs, collaborate in field activities with a variety of UN and other international development agencies. Groups such as trade unions and religious organisations, and charities like Oxfam and Save the Children Fund, have amassed valuable and successful experience. Staffed by an international network of volunteer or paid workers who are highly motivated, they lobby, disseminate information and collect funds for a variety of development projects, and play a key role in alerting public opinion in the industrialised countries about the plight of Third World peoples. The Brandt Report is most complimentary about the activities of these organisations: 'In meeting the needs of the poor at local level, in encouraging self-help and participation, in appreciating the social and cultural sensibilities of all the people involved, in circumventing bureaucratic red-tape and getting things done, they have a truly remarkable record.'<sup>56</sup> NGO aid places no restrictions on the procurement of goods and services, and considerations of a political and commercial character do not generally affect disbursements.

Cognizant of the possibilities of mobilizing assistance from NGOs, in August 1981 the PRG set up the Agency for Rural Transformation (ART) to co-ordinate aid inflows from these agencies. Headed by the industrious Trinidadian, Regina Taylor, ART assisted the mass organisations and other independent bodies in Grenada to draw up programmes and projects eligible

for outside funding. Under Gairy only a handful of NGOs provided assistance to the island. These included Oxfam, the Caribbean Council of Churches (CCC) and Canada Save the Children Fund (CANSAVE). Following the revolution and the establishment of ART a host of other agencies became involved, particularly the more progressive ones. The PRG also availed itself of the NGO facilities provided by the EDF and CIDA. The NGOs were attracted to Grenada because of the PRG's emphasis on community involvement and the integrated character of the island's development programme, in which the policies of the government and those of the mass organisations coincided. According to Regina Taylor, some 50 per cent of the regional budget of most of the NGOs operating in the Caribbean was allotted to Grenada. The concentration of assistance on Grenada was partially due to the fall of the Manley government in Jamaica in 1980. Unenthusiastic about the policies of the newly-elected government of Edward Seaga, a number of agencies reduced their operations in Jamaica and devoted more of their resources and energy to Grenada. Because ART encouraged its NGO aid donors to go to Grenada to visit projects, and supplied them with regular progress reports, many donors became highly committed to the island.

ART began its work with an initial grant of EC\$132,000 from the Dutch charity, HIVOS. The Agency had a board of directors composed of representatives from the mass organisations, government ministries, the PCBs and the private sector. Because many leaders of the mass organisations were young and relatively inexperienced, a great deal of ART's time was devoted to helping them to draw up proposals for programmes and projects, and arranging technical assistance. In order to forestall any attempt by external forces to use an

NGO for destabilization purposes, careful screening was carried out of the agencies that expressed an interest in providing assistance to Grenada. Taylor worked in Switzerland with the World Council of Churches, and in Barbados with Christian Action for Development in the Caribbean (CADEC) before going to Grenada, and had thereby developed an international network of contacts which enabled her to scrutinise the credentials of dubious NGOs. Because of the concern over security, ART consciously refrained from making links with American agencies. At the end of May 1983, however, Taylor was scheduled to go to the US to investigate the possibilities of obtaining funding from American NGOs.

After it received the initial grant from HIVOS, ART added to its finances by taking a percentage of the funds obtained for each project to cover administration expenses. HIVOS had asked the Agency to set up business enterprises so as to generate enough funds to make the organisation self-sufficient and no longer dependent upon HIVOS funding. In fact, most of the NGOs assisting projects provided finance for a specific period of time, usually two years, and recommended that the projects found ways of securing independent means of finance once the period of funding had elapsed. Taylor saw her job as helping each project to stand on its own two feet, and hoped that the projects that were already receiving assistance would begin to disappear from her books, so that new projects could be taken on board.<sup>58</sup>

The major drawback of NGO aid is that the private agencies do not have a great amount of resources at their disposal, and are therefore only able to fund small projects which do not have an impact on the situation in society as a

whole. In the context of a country the size of Grenada, however, NGO assistance was able to play a major role in the development process. One of the most important programmes of the revolution, the CPE, was entirely funded by NGOs. Few countries in the world would have been able to set up a national adult education programme with the funds that are at the disposal of private voluntary organisations. In the two years of its existence, ART was able to obtain over EC\$3 million for local projects which had a significant impact on the island's economy.<sup>59</sup>

### Achievements and Contradictions of the 'Aid Boom'

By adopting a radical but highly pragmatic foreign policy and projecting the revolution as 'peaceful', innovatory and non-aligned, the PRG was able to mobilize considerable amounts of overseas aid which financed most of the social and economic programmes of the revolution. The Grenadian experience shows how an astute, energetic and committed Third World state can make maximum use of the concessional financial resources at the disposal of the international community. Because of the growing volume of aid inflows, the PRG was able to increase capital spending from EC\$8 million under Gairy in 1978, to EC\$16 million in 1979, EC\$39.9 million in 1980, EC\$79.2 million in 1981 and EC\$101.5 million in 1982.<sup>60</sup> In spite of the magnitude of overseas financial assistance, because a great proportion of government expenditure was obtained through soft loans, grants and outright gifts and donations, the debt servicing burden of the island remained light. The 1982 World Bank Report gave a figure of less than 4 per cent of export earnings. In his 1983 Report on the Economy, Coard provided information on the amount of concessionary aid made available to the PRG. Thus, in 1981 soft loans accounted for EC\$58.2 million out of the total figure for capital expenditure of EC\$79.2 million, and in 1982 the corresponding figures were EC\$67.4 million and EC\$101.5 million.<sup>61</sup> The significant increase in the amount of government borrowing on commercial terms that occurred between 1981 and 1982 was caused by the sizable loans taken out for activities linked to the airport project.

It was the 'aid boom' which enabled the PRG to considerably expand the activities of the by providing the finance for the



establishment of state enterprises. Aid also made a major contribution to government revenues in the manner described by Payer: 'Aid ... supports the domestic budget of the borrowing government, since private importers have to pay the government in local currency for the privilege of selling aid-financed goods. In this respect aid has the same effect as a tax programme which brings in the same amount of money, but permits the government to avoid making enemies through new taxes. The aid thus finances government expenditures by providing additional goods to sop up excess currency in the country and channelling the proceeds to the government which is thus allowed to spend more than it collects in taxes. Without the aid, government expenditures would have to be cut by the amount of aid or there would be an inflationary increase in the money supply.'<sup>62</sup> Again, overseas aid was primarily responsible for the growth which took place in Grenada's economy in each year of the revolution. According to government figures the rate of growth of GDP was 2.1 per cent in 1979, 3.0 per cent in 1980, 3.0 per cent in 1981 and 5.5 per cent in 1982.<sup>63</sup> This growth in turn brought about a reduction in the level of unemployment from around 50 per cent in 1979 to 14 per cent in 1982. Apart from the unemployed, various other classes in society derived benefits from the 'aid boom'. Mention has already been made of the increased earnings of the comprador bourgeoisie.<sup>64</sup> The petty bourgeois landlord class also managed to increase its income. The great influx of highly paid technicians, economists and other experts funded by the Western development agencies inflated the demand for high-class rented accommodation, so the petty bourgeois landlord class substantially increased its income from this source.

In addition to providing increased benefits for various social classes in the island, overseas aid enabled the PRG to undertake major initiatives without undermining the livelihood of key interest groups. For example, the setting up of the National Transport Service (NTS) with funds donated by Libya, allowed the revolutionary government to establish a state transport system without interfering with the operations of the private minibus drivers. Admittedly, the NTS did exert a downward and stabilising influence on bus fares in the private sector, but the private minibus drivers were still able to make a profit. A similar situation obtained with respect to the social programmes of the PRG funded by external assistance. While the Cuban doctors provided a free medical service to the island, private doctors continued to operate as before. Thus, overseas aid was a primary instrument in the PRG's strategy of building a broad interclass alliance for its political project of socio-economic transformation.

One final achievement of the aid-sponsored development programme carried out by the PRG was that there was no evidence of the sort of corruption that has taken place in other Third World countries. Whatever the criticisms that the various donors of aid to Grenada may have made about the PRG's ability to utilize the resources they made available, nobody ever suggested that corruption was to blame for the problems that arose at particular projects. In view of the record of many Caribbean countries, this was no mean achievement.

Turning to the contradictions engendered by the 'aid boom', one should first of all point out that the PRG itself was very much aware of the problems that are involved in

utilizing development aid from the West in particular. Speaking at the Sixth Summit Conference of the Non-aligned Movement in Havana in September 1979, Bishop made a direct reference to the obstacles that lie in the path of small states in their dealings with Western development agencies: 'Our problems are compounded by the inadequacy and inappropriateness of the criteria that are used to determine whether loans can be made, or aid, or other forms of co-operation or assistance can be given. The balance of payments test is unfair for these small states. Many do not have their own central banks, so what passes as a balance of payments deficit is more often than not really a budgetary deficit. The per capita test is also greatly unfair. When you see that test you are taking into account the earnings of the millionaires and other bigshots so that when you come to divide your GDP by the total population, the majority of whom live in conditions of abject poverty, you can get a very accurate picture of the true earnings of the average citizen.

Likewise, the requirement of pre-financing costs which requires that the local government purchases out of its own resources the required materials for the particular project, to be reimbursed thereafter, also works very unfairly because very often the initial money cannot be found.<sup>65</sup> In spite of its appreciation of, and opposition to, the encumbrances of Western aid organizations, the PRG was, nevertheless, a victim of these encumbrances. The revolutionary government was clearly overambitious in its attempt to use Western aid to improve the island's infrastructure and provide jobs. Unable to find sufficient counterpart funds and beset by difficulties in recruiting qualified technicians - the principal stumbling

block here being the desperately low salaries the regime was able to offer - the PRG's performance in implementing projects was desultory. Terrence Moore, the Director of Planning, conceded that the number of projects taken on board had placed a severe strain on the financial and technical resources of the island. He stated that in the financial year 1983-84 the PRG would be more prudent in its infrastructural programme.<sup>66</sup>

While the 'aid boom' was successful in bringing about a dramatic reduction in the level of unemployment in the island, because of the problems experienced in carrying out projects, the labour force was subjected to extreme fluctuations in the availability and duration of employment. Moreover, due to the inefficiency of the administrative arms of the state, workers often had to put up with considerable delays in obtaining wages and salaries. Added together, these factors had a negative impact on workers' morale.

There were several other contradictions caused by the 'aid boom'. The tying restrictions of the Western aid agencies effectively took the decision-making power over economic out of the hands of the PRG. As Terrence Moore stated bluntly, the tying restrictions of Western donors 'makes economic planning impossible'.<sup>67</sup> The big influx of aid-funded technicians and experts also gave rise to a number of anomalies. Because of the extremely low salaries paid by the Grenadian government, a gross discrepancy arose between the salaries earned by officials and technocrats paid by the PRG and the salaries of those who were paid by the development agencies. Given that most of the experts were foreigners, this led, quite naturally, to a certain disquiet amongst Grenadian officials. It also represented a serious contradiction in terms of the

socialist and egalitarian goals of the revolution. Pointing out that the PRG was aware of, and concerned about, this problem, Terrence Moore explained that the differences in salary would be removed by progressively training Grenadians to occupy the posts that were currently filled by foreigners.<sup>68</sup> The experience of other Third World countries shows, however, that it is in practice a particularly difficult task to train local people to manage and service Western aid projects. To quote Carty and Smith: '... knowledge has a built in obsolescence. Development fashions change fast, technology faster, and foreign experts, with their international experience and First World citizenship, are hard to replace unless a Third World government is deeply committed to self-reliance.'<sup>69</sup> Undoubtedly, the PRG was such a government. Whether it would have been able to break out of this crucial area of Western domination is, however, an open question. Finally, there was one other problem caused by the arrival of the foreign experts. Because of the popularity and international prestige of the revolution, Grenada managed to attract a good number of socialists from abroad who worked in areas such as education, health care, finance and planning. Coming principally from the US, Canada, Britain, West Germany and other Caribbean islands, these 'internationalist workers' were employed at local rates of pay and in most cases made a personal sacrifice in going to Grenada. Unfortunately, the Grenadian people, themselves accustomed to travelling abroad in search of higher incomes and having heard 'talk' about the inflated salaries of the foreign experts, treated the internationalist workers with suspicion. As for the petty

bourgeois landlord class, it sought to cash in on these radical migrants; particularly in the case of the white-skinned supporters of the regime. Perturbed by these happenings and somewhat envious of the recognition that the PRG had accorded to Cuban workers in comparison to the neglect which they had experienced, in March 1983 a number of socialists from abroad formed an Association of Internationalist Workers. Led by Regina Fuchs, a West German medical practitioner, and Delia Smith, an English school teacher, one of the principal aims of the association was to counter the negative attitudes that many Grenadians held about foreign workers.

While aid from the socialist countries was provided on more favourable terms and allowed the PRG a great deal more room for manoeuvre, problems of a different order arose. First of all, the lack of familiarity with the Grenadian economy on the part of the Cuban and East European technicians limited their ability to provide meaningful assistance. And some of the equipment and goods that these countries made available were unreliable and of poor quality. Similarly, the advent of aid from the socialist countries and the oil-exporting states greatly extended the number and range of donor organizations supporting Grenada, and this severely taxed the resources and capabilities of the government administrative apparatus. Finally, the experience of socialist aid to Grenada raises questions about the viability of the socialist orientation strategy of the NJM. For while the Grenadian revolution demonstrates the scope that exists for a radical Third World state to mobilise economic assistance from the West, it also shows the contradictions and limits of this path of development. For it was Grenada's economic and political relationship with the

socialist countries that invoked the hostility of the US government which in turn used its influence to reduce the amount of aid provided by Western governments and financial institutions. It is true that the pragmatism and adroitness of the PRG's foreign policy enabled it to counter some of Washington's moves, but the effects of US economic destabilization were felt. Moreover, in following the guidelines of socialist orientation the PRG was reluctant to make the sort of political concessions that would have eased the suspicions of Western donors, so that they would have been more willing to assist the PRG. And socialist aid was insufficient and inadequate to have a major impact on the economy. Hence the PRG found itself in a situation where its political ideology stood in opposition to the requirements of the Grenadian economy.

## Chapter Seven

## Tourism and Revolution

The pride of place accorded to tourism in the economic strategy of the Bishop regime gave the revolution a distinctively congenial ambience. Following Cuba, Grenada under the PRG was the second country in the world to promote a tourist industry during the course of a revolutionary process. This was facilitated by the ease with which state power was taken, the absence of any significant economic or social dislocation caused and the generally favourable image which the revolution attracted in the international community in the first few months after the overthrow of Gairy. The pursuit of tourism as a locomotive of economic growth was also an illustration of the pragmatism of the PRG in economic affairs. Recognising the poor natural resource endowment of the island and the importance of foreign exchange earnings to the success of the economic strategy as a whole,<sup>1</sup> the revolutionary government expended considerable energy in promoting tourism in spite of the many criticisms it had of the tourist industry in the Caribbean. Undoubtedly, there was a very strong economic rationale behind the PRG's efforts in tourism. Jean Holder, Secretary General of the Caribbean Tourism Research and Development Centre (CTRC), has over the years consistently championed the cause of tourism in the Caribbean. Without necessarily going along with all of her views, what she has to



say is certainly worth considering: 'The oil crisis of 1973/74 followed by spiralling inflation, high interest rates, and a deep worldwide recession led to a return to reality. This reality in 1983 is illustrated by the fact that Barbados recognizes that the performance of its tourism is inextricably bound up with the survival of its existing standard of living, that tourism has become the number one industry in Jamaica, that oil-rich Trinidad and Tobago has finally discovered the tourism sector that the Bahamas, the Cayman Islands and Bermuda countries with nothing but tourism and banking have the highest per capita incomes in this region. There are other worldwide tourism realities, 279,900,000 million persons travelled internationally in 1982 and spent 99,925,000 U.S. (almost 100 billion dollars). Tourism has therefore once more proved its vitality and its resistance to inflationary pressures, political instability, widespread unemployment and dwindling discretionary dollars in tourist generating countries. In 1982 about 7.2 million visitors came to the Caribbean and spent 3.5 billion U.S. dollars, roughly the same as 1981. Tourism directly, indirectly, and through tourism induced activity such as construction, employed some 270,000 persons in this region. The good news therefore is that the travel habit dies hard.<sup>2</sup> Elsewhere Holder opines: 'We can no more abandon tourism than the Arabs can oil. But we must use our tourism revenue to achieve the greatest possible balanced growth that we can.'<sup>3</sup> No doubt, the PRG, in drawing up grandiose plans for the expansion of Grenada's tourist industry, was motivated by the sort of views expressed by Holder.<sup>4</sup> At the same time, the Bishop regime had to take political factors into account. Given the economic

TABLE 20

International Tourist Arrivals

1950	25 millions		
1960	71 "		
1970	168 "		+9%
1971	182 "		+8%
1972	198 "		+8%
1973	215 "		+9%
1974	209 "		-3%
1975	213 "		+2%
1976	218 "		+4%
1977	242 "		+11%
1978	260 "		+7%
1979	270 "		+4%
1980	278 "		+3%
1981 (a)	290 "		+4%

a) Preliminary estimate

Source: Caribbean Tourism Statistical Report 1982, p.6

TABLE 21

Tourist Arrivals in the Caribbean (a)% Change

1970	4.26 million	
1971	4.62 "	+8.4%
1972	5.05 "	+9.3%
1973	5.41 "	+7.1%
1974	5.65 "	+4.4%
1975	5.48 "	-3.0%
1976	5.77 "	+5.3%
1977	6.22 "	+7.8%
1978(b)	6.94 "	+11.5%
1979	7.59 "	+9.5%
1980	7.61 "	+0.2%
1981	7.24 "	-4.8%

a) Caribbean defined as all CTC member countries, with the addition of Bermuda, Suriname, and Trinidad and Tobago.

b) Revised series since 1978.

Source: Caribbean Tourism Statistical Report 1982. p.7

leverage wielded by the United States over the Caribbean tourist industry, how could the PRG expand its tourist industry and still maintain an anti-imperialist stance? In this respect the experience of tourism in two other radical Caribbean states, namely the Castro regime in Cuba and the Manley administration in Jamaica, were highly pertinent.

#### The Experience of Tourism in Cuba and Jamaica

In the early days of the Cuban revolution the Castro leadership believed that it would be possible to attract American tourists to the island, and the early projects of the Cuban National Tourist Agency, INIT, were geared towards the US market. 'The programs of ...INIT were begun in a period when the revolution still had, in part, a middle-class aspect, when the full implications of the struggle with American imperialism had not yet become clear to everyone. They reflected the general revolutionary sweep, the rush to get on with the many things that were necessary for Cuba.<sup>5</sup> As it was, with the US imposition of a ban on travel to Cuba in 1963, the flow of American visitors stopped. The American hotels expropriated by the Castro regime lay empty and the ambitious construction programme launched by INIT lost much of its economic rationale. In response to this turn of events, the Castro regime put poor people to live in the empty hotels and redirected its tourist industry to the needs of the Cuban people. This bold and egalitarian move on the part of the Cuban revolutionaries was one of the many measures which won it the admiration of socialists throughout the world. It also

strengthened support for the revolution at home, and, by assisting in reducing foreign exchange expenditure on luxury goods and eliminating at a stroke the prime source of Western capitalist values, had a positive economic effect and facilitated the growth of socialist class consciousness. It was not until March 1977, when the Carter administration lifted the travel ban on its citizens, that the Castro regime could again contemplate the development of a tourist industry geared towards the US market. Now, in a more stable economic and political environment, the Cuban leaders were able to ruminate upon their country's experience of Western tourism and elaborate a concept a concept of tourism in conformity with the socialist goals of the revolution. Nevertheless, the Castro regime still evinced a certain ambivalence when it projected the ideal of un turismo sano, or, a healthy tourism. For, in order to capture even a fraction of the Caribbean business Cuba must compete fiercely with Puerto Rico, the Virgin Islands, Jamaica, Haiti, the Dominican Republic, and the Bahamas - islands which offer some of the world's finest and most sophisticated hotels and have gained reputations for the very things that the Cuban revolution eliminated - gambling, hot night life, prostitution and subservient attentiveness to the tourist.<sup>6</sup> In spite of this, a number of factors would tend to suggest that Cuba is in a good position to stick to its objective of un turismo sano. First of all, Cuba is a big island and tourism is not one of its major industries. Secondly, due to the existence of a substantial domestic market for tourism the industry is not entirely dependent on the whims of foreigners. Finally, because of the excesses of Cuban tourism before the revolution the Castro leadership is determined to maintain strict control over it today.<sup>7</sup>

On May 15 1982 the Reagan administration imposed new restrictions on travel to Cuba almost identical to those in effect up until 1977. The new ban formed part of the Reagan administration's attempt to limit the flow of dollars to the island. John Walker the US assistant Treasury secretary justified the action in the following terms: 'Cuba will not be allowed to earn hard currency from tourist and business travel when it is sponsoring armed violence against our friends and allies.'<sup>8</sup> The Cubans hope to counter this new challenge to its tourist industry by attracting more visitors from Canada, Europe and Mexico.

Although the measures taken by the US to damage tourism under the Manley government in Jamaica were not as draconian as those directed against Cuba, they did, nevertheless, cause much greater damage to the Jamaican economy. In 1974 the Manley regime imposed a levy on the North American companies which control the island's bauxite-alumina industry, and went on to develop close relations with Cuba and take anti-US positions in foreign policy. In response, the US government took steps to destabilize the Jamaican economy, and tourism was selected as a prime candidate for attack. An anti-communist campaign of vituperation and slander was launched in the North American media, which was echoed in the pages of the Daily Gleaner, Jamaica's leading capitalist newspaper. The campaign to prevent North American tourists from visiting the island was also taken up by the opposition party, the Jamaica Labour Party, whose members and supporters in New York organized demonstrations alleging that Manley was a communist and calling for a boycott of Jamaica. As a result, the number of visitors from the US, a figure which had been rising steadily since the

1960s, declined by 13 per cent between 1974 and 1975, and dropped by more than 10 per cent in 1976.<sup>9</sup> Coinciding with a reduction in the country's production of bauxite, an investment strike and a flight of capital abroad, the fall in earnings from tourism formed part of a general economic crisis. However, Norman Girvan, who served as an economic advisor under the Manley administration, argues that the overall crisis was precipitated by the shortfall in tourism earnings.<sup>10</sup> The economic malaise which afflicted Jamaica under Manley was one of the main factors which led to defeat of the PNP in the October 1980 elections.<sup>11</sup>

In the light of the experience of tourism in Cuba and Jamaica, what, then, was the thinking of the Bishop regime on how it could expand its tourist industry in the face of US hostility? Was the promotion of tourism congruent with the socialist goals of the revolution? What obstacles did tourism place in the path of the PRG's attempt to develop socialist class consciousness? Before proceeding to answer these questions, it is first of all necessary to provide some more data on the Grenadian tourist industry.

## Peculiarities of Grenada's Tourist Industry

As a tourist resort, Grenada possesses all that is typical of a small Caribbean island, and, in addition, has a beauty in its beaches, mountains, streams and towns which surpasses that of all its neighbours. Grenada provided the setting for the film Island in the Sun, starring Harry Belafonte, and is widely regarded as the most beautiful island in the Caribbean. More specifically, Grenada has certain outstanding attractions that have enticed visitors from all over the world. The scenic reputation of St. George's has already been mentioned in chapter one. Four miles to the south of St. George's lies the famous Grand Anse beach - one of the finest in the Caribbean. On the southern coast of Grenada, the coolest part of the island, is Westerhall Point residential area. This picturesque and salubrious district, with its two peninsulas, three superb sheltered bays and white sand beaches, has been widely acclaimed by international travel writers. Grenada is also renowned for its yachting. Lying just south of the hurricane belt, Grenada and the other islands in the state have been described as a yachtsman's paradise. Offering a wealth of natural harbours and anchorages, a perfect climate, peace, beauty, in addition to an abundance of sea, Grenada has attracted some of the world's leading yachtsmen. The Easter Regatta, organized by the Grenada Yacht Club for over twenty-four years, is one of the most popular sea events in the Caribbean. Finally, the variety of tree crops grown has given the countryside a distinctive scenic appeal and the abundance of spice trees has led to the island being called 'The Spice Isle'. Of never failing interest to visitors is



a trip to either of the Nutmeg processing stations - popularly referred to as 'Spice Factories' - located in Gouyave and Grenville.<sup>12</sup>

It was Grenada's outstanding natural attributes as well as Gairy's susceptibility to bribes which in 1977 led to the establishment on the island of the St. George's University School of Medicine. It was a bright idea. Founded by Charles Modica, the son of a US Republican from Long Island, the school catered for American students who were unable to obtain places in a medical school in the US. Staffed by retired professors and charging exorbitant fees, the medical school earned its income from wealthy American families determined to obtain a career in medicine for their offspring. Grenada's slow pace and congenial environment are ideal for academic study, and this was the main attraction of the school. The school provided places for around 600 students who rented and leased some of the best accommodation on the island. (See table 22). St. George's University School of Medicine was a major component of Grenada's tourist industry and accounted for some 20 per cent of the country's foreign exchange earnings. Many American tourists who visited Grenada were either personal acquaintances of, or had been recommended to Grenada by, medical school students.

On the opposite side of the coin, medical school students tended to 'crowd out' Grenadians in the best night clubs and drinking places on the island and effected a strong upward pressure on the price of rented accommodation; effectively placing a significant proportion of rented accommodation outside the reach of ordinary Grenadians. And like a good number of Western visitors to the Caribbean, many medical

TABLE 22

HOTELS, GUEST HOUSES, COTTAGES AND APARTMENTS  
IN GRENADA (a) UNDER  
THE PEOPLE'S REVOLUTIONARY GOVERNMENT

A. HOTELS

Name of Hotel	Owner	Nationality
Apple Inn	Grenada Resorts Corporation	-
Blue Horizons Cottage Hotel	Arnold D. Hopkins	Grenadian
The Calabash	Charles de Gale	Grenadian
Camp Carriacou	Grenada Resorts Corporation	-
Cinnamon Hill and Beach Club	Richard Gray	British
Crescent Inn	W. B. Jacobs	Grenadian
Hamilton Inn	Veronica Adams	Grenadian
Hibiscus Inn	Grenada Resorts Corporation	-
Holiday Inn	Grenada Resorts Corporation	-
Horse Shoe Bay Hotel	Grenada Resorts Corporation	-
Mermaid Beach Hotel	Glenna Bullen	Grenadian
Riviera Cottage Hotel	Ms. Nyack	Grenadian
Ross Point Inn	Curtis Hopkin	Grenadian
Sam's Inn	Ellen Sam	Grenadian
Secret Harbour Hotel	Godfrey Ventour	Grenadian
Sea Scape Inn	Grenada Resorts Corporation	-
Silver Beach Holiday Cottage Resort	Mr. Bullen	Grenadian
Silver Sands Hotel and Beach Resort	Earl Gittens	Grenadian
St. James Hotel	Local company	Grenadian
Spice Island Inn	Desmond Campbell	Grenadian
True Blue Motel	On long term lease to the St. George's University School of Medicine	-

B. GUEST HOUSES

Name of Guest House	Owner	Nationality
Adams Guest House	Veronica Adams	Grenadian
Peter's Palace	Peter Plenty	Grenadian
Mitchell's Guest House	Sidney Mitchell	Grenadian
St. Ann's Guest House	E. C. Franklyn	Grenadian
Skyline Guest House	Ms. Emmanuel	Grenadian
Tita's Guest House	Agatha Phillip	Grenadian
Windward Sands Inn	On long term lease	-
Winter Rest Guest House	On long term lease	-

C. COTTAGES

Name of Cottage	Owner	Nationality
Carifta Cottages	Grenada Resorts Corporation	-
Coral Cove Cottages	Jill Evans	Grenadian
Croton Villa	N.A.	-
L'anse Aux Epines Cottages	Jill Evans	Grenadian
South Winds Holiday Cottages and Apartments	Chasley David	Grenadian
The Flamboyant	Jim Needham	American/ Grenadian <sup>b</sup>

D. APARTMENTS

Beverley Flats	On long term lease	-
Otway's Palm Beach Apartments	On long term lease to the St. George's University School of Medicine	-
Falm Court Maisonettes	On long term lease to the St. George's University School of Medicine	-
Twelve Degrees North	Joseph Gaylord	American
Veronica's Beach Apartment	Veronica Adams	Grenadian
Wave Crest Apartments	On long term lease to the St. George's University School of Medicine	-

a. Includes Carriacou.

b. According to a source in the Grenada Tourist Board, Jim Needham is American by origin but has taken out Grenadian nationality.

N.A. Not available.

Source: Grenada Tourist Board, St. George's, 1983.

school students held contemptuous and even racist attitudes towards the indigenous population. In an interview conducted after the US invasion of Grenada, a friend of a medical school student told the American weekly, Village Voice: 'Half the med students didn't like the Grenadians. Students called them FIGs, "fucking ignorant Grenadians".<sup>13</sup>

Concerned about the negative socio-cultural impact of the medical school and suspicious of the relationship between it and the Gairy regime, before the revolution the NJM pledged to take over the school when they came to power.<sup>14</sup> The NJM's failure to implement this promise after the revolution seems to have been due to its recognition of the economic importance of the medical school. The Bishop regime also sought to use the school as a propaganda weapon, holding it up as an example to show to the US public that the PRG was not against Americans per se, but against the policies of the Reagan administration.

In spite of Grenada's resplendent virtues as a tourist resort, confirmed by studies conducted by a number of international travel organisations,<sup>15</sup> tourism has never really flourished in Grenada. Above all else, this has been due to air inaccessibility<sup>16</sup> and the inadequacy of water and sewerage supplies. Bishop himself drew attention to the problem of tourist infrastructure in an interview conducted seven months after the revolution: 'You charge the tourist a hundred US dollars a day or a hundred and twenty US a day and he pulls the chain and no water comes. He's not likely to come back.'<sup>17</sup> As a result of these drawbacks, there has not been any substantive addition to the tourist facilities - restaurants, hotels, guest houses ... - established in the

1960s. Indeed, as already mentioned in chapter one, the Grenadian tourist industry has evinced a good deal of excess capacity. As is the case in a number of islands in the Eastern Caribbean, most of the tourist accomodation in Grenada consists of small and very intimate establishments owned by local people. (See table 22). At a maximum the country has a total of 765 rooms available to tourists. Out of this figure, 451 are in hotels, 35 in apartments, 208 in cottages and 71 in guest houses.<sup>18</sup> The largest hotel in the country, Holiday Inn, at one time accounted for 184 of the hotel rooms, most of the remaining twenty-odd hotels having less than thirty rooms each. Holiday Inn also accounted for 50 per cent of the first class hotel rooms in Grenada and contributed over half the foreign exchange earned from visitors each year.<sup>19</sup> As with the majority of hotels, most of the apartments, cottages and guest houses also have less than thirty rooms.

In 1980 a fire broke out at the Holiday Inn causing severe damage to much of the hotel complex. Grenada was thereby deprived of a large percentage and most valuable component of its tourist accomodation. After lengthy negotiations between the PRG and the owners of Holiday Inn, Commonwealth Holiday Inns of Canada Ltd, the PRG purchased the hotel and in mid-1983 opened the East Wing - the section of the hotel that was not damaged in the fire. The newly acquired state hotel was renamed Grenada Beach Hotel.

The existence in Grenada of only one hotel with a significant number of rooms has itself presented an obstacle to the expansion of the tourist industry. Big tour operators are reluctant to use a large number of small hotels, since this involves placing their groups in different accomodation and making special arrangements for transport. This in turn

TABLE 23

ROOM CAPACITY IN THE CARIBBEAN -  
SELECTED COUNTRIES

Country	Year	Rooms
Anguilla	1980	150
Antigua	1980	1,350
Dominica	1980	157
Grenada	1979	765
Montserrat	1979	131
St. Kitts/Nevis	1979	584
St. Lucia	1980	1,245
St. Vincent and the Grenadines	1979	510
Barbados	1980	6,680
Jamaica	1980	9,500
Trinidad and Tobago	1979	2,141
Bahamas	1979	11,441

Source: Caribbean Tourism Statistical Report 1981, p.32

leads to higher administration expenses and breaks up the travel party.<sup>20</sup> Hence, Grenadian tourism has traditionally catered for small groups, many of whom have displayed a strong loyalty to the island. Before the revolution, repeat business in tourism stood on average at around 30 per cent - a very high figure.<sup>21</sup>



## 'New Tourism'

A significant number of the infrastructural projects introduced by the PRG were specifically aimed at improving the island's attraction as a tourist resort. The new international airport at Point Salines, which took the lion's share of the PRG's capital expenditure, was to have paid for itself through the substantial increase in the number of tourist arrivals it was designed to facilitate. This attention to tourist infrastructure was an illustration of the coherent and well-considered ideas that the PRG had about the type of tourist industry it wished to promote. These ideas were enunciated by government spokesmen on numerous occasions. The PRG propounded the concept of 'New Tourism'.<sup>22</sup> This tourism was to differ from that in existence in the other territories of the Caribbean in several important ways. First of all, in anticipation of US hostility and as part of the politico-economic strategy of progressive disengagement from imperialism, the PRG sought to diversify Grenada's tourist industry. Considerable attention was devoted to attracting tourists from the Caribbean, Latin America, Europe and Canada. Diversification was also seen as a means of breaking the relationship between tourism, class and colour and the revolutionary government specifically encouraged non-white visitors. In the Caribbean a significant amount of importance was attached to the Trinidad and Tobago market, on account of the affluence of the twin-island state and the historical and cultural links that it has with Grenada. A tourist office was scheduled to be opened there in the later part of 1983. At a later stage the PRG planned to establish an office in Venezuela

to service South America. In Canada and Europe the PRG established tourist offices at an earlier date and stepped up its promotional work. In a further bid to make the Grenadian tourist industry less vulnerable to the US, the PRG sought to encourage more Grenadians resident abroad to take regular holidays on the 'Spice Isle'. In his 1983 report on the economy, Coard pointed to the importance of Israelis resident abroad to the tourist industry of Israel, and suggested that if a significant proportion of overseas Grenadians returned to the country on a regular basis this would be sufficient to make the island's tourist industry 'take off'. In fact, in anticipation of strong support from Grenadian nationals abroad, in 1983 the Ministry of Tourism began, for the first time, to keep a separate record of the number of nationals taking a vacation in Grenada and add this figure to the total number of tourist arrivals.<sup>23</sup>

While the revolutionary government took into account the possibility of a decline in American arrivals, it remained most sanguine with regard to its prospects in the US tourism market. The Ministry of Tourism projected a steep and continuous increase in the number of US arrivals, beginning in 1983. (See table 24). Several factors were involved in this optimism which the PRG displayed over its ability to attract American tourists in spite of the State Department inspired propaganda campaign. In the first place, as an industry tourism thrives on confidence and stability, and a good deal of the enthusiasm expressed was no doubt part of a conscious effort to project an image of a vibrant tourist industry with good potential. Secondly, the PRG was astute enough to discern certain advantages in Washington's programme of disinformation directed against Grenada. Prior to the

TABLE 24

PROJECTED STAY-OVER VISITOR ARRIVALS 1983-86

	1983	1984	1985	1986
Grenada <sup>(a)</sup>	8,000	9,600	13,440	18,200
U.S.A.	5,500	6,600	9,900	14,850
Canada	2,200	2,600	5,200	7,800
U.K.	2,750	3,300	4,400	5,280
Europe	6,600	8,000	10,000	12,000
Caribbean and others	10,230	12,300	17,700	23,870
TOTAL	27,280	32,800	47,200	63,800

(a) Grenadian nationals resident abroad.

Source: Ministry of Tourism, St. George's, 1983.

revolution, most Americans had never even heard of Grenada; suddenly this tiny Caribbean island had become 'a threat to the national security of the United States'. In an interview broadcast over Radio Free Grenada in early 1983, Lyden Ramdhanny, the recently appointed Minister of Tourism, highlighted this positive aspect of Grenada's new-found publicity: 'In a way ... President Reagan has helped us by advertising Grenada for us, because quite a number of people didn't even know where Grenada was.'<sup>24</sup> The PRG skillfully exploited the heightened interest over Grenada in the US and elsewhere to draw attention to the island's exceptional qualities as a tourist resort. One of the main slogans of the revolution was, 'Come and see for yourselves',<sup>25</sup> and many speeches given by PRG leaders were consciously aimed at a travelling audience as well as a political audience. In March 1983, when Ronald Reagan made his most extravagant claims of all about the intentions of Cuba and the Soviet Union at the international airport, the PRG invited US journalists and politicians to visit Grenada; and while demonstrating the falsehood of Reagan's allegations pointed to the island's natural beauty and the tranquillity of Grenadian society. Similarly, during his trip to the US three months later Bishop vaunted Grenada's scenic attractions.

After diversification, a second goal which the PRG projected in its concept of 'New Tourism' was that of a greater linkage between the tourist sector and the economy as a whole. The revolutionary government sought to reduce the amount of visitor expenditure on imports by producing in Grenada a number of the items bought by tourists. Hotels

and guest houses were encouraged to use local supplies of fruit, vegetables and fish, and, in order to promote Grenada's handicraft industry, shortly after the revolution the PRG established the Grenada National Institute of Handicraft (GNIH). Adopting the motto 'Helping the hand to build the land', the GNIH was set up as a parastatal body with special responsibilities for research, training, production, marketing and promotion. In September 1981 a marketing outlet for the Institute was established called Grenada Craft Market (Grencraft).<sup>26</sup>

A third factor isolated by the PRG in its tourism programme was that of tourism education. Concerned about the disturbing experiences of other Caribbean islands, the revolutionary government was of the view that some of the negative socio-cultural influences of tourism could be alleviated in Grenada by educating the masses about the importance of tourism to the country's economy. An exercise in one of the textbooks used in the CPE programme provides an indication of the sort of ideas about tourism which the PRG attempted to inculcate in society at large: 'Another aspect of "New Tourism" promotes that all our activities and attitudes towards guests should be positive and helpful, because our visitors must feel welcome and be treated well. All Grenadians must behave as true ambassadors of our country in this field. We should be tourist guides rather than tourist plagues. We must display a certain amount of responsibility, self dignity and self respect when dealing with visitors. Remember that they don't want to be pestered. They want to feel free to move around our beautiful country.'

Grenada will not only benefit from the exchange of ideas and experience with visitors, but will also improve economically from the expanded tourism. When inviting visitors to share in the many attractions of our culture and country, all efforts should be made to ensure that local foods and products feature predominantly.<sup>27</sup> In his interview broadcast over Radio Free Grenada Lyden Ramdhanny announced that the PRG would be launching a 'tourism awareness programme' to bring tourism to the people. Representatives were to be sent from the Ministry of Tourism to 'discuss with people the whole question of tourism, how it relates to the economy, the importance of tourism and what kind of package we can put together.'<sup>28</sup> The PRG also introduced annual seminars in tourism awareness for taxi drivers and beach vendors.

Tourism education also formed part of the political role that 'New Tourism' was to play. As Bishop stated in his address on tourism given in December 1979: '... we see tourism not merely as a business but as an instrument of world peace and understanding where peoples from all over the world can meet in an atmosphere of mutual respect and develop closer understanding of their different cultures.'<sup>29</sup> In June 1981 the Grenada Committee for Friendship with the Peoples (GCFP) was set up in the Ministry of Mobilisation with three main objectives: to foster co-operation, understanding and friendship among all people; to promote social and cultural exchanges with all people; to express solidarity with all oppressed peoples of the world. The GCFP was geared towards radicals from leftwing parties and organisations around the world who had rallied to the cause of the Grenadian revolution, and it sought to attract these 'working class

tourists' during the period June to December, the low season in tourism. Hence, the dates of commemoration for the Grenadian and international labour movements were publicized as the most suitable occasions for radicals to visit the country. The official leaflet of the GCFP summoned visitors thus: 'The GCFP wants you to know and understand our people. To achieve this we are organizing programs on community exchange, lectures, entertainment and tours for you and sympathizers with the GRENADIAN REVOLUTION.

We therefore invite you to 'Come and See for Yourself'.

We offer some of our official dates in the Grenada Calendar when members of your society and others can come to Grenada and integrate yourself (sic) with our people.<sup>30</sup> The activities of the GCFP were complemented by the PRG's tourism agency - the Grenada Resorts Corporation (GRC). The GRC was established shortly after the revolution when the hotels and guest houses personally owned by Gairy were expropriated. Together with the Carifta Cottages, built under the GULP regime, Gairy's former possessions provided the revolutionary government with a state sector in tourism. (See table 22). The GRC made special arrangements for 'working class tourists' and the hotels and guest houses run by the Corporation were featured prominently in the tourist brochures put out by the PRG. Because of this solicitous approach and the international stature of the revolution, Grenada rapidly became a venue for Caribbean and North American radicals and a conference centre for regional and international debate on Third World issues. Nevertheless, 'working class tourism' was not given a central place in the plans of the PRG. The revolutionary government had a preference for 'upper income tourism' because it brought

more foreign exchange into the country and created more jobs. It was also believed that some of the negative socio-cultural influences of tourism could be alleviated by staying 'up market'.<sup>31</sup>

In seeking to draw up guidelines that would concretise its concept of 'New Tourism', the PRG put forward a number of proposals and set itself certain well-defined targets. First of all, in order to avoid a 'concrete jungle' on the beaches, the PRG stated its intention to carefully plan Grenada's tourism development. In late 1982 a Physical Planning Unit was set up in the Ministry of Planning. The Unit was assigned the responsibility for environmental management and allotted the task of preparing a Physical Plan for the country. In order to prevent tourism from spoiling the natural beauty of the country, particular regions were reserved for specific purposes.<sup>32</sup> A target of a maximum of 100,000 stay-over visitors a year was declared, and in order to accomodate them the revolutionary government anticipated the construction of between 1,500 and 2,000 hotel rooms. It was envisaged that local and foreign capital would establish most of the hotel infrastructure, and generous incentives were provided in the investment code for companies wishing to invest in hotels and other tourism facilities.<sup>33</sup> The PRG did not want hotels to exceed 150 rooms nor be above two stories high. This was in order to obviate the need for elevators. The revolutionary government required hotels to make use of natural ventilation rather than air conditioning, a measure which, like the discouragement of the use of elevators, would have saved on electricity.<sup>34</sup> As regards the development of the state sector in tourism, mention has already been made



of the PRG's acquisition of the Holiday Inn hotel in 1983. Negotiations were also under way with certain financial institutions for funding to construct two 150-room hotels. These were to be built by the PRG, after which an agreement was to be made with an international hotel chain to provide management. Stipulated in the agreement would be a provision to train Grenadians in order to prepare the way for ultimate PRG administration of the hotels.<sup>35</sup> Such an arrangement had already been worked out at the Grenada Beach Hotel. Thus, with its carefully worked out strategy and the opening of the new international airport scheduled for mid-1984, the Bishop regime confidently predicted that tourism would rapidly absorb the country's unemployed and by 1985 Grenada would be facing a labour shortage.

## Tourism and Revolution

The actual experience of Grenada's tourist industry under the PRG could not, in and of itself, be used to make a judicious appraisal of the revolutionary government's views about tourism. History did not allow the PRG sufficient time to complete the international airport nor remain in power until 1985. Indeed, the PRG worked under the assumption that tourism could only 'take off' once the Point Salines project was completed. Nevertheless, the poor performance of tourism between 1979 and 1983 does raise a number of questions about the viability of the PRG's concept of 'New Tourism'.

The first point to be made is that the US propaganda campaign achieved its main objective - there was a sharp decline in the number of visitors in each year of the revolution. (See tables 25 and 26). While the revolution coincided with the international recession, and, as a consequence, there was a downturn in tourism throughout the Caribbean, Grenada witnessed the steepest and most sustained decline of any other country in the region. The sharpest fall of all was in the number of US stay-over visitors, which plummeted from 9,191 in 1978 to 5,124 in 1981. While the shortfall registered in the number of stay-over visitors from other countries was not as dramatic, it was pronounced, and there was no evidence to suggest that the loss of US visitors was being offset by arrivals from elsewhere. (See table 25). The diversification programme had not yet begun to bear fruit. Furthermore, repeat business fell from 30 per cent to less than 12 per cent.<sup>36</sup> While these facts alone do not prove that the PRG's bid to develop a tourist industry less dependent

TABLE 25

STAY-OVER VISITOR ARRIVALS 1978-1982

Country of Origin <sup>(a)</sup>	1978	1979	1980	1981	1982
U.S.	9,191	9,081	6,767	5,124	N.A.
Canada	2,977	2,926	1,991	1,910	N.A.
Europe/U.K.	6,998	11,371	6,774 <sup>b</sup>	5,618	N.A.
Venezuela	498	287	472	438	N.A.
Caribbean	8,773	7,981	7,655	8,509	N.A.
Rest of World	3,899	657	5,813	3,473	N.A.
<b>TOTAL</b>	<b>32,336</b>	<b>32,303</b>	<b>29,418</b>	<b>25,072</b>	<b>22,788</b>

(a) By country of nationality.

(b) U.K. and Germany only.

N.A. Not available

Source: Caribbean Tourism Statistical Report 1982, p. 66;  
Statistical News, 20 April 1983.

TABLE 26

CRUISE PASSENGER ARRIVALS 1978-1982

1978	1979	1980	1981	1982
116,331	138,654	145,594	77,596	62,119

Source: Caribbean Tourism Statistical Report 1982, p. 67;  
Statistical News, 20 April 1983.

upon the US was untenable, other factors do in fact suggest that this may have been the case. In the first place, the US is the Caribbean's most important tourism market, accounting for some 63 per cent of stay-over visitor arrivals in the region. The corresponding figures for Canada and Europe are 7 per cent and 12 per cent.<sup>37</sup> Secondly, while the Canadian and European markets experienced serious problems during the recession, the US market continued on an upward trend and exhibited an underlying strength of demand.<sup>38</sup> Caribbean tourism also increased during this period, but it does not have the same economic importance as North American and European tourism. To quote the CTCRC: 'Although [the] strength in the Caribbean market is encouraging, it represents a general upward trend for more travel by those resident in the region, with gains being, in foreign exchange terms, balanced by losses. Regional tourism cannot have the same economic impact as spending from outside the region.'<sup>39</sup> As regards the prospects for increased travel by Grenadians resident abroad, the very least one can say is that Coard's comparison with Israel was hardly relevant. Finally, in spite of much discussion about the potential of the South American market for the Caribbean, it has failed to materialise except to those destinations offering exceptional opportunities for shopping or other such diversions. It is difficult for the Caribbean to compete with the many attractions - shopping, financial services and so forth - of Miami, and most South American countries have good holiday resorts of their own.

Apart from the question of market strength, American tourists spend far more money than visitors from any other destination. In the case of Grenada, this was confirmed by

a detailed survey carried out by the CRTC in early 1982. It showed that as an average per party per trip, American visitors spent around 4 per cent more than European visitors, around 10 per cent more than Canadian visitors and over 65 per cent more than Caribbean visitors. (See table 27). Part of the reason for the particularly low expenditure of Caribbean visitors was the fact that less than 50 per cent of arrivals from the Caribbean were in Grenada specifically for vacation purposes, whereas over 83 per cent were from the US, Canada and Europe.<sup>40</sup>

The CRTC survey also provides data on a number of other aspects of Grenada's tourist industry under the PRG. First of all, it showed that Grenada's main attractions to the visitors interviewed were the country's warm climate, beaches and relaxed atmosphere. (See tables 28 and 29). Most other Caribbean tourist resorts are equally well-renowned for these features and this factor would seem to indicate that Grenada's special attraction - namely its scenery - would not, in and of itself, have been sufficient to attract the sort of numbers projected by the PRG. The revolutionary government would have faced intense competition from its Caribbean rivals. Secondly, the survey confirmed with respect to Grenada a pattern that has been observed in other tourist resorts, namely the heavy reliance of tourists upon friends and relatives for information concerning a tourist resort. (See table 30). 'What seems to occur is that a person's interest is aroused through many alternative means - a film on TV, a tourist board advertisement, a book, a newspaper article, a tour operator advertisement - and this initial interest is followed up by a consultation with some friend or relative who has

TABLE 27

TOURIST EXPENDITURE

	US	Canada	Europe US \$	Caribbean
Average per party per trip	855	724	818	295
Average per person per trip	481	398	482	223
Average per person per night	57	36	48	69

Note: The average length of stay of Caribbean residents was 3.6 nights, compared with typically around 9 nights for those outside the region. In addition, the number of people per expenditure party was typically 1.7-1.8 for those from outside the region, compared with 1.32 for Caribbean residents. Both these factors tended to push up the expenditure per person per day for Caribbean residents.

Source: Caribbean Tourism Research and Development Centre, Grenada Visitor Survey 1982: Vol. 1 Summary and Methodology, Barbados, 1982, p. 8.

TABLE 28

REASONS GIVEN BY TOURISTS FOR THEIR VISIT

	US	Canada	Europe
Warm Climate	119	93	120
Restful Atmosphere	71	48	82
Scenery	56	40	72
Beaches	76	43	85
Inexpensive in General	4	7	2
Friendly People	50	35	76
Near Family/Friends	46	17	21
Yachting/Sailing	12	15	13
Other	30	24	41

Note: Respondents were asked to cite three reasons for their visit to Grenada.

Source: Grenada Visitor Survey 1982: Vol. I Summary and Methodology, p. 4.



TABLE 29

ASSESSMENT OF GRENADA MADE BY TOURISTS

Very Satisfied <sup>(a)</sup>	US	Canada	Europe %	Caribbean
Ease of Entry	48.2	62.1	42.7	67.1
Immigration Personnel	51.2	56.5	44.7	68.4
Customs Personnel	50.0	54.4	45.6	61.0
Beaches	89.4	82.0	74.4	65.7
Accommodation	66.2	62.1	45.1	55.7
Restaurants	40.6	37.7	23.2	23.7
Sports Facilities	30.6	26.2	13.4	21.1
Night Life	19.3	27.0	17.8	14.3
Local Transport	36.2	34.3	25.0	25.0
Excursions	46.5	49.2	28.2	23.5
Friendliness	71.4	75.4	66.7	75.0
Overall Cost of Visit	40.1	48.5	24.6	60.3

(a) Respondents were asked to score aspects of tourism in Grenada on a range of 1 (very dissatisfied) to 5 (very satisfied). The proportion of 'very satisfied' forms a useful index of relative strength.

Source: Grenada Visitor Survey 1982: Vol. I Summary and Methodology.  
p. 7.

TABLE 30

SOURCES OF INFORMATION USED BY TOURISTS

Information Source	US	Canada	Europe
Friends/Relations	54.1	64.7	46.4
Travel Agent Brochure	8.2	8.4	15.3
Airline Brochure	11.2	6.7	6.6
Travel Books	10.6	3.4	13.8
Newspaper, Magazine	-	0.8	-
Tourist Board	0.6	0.8	4.1

Note: Respondents were asked for their main information source.

Source: Grenada Visitor Survey 1982: Vol. I Summary and Methodology, p. 4.

personal experience.<sup>41</sup> This is an illustration of the deep conservatism of tourism and the reluctance of most tourists to venture into 'unchartered waters'. Another area on which the survey contains information is that of accomodation. The most important factor to isolate here is the strong tendency of Caribbean visitors to stay with friends and relatives, which confirms the information already presented concerning the expenditure pattern of visitors from the region. (See table 31). Finally, the survey contains a number of comments made by visitors about their appreciation of holidaying in 'Free Grenada'. Reactions to the revolution were mixed: 'As a socialist and member of the New Democratic Party in Canada, I was inspired by Revolutionary Grenada, and will encourage everyone to come and see for themselves', stated one satisfied customer of the PRG. Another supporter was somewhat more reticent: 'Long live the revolution', was his or her response. Other respondents were not so impressed by the revolution: 'The people were friendly and helpful. Our only recommendation would be to use another word for revolution, because revolution has a negative connotation to tourists'; 'Too much militaries'; 'We disliked soldiers coming into the restaurants with large guns hanging over their shoulders'. And one final criticism of the revolution was: 'Disliked all the bad talk about the US on the radio and in the press which makes the US visitors uncomfortable'. Many visitors were also apprehensive about the planned growth of Grenada's tourist industry, thus revealing a marked reverence amongst tourists for the island's underdevelopment. Typical comments were: 'We liked the fact that the island is not too developed'; 'Tourism is important to the economy, but I am afraid that if Grenada had a lot of

TABLE 31

ACCOMMODATION USED BY TOURISTS

Accommodation	US	Canada	Europe	Caribbean
	%			
Hotel	48.2	18.8	44.4	42.4
Guesthouse	6.6	6.0	13.9	10.9
Rented Apartment	7.2	27.4	21.4	4.3
Friends/Relatives	30.1	35.0	13.4	40.2
Bareboat	2.4	3.4	1.6	-
Crewed Yacht	3.0	5.1	2.7	-
Other	2.4	4.3	2.7	2.2

Source: Grenada Visitor Survey 1982: Vol. I Summary and Methodology, p. 6.

tourism it would change the friendliness and mentality of the people'; 'I have an anxiety that development of the country could lead to over-development which has happened in Japan and the US i.e., spoiling the natural beauty and the wild life for development'.<sup>42</sup> These statements reveal a great deal about the tensions which existed in Grenada's tourist industry under the Bishop regime.

Taken together then, the actual performance of tourism under the PRG, and the nature of, and trends inherent in, the international tourism market would tend to suggest that diversification could not have given rise to the growth in tourism envisaged. The ability of the US to substantially reduce the flow of visitors to Grenada was a major headache for the Bishop regime.

The central place which the PRG accorded to the private sector in its tourism programme also posed a number of problems. First of all, given the unreliability of local supplies most private hoteliers continued to purchase imported food and drink. Secondly, private sector investment in tourism remained depressed throughout the four years of the revolution.<sup>43</sup> Part of the reason for this was, undoubtedly, the international recession. The fact that the Point Salines project had not yet been completed, was another. In his Radio Free Grenada interview Ramdhanny reported that he had been told by hoteliers and other private investors that they were not prepared to 'pour one bucket of concrete in terms of hotel construction until they have that international airport'.<sup>44</sup> These factors alone, however, are not sufficient to explain the poor investment climate in tourism. For, in spite of the recession, a number of other Caribbean islands managed to attract substantial new investments in tourism during this period.<sup>45</sup>

Why did this not occur in Grenada which had such tourism potential? Evidently, there was a lack of confidence on the part of investors in the PRG's ability to complete the Point Salines project, and apprehension existed with respect to the long term prospects for tourism in a revolutionary state. The Canadian company, Carinex, which expressed great interest in developing a hotel complex in Grenada, had in April 1983 still not made a final commitment. According to Nicholas Thomas, Tourism Development Officer of the CTCRC, hoteliers in Grenada were highly suspicious of government intentions following the PRG's cancellation of an agreement with an international company. Thomas had been told by Royston Hopkins, President of the Grenada Hotel Association (GHA), that he, Hopkins, was hesitant about investing because of his fears over the PRG's policies.<sup>46</sup>

The poor investment climate in tourism also indicates that the projected number of tourist arrivals was unrealistic. Since the construction of new hotels was not taking place there simply would not have been the space to accommodate the numbers planned. And this, in turn, suggests that government revenues from tourism would not have been adequate to repay the debts incurred at Point Salines. A debt crisis loomed on the horizon. Moreover, it is highly unlikely that employment would have been found for all those whose labour would have become superfluous with the completion of the international airport.<sup>47</sup>

While the problems associated with private sector tourism development were formidable,<sup>48</sup> it should be pointed out that the PRG's experience of state intervention in this area was not too encouraging. The commitment to private sector tourism

was, to a large extent, based on the inability of the state to operate efficiently in the tourist industry. Although Grencraft turned out to be one of the biggest success stories of the revolution, achieving a rapid growth in sales and stimulating a local demand that it was unable to fully satisfy, the GRC's performance was little short of a disaster. Four of the managers appointed to run the Corporation had to be sacked for a number of reasons, such as 'sexploitation', corruption and poor management. In 1982 the GRC lost EC\$230,000. While the slump in tourism was partly responsible, the loss in earnings was primarily due to overstaffing, pilferage of food and drink, waste, and the failure of government ministries to pay bills. Most workers in the hotels had no experience of hotel work, and this was another contributory factor to the poor performance. Originally, the PRG believed that the GRC could be used to provide more jobs for the unemployed, and, in 1982 the Corporation's workforce was increased to 116 employees from 90 the previous year. This meant that in comparison with the private hotels the GRC had twice as many workers to each hotel room.<sup>49</sup> In order to reduce the staffing ratio and cut its losses, in early 1983 the GRC fired about half its labour force without any form of compensation. Finally, the Crucial Factor restaurant, owned by the PRG, was somewhat more successful. In 1983 it made a profit of EC\$5,800, though this was quite a modest sum for such an enterprise.<sup>50</sup>

The limited scale of government intervention in Grenada's tourist industry placed restrictions on the PRG's ability to use tourism as an instrument of 'socialist orientation'.

Given that the tourist industry remained largely in the hands of the private sector most of the benefits still accrued to a minority of the population; and since private sector participation in tourism was scheduled to increase this situation would have been exacerbated. Unlike Cuba, tourism is one of Grenada's leading industries and therefore its ownership structure is of capital importance to the island's political economy as a whole. Notwithstanding the plans of the PRG, the prioritisation of tourism in the economic strategy of the revolutionary government thus constituted a major contradiction in the attempt to construct a socialist society. To quote Emmanuel de Kadt: 'Planners of tourism can do little to promote greater equality in the distribution of the benefits of that industry, if the forces making for inequality are left a free rein in their society and if policies aimed at the eradication of poverty are not vigorously pursued. It is a nation's overall political economy that will, in effect, largely determine the eventual social outcome, if not the initial economic shape, of projects. "Planning" can do little to alter this fundamental fact.'<sup>51</sup> And this, in turn, relates to the PRG's tourism awareness programme. The underlying concept of this campaign was the idea that the animosity displayed by the indigenous population towards tourists is based on ignorance and a lack of appreciation of the economic importance of tourism. Such an idea, however, rests on a misunderstanding of the effects of tourism in a society with a highly skewed distribution of income. To quote Emmanuel de Kadt once again: 'When tourism development is grafted onto a society whose poverty is still widespread and where many inhabitants do not share in the benefits of



tourism, negative attitudes toward the tourists and resentment of their wealth should cause no surprise.<sup>52</sup> In spite of its innovative features, the tourism awareness programme of the PRG suffered from this fundamental misconception which has nullified tourism education campaigns in a number of Caribbean states. Moreover, the PRG does not appear to have had any concrete plans to counter the class barriers erected by tourism by making the island's tourism facilities more accessible to working people. When asked if the PRG had any scheme of rewarding workers with a holiday in a government-owned hotel, Jane Belfon, the director of tourism, commented flatly: 'If they can afford to stay in hotels, they stay.'<sup>53</sup> Again, the private sector bias in the PRG's tourism programme restricted its ability to alleviate the negative soci-cultural influences of tourism. While Grenada by no means reached the level of Barbados, the evils of tourism were in evidence in Bishop's Grenada. Most important of all was the beach boy phenomenon. In fact, it appears that the popularity of the revolution amongst young radicals in Europe and North America made Grenada a chosen destination for white women seeking a physical encounter with black and Rastafarian males. As in a number of other Caribbean islands, Scandinavian and West German women were the most enthusiastic supporters of this black eroticism of the revolution. The avenues that existed for young, enterprising and virile young males to earn a living providing sexual, narcotic and other services for tourists was a major weakness of the Bishop regime. It militated against the socialist and egalitarian ethos of the revolution, reinforced racial and cultural stereotypes, fostered disdain and

resentment for work in agriculture and was the main factor underlying the 'visa mentality', i.e., the urge to migrate, of sections of the youth. While Radio Free Grenada extolled with great solemnity the superiority of the socialist camp over the Western countries, Grenadian teenagers could make a concrete assessment for themselves by going to the beaches of Grand Anse and Morne Rouge and examining the attire and affluence of Western tourists and Cuban construction workers respectively. Of course, this would not have been a 'scientific' way to evaluate the relative merits of capitalism and socialism, but unemployed young people in Grenada would probably not have been thinking 'scientifically'.

The beach boys also caused great offence to a number of socialist feminists who worked in Grenada under the PRG. Intimidated by the advances of the beach boys, they stayed away from the major beaches and did not dare to venture out alone in tourist areas.<sup>54</sup> In addition to beach boys, there was also begging and female prostitution, but these activities were not widespread. No doubt the recession facing Grenada's tourist industry made the PRG hesitant about stamping out these practices. The tourists would simply have gone to a neighbouring island. When asked about these problems, Jane Belfon was attentive but not overly concerned. She said that the PRG was aware of these happenings, and although no concrete measures had yet been drawn up to resolve the 'Scandinavian problem' it was their intention to stop the 'trade in body'. Strategies were being developed, she said, to end prostitution and drug peddling, and booths were to be built for vendors to stop them 'hassling' tourists.<sup>55</sup>

To sum up then, one can say that tourism was a major contradiction of the Grenadian revolution in that it saddled the PRG with a number of social and political problems while its economic benefits were of declining value and the long term prospects of the industry were uncertain. It also made the revolution particularly vulnerable to US imperialism. The crippling effects of the state department propaganda offensive have been documented. What also has to be mentioned is that tourism was a colossal security problem for the revolution. Unable to impose visa restrictions and security checks on visitors, owing to the competition it faced from neighbouring states, Bishop's Grenada must have been a paradise for CIA operatives. The efficiency and speed with which the US invasion was carried out in October 1983 was, in part, an illustration of the CIA's success in intelligence gathering. In that sense, tourism may also be considered to have been one of the gravediggers of the revolution.

## Chapter Eight

## Developments in the Countryside

Since Grenada is predominantly a rural society, it is not surprising that some of the boldest measures introduced by the Bishop regime took place in the countryside. Undoubtedly, the PRG devoted more attention to agriculture than any other state in the history of the English-speaking Caribbean. Pursuing an integrated strategy, which involved mass mobilisation, incentives to the peasantry, the improvement of feeder roads and land reform, the revolutionary government had no intention of neglecting the rural areas in its modernization drive. The PRG consistently lauded the virtues of farming in order to root out the disdain for this activity which centuries of slavery and colonialism have implanted in the psyche of the Grenadian people. However, the problems which the revolutionary government inherited in this area were formidable and many factors served to obstruct its initiatives.

### The Agrarian Programme

On assuming power in 1979 the PRG did not waste any time in attempting to find a solution to the deep malaise which afflicted Grenada's agricultural industry. Initially, the revolutionary government centred its attention on the twenty-six state farms it inherited from the Gairy regime. A detailed inventory of the assets of each of the estates was made and new management teams were brought in. Managers were asked to make proposals for the 'urgent rehabilitation' of the estates so that each farm could become self-sufficient by the end of a five-year period. In December 1980 the Grenada Farms Corporation (GFC) was launched and assigned the following responsibilities: to maintain, manage and control all the farms; to develop the farms on a commercial basis consistent with the agricultural policies and programmes of the PRG; to stimulate and undertake agricultural development on the farms and participate in agricultural development projects approved by the minister responsible for agriculture; to stimulate development among small landholders in close proximity to the farms and be a source of supply of inputs critical to small farm development; to perform any other function consistent with agricultural development as the minister responsible for agriculture may from time to time direct.<sup>1</sup> Subsequent cost-benefit analysis indicated that six of the farms were inherently unviable and later on they were disbanded as separate units or taken out of GFC control. A policy paper put out by the ministry of agriculture announced that the state sector would take 'the leading role in transforming agriculture',<sup>2</sup> and this was given greater effect by the introduction in August 1981 of the Land

Development and Utilization Law. Under this law, the minister of agriculture was empowered to compulsorily lease for ten years any estate over 100 acres considered to be idle. The Land Law was carefully worded to give the Land Development and Utilization Commission, a body of government appointees, a great deal of scope to implement the law's requirements. In the first place, the Land Commission was authorized to designate an area of land as 'agricultural', thus making the law applicable to any piece of land chosen by the Commission: 'The Commission with the approval of the Minister may from time to time by order designate as agricultural land any land which, having regard to its situation, character and other relevant circumstances, the Commission considers ought to be brought into use for agriculture, so, however, that no order shall be made ... in relation to land the use of which for some development purpose other than agriculture has been approved by Government.'<sup>3</sup> The original draft of the law allowed thirty days between the declaration, made in the Grenada Government Gazette, of an agricultural unit as idle and the coming into force of the law. Owners were given twenty-one days in which to make an appeal against the Commission's ruling. In December 1982 the PRG introduced an amendment to the law which speeded up the acquisition procedure. It stated that where 'the Minister in his discretion considers that for any of the purposes of increasing production providing employment or otherwise serving the national interest the Crown should obtain a lease of [an agricultural unit] without delay the Minister may make an ... 'Immediate Leasing Order' in respect of such land.'<sup>4</sup>

The immediate leasing order allowed only seven days for appeal by landowners, following which the minister of agriculture would either allow the appeal and revoke the order, or dismiss the appeal and confirm the order. The original draft of the law had also provided for owners to submit a development plan in respect of their farming intentions as a means of avoiding government acquisition of their property; but the immediate leasing order dispensed with this provision. During the period of lease the Land Law made the minister of agriculture responsible for all taxes payable by the owner. However, the amount of compensation to which the owner was entitled was extremely modest: an annual rent 'equivalent to one per centum of the unimproved value of the land as agricultural land at the time of commencement of the lease or any renewal thereof, as the case may be.'<sup>5</sup> In addition to the clause enabling it to designate an area as 'agricultural land', the Land Commission was given a wide range of powers to solicit information from owners about their estates and carry out inspections and surveys of its own of agricultural units.

The Land Law was introduced during the enumeration process of the 1981 agricultural census, which provided a great deal of information about the state of agriculture, and focussed the attention of the revolutionary government on this issue. In the following year the PRG carried out an aerial survey of the island which produced photographic and cartographic information about the situation in the countryside. It seems that the PRG was carefully analysing all of this information before making full use of the powers it had assigned to itself under the Land Law. For in spite of the

abundance of idle land in the country, no acquisitions took place for over eighteen months. Another factor which might have contributed to the delay was the shortage of trained personnel in agriculture. In any event, when the PRG did begin to take over estates in April 1983 it was greatly assisted by several Grenadians who had recently graduated at the School of Agriculture at the University of the West Indies in Trinidad and Tobago. An indication that the April take-overs were scheduled way in advance is provided in the revised Land Law. It gave absentee landowners until 31 March 1983 to provide the minister of agriculture with an address in Grenada that could be used for the purposes of the law.<sup>6</sup> Clearly, the link between this date and the subsequent take-overs was no pure coincidence.

The PRG adopted a flexible and pragmatic approach in acquiring estates. Beginning around November 1982, a number of farms were declared idle. This process continued through to the early months of 1983. During this period the PRG entered into negotiations with landowners, and, in anticipation of government acquisition some of them offered their estates for sale at knockdown prices. Such planters were paid in cash and government bonds.<sup>7</sup> In several other cases an appeal was made against the idle land order. Of those that appealed, the majority did not bother to submit a development plan. There is only one case documented of the PRG having accepted the development proposal made by a landowner. It was at the Chambord estate in St. Patrick's which was owned in three parts by Harold George Gentle and others, Ian Turbott and Kent Estates Ltd. The Land Commission agreed that forty acres of the 317-acre estate should remain in the possession of the Owners subject to it being used for the purpose stated



when representation was made to the Lands Officer.<sup>8</sup> In mid-April, when the main bulk of the acquisitions took place, the PRG resorted to the immediate leasing order provision to gain rapid control of estates, many of which had already been declared idle. Details of the various take-overs were made available in the Grenada Government Gazette only; the Free West Indian did not report them. The revolutionary government wanted as little publicity as possible in order to prevent an over-reaction on the part of the planter class and its capitalist associates. The landowners, for their part, did not agitate publicly about the fate that had befallen them. In the main, they entered into negotiations with the PRG in an attempt to get more acceptable terms either for the lease or an outright government purchase. With its intimate knowledge of each of the planters and their political and family backgrounds, the PRG treated each case separately. It used various means to head off the demands of landowners while proceeding to take over the management of the estate in question. In this way it avoided a direct confrontation. The PRG's acquisition programme was facilitated by the generalized insolvency of the planter class. It was widely said that only three estates in the country were making any profit, and many were in debt to the commercial banks and the CDB. In fact, in at least two cases the PRG was obliged to enter into long drawn out discussions with the Bank of Nova Scotia before assuming farm control.<sup>9</sup> Several planters were quite happy to let the PRG take control of their estates and made informal arrangements with the revolutionary government either before or after the issue of an immediate leasing order.<sup>10</sup> Thus, the

PRG was able to increase state intervention in agriculture with little appreciable opposition. In all, some eighteen estates were taken over, expanding GFC control to some twenty-five per cent of the cultivable land in Grenada. (See table 32). The estates that were left untouched belonged to local planters who were active supporters of the revolution and had well-thought out ideas about farming. In this way the PRG had separated the 'patriotic national bourgeoisie' from the 'unpatriotic national bourgeoisie' in agriculture.

In reinforcing the state sector in the countryside, the PRG devoted considerable attention to the living conditions and educational level of the agro-proletariat. A document issued by the GFC in 1983 provides an illustration of the revolutionary government's thinking on this matter: 'One of the fundamental reasons responsible for the backwardness of agriculture and the low level of production is undoubtedly the low productivity and cultural level of agricultural workers.'

The cultural level of the vast majority of agricultural workers varies within illiterate and semi-illiterate. When one considers the critical importance of agriculture to our economy it is ironical that such a vital area is clothed with the most backward elements.<sup>11</sup> In order to ameliorate this situation the PRG introduced a number of measures and incentives. First of all, government ministers paid regular visits to estates and castigated the old attitudes towards farm work. It was impressed upon the rural labour force that agriculture was of vital importance to the economy, and the 'creative' and 'exciting' aspects of farm work were highlighted.

TABLE 32

ESTATES MANAGED BY THE GRENADA FARMS CORPORATION - 1983

	Area in Acres	Previous Owner
<u>REGION 1 - T. A. MARRYSHOW</u>		
Carriere	78	Government of Grenada
Chambord	317	(Harold George Kent Gentle (Ian Turbott (Kent Estates Ltd.
Levera	120	Government of Grenada
Meadow	122	Aero Club Company Ltd.
Mt. Reuil	250	Government of Grenada
Pointzfield	40	Government of Grenada
River Antoine	400	De Gale Family
<u>REGION 2 - T. URIAH BUTLER</u>		
Belle Vue (St. Andrew) <sup>(a)</sup>	226	Government of Grenada
Grand Bras/Cadrona	195	Government of Grenada
Mt. Horne	75	Government of Grenada
Paradise	198	Government of Grenada
Springs	226	Government of Grenada
<u>REGION 3 - JULIEN FEDON</u>		
Belvidere	800	(Esmond Ronald Campbell (Malcolm Percival Campbell (Agnes Louise McMillan
La Force/Pechier	N.A.	N.A.
St. Omer	N.A.	N.A.
Windsor	N.A.	N.A.
<u>REGION 4 - DEMO GRANT</u>		
Black Bay	90	Government of Grenada
Bocage/Diamond	380	Government of Grenada
Lorretto	110	Government of Grenada
Palmiste	N.A.	N.A.
Samaritan	43	Government of Grenada

<u>REGION 5 - HAROLD STRACHAN</u>		
Beausejour	600	N.A.
Perseverance	260	Government of Grenada
Grenville Vale	300	(Herbert Neckles (Grenville Vale Estates Ltd.
Woodford	330	(Woodford Estates Ltd. (George Elliot Dunbar Clyne (Government of Grenada
<u>REGION 6 - RUPERT BISHOP</u>		
Bailes Bacolet	398	Campbell's Estates Ltd.
Calivigny	110	Government of Grenada
Laura	114	Government of Grenada
La Sagesse (a)	110	Government of Grenada
La Sagesse (b)	104	La Chasseur Beachettes Ltd.
Minorca	68	Wilbert Douglas
<u>REGION 7 - EDITH McBAIN</u>		
Grand Bacolet	N.A.	N.A.
Marcmount (a)	148	Government of Grenada
Marcmount (b)	176	(John Byron Renwick (Charles Grainger
Requin	N.A.	N.A.

N.A. - Not available.

(a) - This refers to the Belle Vue estate in the parish of St. Andrew.  
There is another estate called Belle Vue in the parish of St. George's.

Source: Grenada Farms Corporation, St. George's, 1983; Grenada Government Gazette, Jan. 1 - June 3 1983.

In February 1981 the AGWU concluded a twenty-eight-point agreement with the PRG which greatly improved the wages and working conditions of workers on state farms. Contents of the agreement were disclosed at a general meeting of the union held at Seamoon, Grenville, on Thursday 19 February. In outlining the agreement, Fitzroy Bain declared that the days were done when agricultural workers were treated like animals, and pledged that the AGWU would be standing up for their rights in the times ahead.<sup>12</sup> He announced that under the agreement daily-paid workers would receive pay increases from EC\$6.80 to EC\$8.50 for men, and from EC\$5.80 to EC\$7.50 for women. These increases also applied to road workers who were represented by the union alongside estate workers. Clerical workers on estates, who were paid fortnightly, would receive an increase of EC\$23.80 per fortnight. Profit-sharing was also to be introduced. Estates would be required to present a certified statement of accounts to the union, after which one-third of the profits would go to the employer, one-third towards the improvement of the estate and the remaining third to be distributed amongst the workforce. On profit-sharing Bain stated: '... this will be the basis for changing the economic situation of the agricultural and road workers', since it would ensure that they got a share of the profits created by their work.<sup>13</sup> Bain reported on the other requirements contained in the agreement. The seniority and experience of workers were to be taken into consideration in their treatment by the the employer. Every worker would be entitled to sick leave benefits, whether sick on the job or at home. And workers were to receive pay for public holidays, as long as they worked the day before or the day after the holiday.

Proper health and safety conditions were 'guaranteed' to all workers on state farms, and the PRG agreed to have an insurance plan worked out in the not-to-distant future. The PRG also undertook to institute a pension scheme for agricultural workers, and started to pay EC\$20 a fortnight to pensioners until the plan was implemented. Seperate toilet facilities were to be provided for men and women, so that workers would no longer need to 'hide behind the bushes'. In order to put an end to the practice of workers drinking from streams, pipe-borne water and adequate drinking facilities would be installed; and workers were to be provided with a common room for eating. Estates were mandated to make cutlasses and files available to the workforce. In the event of redundancy, the estate owner was now obliged to inform the union and the workers at least forty-five days in advance, and severance pay was 'guaranteed' to any worker made redundant. Workers were called upon to participate in the running of estates, and managers were required to hold monthly meetings with their workforce to review the financial position of the estate and decide on ways of increasing production. Finally, workers on government estates would now be allowed to take time off during working hours to attend union meetings, seminars and other union activities, and full pay would be paid for the period of absence. In bringing his address to a close, Bain said that the union realised that more benefits were needed, but, he argued, workers should appreciate that they did not get 'one cent' last year and that there was a need for unity in the times ahead to

get more benefits. He called on union members to wage a struggle to get the entire agreement implemented on state farms, and said that privately-owned estates should also be involved so that 'the agreement between the union and government can be instuted throughout the country.'<sup>14</sup>

In 1983, as part of its programme of promoting workers' education classes in public and private sector enterprises, the PRG introduced a new set of measures aimed toward the estate worker. These measures were designed to raise the 'cultural level' of the agricultural labour force. In the first place, weekly workers' education classes were instituted. The classes lasted one hour and had three main objectives: to make workers aware that the farms were social property and hence that their development would enhance the development of Grenada; to ensure that workers participated actively in the process of managing the farms and in drawing up and executing all farm plans; to educate workers on production and productivity. Secondly, the PRG took steps to ensure that estate workers made maximum use of the CPE. Estate managers were instructed to keep a register of workers attending CPE classes and make arrangements for successful CPE students to get further training in agriculture. As an inducement to attend CPE classes, a CPE certificate was to be used as one of the main criteria for promotion. Finally, a procedure was worked out for the application of emulation to the state farming sector. Monthly emulation committees were set up comprising estate workers, management and union representatives. The emulation committees

selected workers for emulation on an individual and group basis. Emulation was based on labour discipline and participation (see table 33), and a variety of awards were given to successful workers, including: cash, travel to socialist countries, coupons for travel on state buses, tools, clothes, increased loans for house repair, special invitations to state events and public recognition.<sup>15</sup>

Turning to the development of the estates, on 15 December 1982 the CDB approved a loan of US\$2 million for the improvement of the estates managed by the GFC before the 1983 take-overs. The agreement became effective on 1 January 1983, and included among the project's objectives were: the establishment, rehabilitation and maintenance of crops and livestock enterprises on the farms; the cultivation of twenty-two acres of avacados and cloves, and thirty acres of vegetables; the establishment of a sheep enterprise on 114 acres of land under coconuts, fifteen acres of which were to be irrigated; the upgrading of the existing stock of equipment and machinery, and infrastructure such as roads and bridges; the provision of a radio network to facilitate contact between estates as well as between the GFC headquarters and individual estates; the improvement of management capability through the selection and training of key personnel at appropriate institutions. Crops produced under the scheme were to be sold primarily to Trinidad and Tobago and Britain through the Marketing and National Import Board (MNIB), the state trading company established by the PRG.<sup>16</sup> The PRG was required to contribute EC\$1.6 million to the overall project to pay for certain local costs. As a rule, the CDB only makes payments to its recipients after they have already spent a sum of money, so the CDB loan gave rise to a



TABLE 33

EMULATION CRITERIA USED BY THE GRENADA FARMS CORPORATION

<u>1. LABOUR DISCIPLINE</u>	<u>POINTS</u>
Attendance and punctuality	10
Fulfilment of tasks in terms of both quality and quantity	40
Care of equipment and property	10
Initiative and creativity	5
Co-operativeness/comradeliness	2
TOTAL	<u>67</u>
<u>2. PARTICIPATION</u>	
Punctuality and participation in Socialism classes	10
Attendance and punctuality in Adult Education classes	10
Attendance and punctuality in Trade Union activities	5
Attendance and punctuality in Militia activities	2
Attendance and punctuality in Voluntary Work in State/ Community enterprises	4
Attendance and punctuality in Workers Parish Council	2
TOTAL	<u>33</u>

Note: Out of 100 points 67 points were assigned to Labour Discipline and 33 points to Participation. Each was subdivided in turn as shown. Points were awarded for labour discipline on a group basis. Workers were divided into teams and each team given a specific target to meet. It is not clear whether points were awarded for participation on a group or individual basis.

Source: Grenada Farms Corporation. St. George's, 1983, 'The Role of the Trade Union in 1983'.

considerable increase in the financial requirements of the PRG. Moreover, since the loan did not cover the estates taken over in 1983, more government finance was needed to develop them.<sup>17</sup>

After the reinforcement of the state farm sector, the co-operative movement launched by the PRG, the National Co-operative Development Agency (NACDA), was the second most important initiative undertaken by the revolutionary government in agriculture. Before the revolution there was a very weak co-operative movement in Grenada. Co-operative laws were based on the British model, while the co-operative credit unions that existed under these laws were strongly influenced by the American co-operative movement. In establishing NACDA the PRG was assisted by T.D.L. Peiris, whose technical expertise was made available by the Commonwealth Fund for Technical Co-operation (CFTC). The Agency was set up in April 1980 as a statutory body in the ministry of agriculture, and its objectives were listed as follows: to co-ordinate the activities of the various departments of government and other institutions engaged in the establishment and development of co-operative societies in Grenada; to provide services necessary to facilitate the establishment and development of co-operative societies, and in particular, to create and manage a fund for granting loans and other financial assistance to registered co-operative societies; to advise the minister responsible for agricultural co-operatives in matters pertaining to the establishment and development of co-operative societies.<sup>18</sup>

In pursuit of these objectives, NACDA performed a variety of functions, including registration, preparation of feasibility studies, bye-laws and accounting systems, provision of

training and management advice, and overall monitoring and supervision. The Agency started out with a EC\$1 million loan from the NCB to use as a revolving loan fund for starting co-operatives. Subsequently, both the Agency itself and a number of individual co-ops received assistance from NGOs.

The actual process of forming co-ops began with a series of panel discussions held around the country. The panellists were all members of the PRG and included Bishop. Held under the slogan 'Idle Lands Plus Idle Hands = An End to Unemployment', the purpose of the discussions was to inform the masses about the PRG's concern over the high rate of unemployment and the vast tracts of land that were lying idle or underutilized. By the end of the discussions a Land Reform Commission was appointed, and between May to July 1980 it held sittings in all the parishes including the sister islands of Carriacou and Petite Martinique. At the sittings the masses were called upon to identify areas of idle land in each parish, and those willing to form co-ops were asked to come forward. In all, over 4,000 acres of idle land were identified, and many of the individuals (mainly youth and women) who gave evidence before the Commission later went on to form co-ops. Along with agriculture, co-ops were formed in fishing, handicrafts, boat construction, baking and garment manufacture. Most co-ops employed seven people. The average loan for an agricultural co-op was EC\$25,000, which covered inputs such as seeds, fertilizer, tools, storage and transportation. Wages for co-operators in agriculture were set at EC\$8.50 a day, the rate of pay prevailing on the state farms. It was, however, left to the co-operators to decide whether or not they wished to

draw wages. With guidance from NACDA, the co-ops marketed their own produce and repayed loans on a monthly basis with eight per cent interest per annum. Each co-op was also required to place twenty-five per cent of its earnings into a 'reserve fund'. The first venture of every co-op was underwritten by NACDA, which absorbed the loss if the co-op failed; but if the co-op succeeded in its first year and failed in the second, the group would have to use its reserve fund to absorb the loss. After nine months of successful operation, a co-op could obtain a second NACDA loan in order to diversify or expand.<sup>19</sup>

Initially, the co-operative programme was slowed down by the difficulties experienced in obtaining land. In the first year the acquisition of land depended on the availability and goodwill of landowners, who in many cases lived abroad and often did not negotiate in good faith. With the introduction of the Land Law in summer 1981, landowners showed greater interest in selling or leasing their idle lands because of apprehension about compulsory take-over. In spite of this greater receptivity towards NACDA, however, the Agency was still obliged to enter into lengthy negotiations with landowners, many of whom wanted unrealistic sums for their property. NACDA had to wage a concerted battle to get landowners to accept what the Agency was able to pay. Nevertheless, some sixty per cent of the lands obtained by NACDA came from private landowners. The PRG could only provide a limited amount of land for co-ops since most government-owned property was earmarked for various projects. However, those lands that were made available were provided on very soft terms; state lands were leased at around EC\$100 per acre per annum, while

the corresponding figure for privately-owned lands was EC\$500.<sup>20</sup>

In addition to the steps taken to expand the state and co-operative sectors in agriculture, the PRG sought to strengthen the agricultural base of the economy by providing greater assistance to the peasantry. The ministry of agriculture was re-organised to increase the availability of technical advice, subsidies and training to peasants. In 1981 the PRG raised EC\$6 million through the CDB to repair fifteen miles of feeder roads around the country. In the same year the revolutionary government extended an EC\$4.7 million assistance package to repair an additional fifty-two miles of feeder roads, provide low interest loans through the CDB for crop diversification, set up a farm shop for the sale of agricultural inputs and establish a fertiliser programme.<sup>21</sup> A good deal of attention was also devoted to the marketing of peasants crops. The MNIB provided a guaranteed market for fruits and vegetables and found new marketing outlets in England and Trinidad and Tobago. This assisted in the diversification of Grenada's exports away from its heavy dependence on cocoa, nutmegs and bananas.

Another major initiative of the PRG, which also formed part of its marketing strategy, was the creation of a number of agro-industrial enterprises. Grenada has an abundance of fruits and vegetables which previously were lost through spoilage because of the very short harvesting period for these perishable products. In December 1980 the PRG established the Grenada Agro-industries factory at True Blue which provided a ready market for fruits and vegetables to be processed into sauces, jellies and nectars under the brand name 'Spice

Isle'. The factory was central to the PRG's goal of linking agriculture to industry, with the MNIB forming the third link in the chain. Grenada Agro-industries processed products which were then channelled through the MNIB for local and international distribution. The factory provided an incentive for peasants to produce more because of the ready market it afforded for their products.<sup>22</sup> A second agro-industrial project set up by the PRG was the Coffee Plant, which started processing operations in June 1980. By offering an attractive price for coffee, the plant sought to stimulate local production of the crop which had been declining over the years. In 1982 a Spice Processing Plant was set up. The plant bought raw materials from peasants and the marketing associations, and centred its activity on the processing into powder of nutmeg, ginger and tumeric. In his address at the First International Conference in Solidarity with Grenada held in St. George's in November 1981, Kenrick Radix reported on the PRG's plans to carry out more advanced processing of cocoa and nutmegs: 'Our cocoa and nutmegs historically have been exported to developed capitalist economies. I have myself travelled to New York where I was able to see an enormously large nutmeg processing factory, a factory which employed over 3,000 people. Never in our history has any attempt whatsoever been made to establish a processing facility to process the bulk of our export products. A few months ago we invited an international organization to come to Grenada to conduct a feasibility study in the processing of our cocoa. Grenadian cocoa is sold at a premium price, as it has a 44% fat content and is used for blending with inferior cocoa from some other countries. What we are seeking to do now is to in fact enter the manufacturing

game where we will extract the cocoa butter, etc. So, we are now awaiting the report of this team, as we have made some approaches to our friends in a fraternal country, for the equipment necessary for us to become economically independent, by an introduction of cocoa processing.

This aim is the same in the area of nutmeg. At the present time there is an application before a regional institution for funding for the making of nutmeg oil in Grenada. This same history is true of cocoa as it is with nutmeg. In fact the scandal is well known that we export our cocoa for over just \$1 (U.S.) a pound, that is 16 ounces making the pound and when we re-import the processed product, it seems as if 14 ounces make their pound and it is over 8\$ (U.S.) for their 14 ounce pound. So we're going to learn how to trade and we will be trading with the imperialist at 14 ounces equal to one pound.<sup>23</sup>

By purchasing and acquiring assets in the Grenada Sugar Corporation, the country's sugar mill, the PRG placed itself in a much stronger position to increase the Corporation's output of brown sugar. At the time of the revolution the Corporation produced only 16 per cent of the domestic consumption requirement. By simultaneously expanding the acreage devoted to sugar cane from 1,100 acres to 2,000 acres and increasing the capacity of the Corporation, the PRG planned to achieve self-sufficiency in sugar within five years.<sup>24</sup> The revolutionary government also took steps to increase the Corporation's production of rum and methylated spirits both for domestic consumption and export. Shortly after the revolution the PRG set up a Livestock Production and Genetic Centre at Mount. Hartman to make local meat available and thereby reduce meat

imports. In 1982 the plant began to install facilities to enable it to accommodate 1,000 pigs, 500 goats, 1,000 ducks, 1,500 rabbits and 500 turkeys. A biogas plant was also under construction to convert the animal waste into a useful source of energy for the plant. Plans were also laid for the establishment of a cattle farm in the vicinity.<sup>25</sup> In another programme designed to emphasize the linkages between agriculture and industry, the PRG sought to ensure that local raw materials would be available to serve the construction and furniture-making industries. In August 1979 a Forestry Development Corporation was formed to oversee the development of the country's timber resources on a commercial basis. The Corporation was assigned the responsibility for the establishment of a Forest Registry that would keep an up-to-date record of the industry's potential. A number of the Corporation's employees underwent training in anticipation of its acquisition of modern processing equipment to speed-up production and reduce costs. Because of the deficiencies of the rural road systems and other transportation facilities in the countryside, however, the Corporation could only get access to a limited proportion of the country's tree resources.

Returning to the PRG's policies towards the peasantry, the revolutionary government believed that one of the solutions to the problems of Grenada's agriculture was to promote co-operation amongst this class. Between October 1982 and February 1983, an intensive debate took place in the Central Committee of the NJM on the best way to collectivise agriculture and build 'a firm alliance between the working class and the peasantry'.<sup>26</sup> The main conclusion that was reached was that 'the development and modernisation of



Agriculture holds the key to winning the peasantry to Socialism and the transformation of the countryside along socialist lines.'<sup>27</sup> It was during these discussions that the decision was taken to expand the state farming sector and make the GFC the 'leading vehicle for the socialist transformation of agriculture.'<sup>28</sup> It was also decided that the peasantry was to be 'won gradually to socialism' by tax and other incentives, investment in rural infrastructure, the strengthening of existing machinery pools and other services, the expansion of co-operatives and other forms of co-operation and, above all, through reinforcing the role of the PFU 'to further build the mass organisation of the farmers as the organ for carrying out the tasks of the Party among the peasantry.'<sup>29</sup> The resolution on agriculture passed by the Central Committee was marked 'confidential', because although the measures proposed in it were quite moderate and in no way threatened the peasantry with forced collectivisation and other draconian measures, it was an extremely sensitive issue given the close relationship with the land of a broad cross-section of Grenadian society.

Another facet of the revolutionary government's efforts to assist the peasantry was the re-introduction of agricultural training. Past neglect in this area was reflected in the low level of knowledge, skills and technology demonstrated by most peasants and the alarming shortage both in number and quality of personnel suitable to work as technicians in agriculture and related fields. As a step towards improving this situation, the PRG re-opened the Mirabeau Agricultural School which had been closed down under the Gairy regime. The school provided places for fifty students a year to be

trained in agricultural science, skills and techniques, equipping them to enter farming either on their own or in co-operatives. Mirabeau was central to the PRG's campaign to reduce unemployment and attract young people to agriculture. A number of graduates from the school served as extension officers in the ministry of agriculture. The PRG also established training schools at Bocage, Boulogne, La Sagesse and Six Roads, Carriacou.<sup>30</sup>

While the PRG introduced measures to diversify Grenada's agricultural industry, the revolutionary government devised programmes to safeguard the peasantry's income from traditional crops. The first initiative taken by the PRG in this area was to change the personnel of each of the three statutory marketing associations, the GCNA, the GCA and the GBCS. In spite of pledges made before the revolution to restore to growers the right to elect members of the management boards, the PRG made use of the legislation introduced by Gairy to nominate members of its choosing. The pro-Gairy cabal of merchants and landowners was replaced by peasants, trade unionists and agronomists. Notwithstanding the economic rationale and commonsense that lay behind most of these appointments, however, the PRG's disinclination to re-introduce elections caused friction and alienated some important individuals in agriculture who would otherwise have supported government policy in this area. For example, F. J. Archibald, a planter and businessman by profession who was removed by Gairy from the post of Chairman of the GCNA, was summoned by the PRG to take up his old position. After working for the GCNA for a year, however, he resigned as a matter of principle because of the revolutionary government's failure to call

elections.<sup>31</sup>

Although the PRG failed to call elections, it did, nevertheless, provide for a greater active involvement of growers in the running of the agricultural marketing associations by re-introducing area meetings. These took place at least twice a year. As to the marketing policies of the associations and their day to day running, the revolutionary government refrained from making any significant changes. The minister of agriculture held frequent meetings with the associations, but they were allowed to operate as before.<sup>32</sup> Shortly after the revolution the PRG established a Minor Spices Co-operative to function along the same lines as the cocoa, nutmeg and banana associations. The co-operative bought and handled the export marketing of minor spices like cloves, cinammon and pimento.

Along with the re-organisation of the marketing associations, the PRG took a number of initiatives to rehabilitate Grenada's traditional crops and obtain better prices for them abroad. The most important project initiated was the Cocoa Rehabilitation Project which started in 1982 and was designed to replace the island's aged and low-yielding stock of cocoa trees.<sup>33</sup> Cocoa provides about 30 per cent of Grenada's foreign exchange earnings and is an important source of income and employment. Most of the country's cocoa growers are smallholders who own less than five acres of land. (See table 34). For the 12,000 acres of cocoa in production yields are low at around 400 pounds per acre. Over half the trees are aged or in poor condition and produce less than 200 pounds of cocoa per acre. Under the Cocoa Rehabilitation Project some 10,000 acres of trees were to be replanted over six years.

TABLE 34

NUMBER OF COCOA GROWERS BY FARM SIZE: 1980

<u>Size of Farms</u> Acres	<u>Number of Growers</u>
less than 1	500
1 - 3	5,600
4 - 5	1,000
6 - 9	194
10 - 49	180
50+	67
	<hr/> 7,541 <hr/>

Source: Grenada Cocoa Association, St. George's, 1983.

This was to have resulted in more than doubled average annual production for a period of twenty-four years - the length of peak production of the cocoa tree. Replanting is a big investment for growers. Removal of even low-yielding trees results in foregone revenues of around EC\$400 per acre per year for a period of three years until new trees are producing. In addition, there are outlays for tree removal, drainage repair and planting as well as continuing the application of fertilizer and spraying. Revenue is not earned until the third year and payback does not really begin until the fifth year or later. Under the project growers received assistance, which, while not compensating for forgone production, did obviate most of their cash requirements needed to replant an acre for each of the three years it took to bring the new trees into production. Some 70 per cent of the incremental export revenue arising from the increased production was to have gone to growers. The GCA would have absorbed 13 per cent of the revenue from the cost of sales and other services to growers; and 17 per cent of the incremental proceeds would have gone to the PRG through taxes and other charges. The project covered state farms, private estates and lands owned by smallholders. In order to facilitate replanting the project provided for a number of supporting services such as: management and administration; the repair and upgrading of pre-existing propagating facilities; the addition of new propagating facilities including twenty acres of nursery and eleven propagating units and associated structures; the development and implementation of methods to control thrips and beetles; the establishment of an organizational structure and financial procedures for continuing tree replacement on a self-sustaining basis.<sup>34</sup>

Grenada's cocoa is of high quality and fetches a premium over the London price for bulk cocoa. Because of this Grenada has no real difficulty in finding a market for its cocoa crop. The problems which the country does have, however, are those of production and price. As the level of production has declined over the years there was a steep fall in the world market price for cocoa. As part of a solution to this problem, in July 1982 the PRG entered into a protocol with the Soviet Union in which the latter agreed to buy 500 tonnes of cocoa from the GCA, about one-fifth of Grenada's annual production. The first consignment under the agreement was taken up in mid-1983 and the Soviet Union paid £115 a tonne above the prevailing world market price. Negotiations were also concluded with the USSR to buy 500 tonnes of cocoa in 1984, and 1,000 tonnes in each of the years 1985, 1986 and 1987. It was anticipated that by 1985 the Cocoa Rehabilitation Project would be producing yields large enough to fill the Soviet quota.<sup>35</sup>

Due to the prevalence of intercropping in Grenada, most cocoa growers also grow nutmegs. Thus, the number of nutmeg growers and the size of their landholdings are similar to those of cocoa. (See tables 34 and 35). The harvesting of nutmeg mainly involves collecting fallen nutmegs, but partially opened pods may also be picked off the tree. Unless the nutmeg is harvested within a certain period of it having fallen from the tree, the mace, which forms a skin around the nutmeg seed, may be spoiled by moisture and insects. Thus, in contrast to cocoa which is harvested directly from the tree and requires more careful husbandry, nutmeg cultivation is not labour intensive. The nutmeg tree also takes much longer to reach

TABLE 35

NUMBER OF NUTMEG GROWERS BY FARM SIZE  
AND TOTAL DELIVERIES OF NUTMEG: 1970

<u>Size of Farms (Acres)</u>	<u>Number of Growers</u>	<u>Percentage of total Number of growers</u>	<u>Deliveries (Pounds, equivalent cracked)</u>
< 1	2,595	49	718,300
1 - 5	2,115	40	1,252,572
5 - 10	309	6	267,451
10 - 20	132	2	279,635
20 - 50	67	1	207,078
50 - 100	32	1	291,471
100+	38	1	546,635
TOTAL	5,288(a)	100	3,563,142

(a) There are now about 7,000 producers of nutmeg in Grenada.

Source: Veronica Regis, An Economic Assessment of an Alternative Marketing Strategy for Grenada Nutmegs - Research Report on the Economics of Nutmeg Production Submitted to the Grenada Co-operative Nutmeg Association. Department of Agricultural Economics and Farm Management, University of the West Indies, St. Augustine, Trinidad and Tobago, p. 12.

full maturity than the cocoa tree - about twenty-five years in all. Hence, the nutmeg trees planted in the wake of Hurricane Janet had just started their peak production at the time of the revolution. Consequently, the problems faced by the PRG in nutmeg were of a different order to those experienced in cocoa. The major obstacle to the development of Grenada's nutmeg industry was that of securing sales for the country's burgeoning crop.

Indonesia is the world's leading producer of nutmeg with roughly two-thirds of the market, while Grenada controls most of the remaining third. The world market price for nutmeg is chiefly a reflection of variations in the level of production in, and export from the two main producing countries. In the 1950s an upward pressure was exerted on prices by two major events in Grenada: the 1951 general strike and Hurricane Janet in 1955. During the period 1965 to 1967, prior to which prices had been falling off, there was another major occurrence which sent prices skyrocketing. This was the political crisis in Indonesia. By the late 1960s, however, following the restoration of order in Indonesia, prices tended to fall off and have maintained that trend ever since.<sup>36</sup> Exports from Indonesia come from a multitude of private companies who compete against each other; there is no national marketing association. For many years Grenada tried to get Indonesia to form a marketing body so that the two countries could reach a common accord in price negotiations over nutmeg. In fact, on the actual day of the revolution Robert Renwick, the general manager of the GCNA, was in Indonesia holding talks about a joint marketing strategy. Little was achieved during the discussions. Because of Grenada's inability to influence Indonesia's marketing policy,



the demand for Grenada's nutmeg fell sharply under the PRG. Indonesia unloaded stocks at some 30 per cent below the price of those from Grenada, leading many buyers to change their source of supply to the detriment of Grenada. The 1980 world recession also contributed to the weak demand for Grenada's nutmeg. Thus, the PRG faced a situation of increased production but falling export orders and low prices; the result, a massive increase in stocks of unsold nutmeg. As in the case of cocoa, the agreement signed with the Soviet Union in 1982 was part of an attempt to improve the marketing situation for the nutmeg industry. In the past the Soviet Union purchased its nutmeg requirements from dealers in Britain and the Netherlands. Annual purchases averaged about 500 tonnes, although by 1981 this figure had fallen to 235 tonnes. Under the 1982 agreement the Soviet Union agreed to buy 300 tonnes of nutmeg direct from Grenada in the next crop year. The Soviet Union also undertook to purchase 500 tonnes per annum for a period of five years. The 1982 purchase was made at the prevailing world market price, but, according to Robert Renwick, the Soviet negotiators attempted to get a lower price and 'drove a hard bargain'.<sup>37</sup> The price of nutmeg was not fixed in the five year agreement.

While the PRG managed to secure a significant and reliable market for its nutmeg in the Soviet Union, the revolutionary government was less fortunate with another East European country, Poland. Even before the revolution Poland bought its nutmeg direct from Grenada and the Polish market became of great significance to Grenada's nutmeg industry. In 1980 Poland took 12 per cent of Grenada's nutmeg crop. However, the economic crisis which broke out in Poland the following year

led the East European country to cancel its order of Grenadian nutmeg.<sup>38</sup> Thus, with the loss of the Polish market and the difficulties being experienced with traditional sales, the agreement with the Soviet Union did not provide a durable solution to the problems in nutmeg. In recognition of this, the PRG sought to dissuade growers from increasing their production of the crop. Growers were advised to diversify into other spices, such as clove, cinammon and pimento, for which the market prices were higher and more stable. The Ministry of Agriculture started a propagation programme for these crops.<sup>39</sup>

Grenada's third traditional crop, banana, has two important functions in the country's agriculture; it is a source of year-round income and provides shade for the nascent cocoa trees. Due to years of neglect and the low levels of application of essential inputs, production was well below its peak, yields were low and quality was poor. Also, the moko disease created serious problems for banana in many areas. The production and volume of exports of banana were on a declining trend after the peak reached in 1976. Floods in late 1979 and Hurricane Allen in August 1980 severely damaged the crop, and in 1980 production and export volumes were approximately one-quarter below their levels in 1976.

Grenada's bananas are shipped to Britain by Geest Industries (W.I.) Ltd, a subsidiary of Geest Industries Ltd. The price at which bananas are imported into Britain is determined through negotiations between the producers, represented by the Windward Islands Banana Association (WINBAN) and the shippers. WINBAN, of which Grenada is a member, is bound annually by contract to supply all exportable bananas to Geest, the latter also accepting and classifying the bananas

into various grades at the dockside. Geest, then, are in a strong position to determine the price paid to the grower. While the price to the producers is largely under Geest's control, the level of banana exports is protected by a preferential trading agreement in which Grenada, along with the other Windward Islands and Jamaica, have guaranteed access to the British market. Protection is afforded by the 'Dollar Area Quota', which ensures that bananas from the dollar area, that is the larger and more efficient low-cost producers of South and Central America, may enter the British market only under licence. The problems of Grenada's banana industry were compounded in mid-1981 when increased exports from other Windward Islands resulted in a glut on the London market and the subsequent imposition of quotas on shipment from each island. The glut was caused by the frantic recovery programme launched by the Windward Islands following the devastation caused by Hurricane Allen. Recovery from hurricane damage was so dramatic that the islands were producing tonnages far in excess of the amount that could be handled properly. With supplies nearly twice as much as normal, quality control standards fell sharply and Geest issued a warning that it was impossible for any marketing company to force its customers to accept fruit in such volumes and of such poor quality. It claimed that much of the fruit was found to be unsaleable on its arrival in Britain. This put Windward Islands bananas at a further disadvantage to the Latin American fruit which have always been superior in appearance.<sup>40</sup> The principal initiative launched by the PRG to improve the fortunes of Grenada's banana industry was the Banana Rehabilitation Project, administered by the Ministry of Agriculture. This

programme was designed to eradicate the moko disease, improve the quality of bananas and expand the acreage under production.

The problems of disease were not restricted to the banana crop. Pest and disease infestation plagued Grenada's agricultural industry as a whole, and was one of the main factors responsible for the low yields obtained from most crops. (See table 36). Under the Gairy regime the level of infestation threatened to become uncontrollable. This was due to the unco-ordinated approach taken towards pest and disease management, which was in turn the result of a shortage of trained personnel and the absence of supportive diagnostic facilities. In order to combat the pest and disease problem, the PRG made plans to revitalise the Plant Protection Unit within the Ministry of Agriculture. It was anticipated that the Unit would have a technical section comprised of field technicians, and a supportive section consisting of an information unit and a diagnostic laboratory with field experimental staff. Plans were well afoot for the establishment of a central diagnostic laboratory which would have facilitated identification, monitoring and control of pest and disease infestation.<sup>41</sup>

The PRG also launched a major initiative to root out an occurrence which has probably had the most debilitating social effect on Grenada's agriculture: praedial larceny. The disincentive to farming caused by this phenomenon was highlighted by the 1981 Agricultural Census, in which landholders were asked to identify two of the most important problems they faced. Praedial larceny came out as the greatest single problem, reported by 24.5 per cent of landholders. (See table 37). It was widespread and common to all regions. The Census

TABLE 36

AVERAGE YIELD OF SELECTED CROPS

<u>CROP</u>	<u>AVERAGE YIELD PER ACRE</u>		<u>UNIT</u>
	<u>Present</u>	<u>Potential</u>	
Cocoa	400	800	Pounds
Banana	4	8	Tons
Sugar Cane	15	30	Tons

Source: Ministry of Agriculture, Grenada: Overview of the Agricultural Sector. St. George's, 1982, p. 9.

TABLE 37

FREQUENCY OF PROBLEMS EXPERIENCED BY FARMERS

<u>PROBLEMS</u>	<u>PERCENTAGES</u> (a)
Praedial Larceny	24.5
Plant Material	11.4
Marketing	5.4
Extension Help	7.8
Labour	18.7
Water	6.6
Roads	11.2
Disease	12.3
Credit	2.0

(a) Figures do not add up to 100%. No reason is given in the source.

Source: Final Report on Grenada Agricultural Census 1981. p. 37.

returns also showed that the big landholders were the most concerned. (See table 38). This was probably due to the fact that policing becomes increasingly difficult as farm size increases. In fact, the policing problem is further exacerbated if greater farm size is associated with a greater number of dispersed parcels - a common feature in Grenada. In attempting to stamp out praedial larceny landholders were in the past frustrated by the cumbersome and intricate legal procedures involved in obtaining convictions. Under the Gairy government no serious effort was made to resolve this problem. Shortly after the revolution the PRG expressed its concern over the issue of praedial larceny but was ambivalent and slow-moving in working out a strategy. No doubt the revolutionary government was under the impression that this problem would 'wither away' once it found jobs for the young unemployed: the main perpetrators of this offence. When, after a few years, it became clear that there was no easy cure to the problem of youth unemployment and evidence surfaced to show that the incidence of praedial larceny was growing, the PRG moved with greater alacrity and precision in finding a solution. Focussing its attention on the legal process, in mid-1983 the revolutionary government prepared a draft Praedial Larceny Law which was submitted to the Parish and Zonal Councils in September that year. Under the proposed law persons suspected of praedial larceny would be tried by tribunals comprising up to nine persons, including a President and Vice-President. The proposed law stipulated that the tribunals to be set up by the government would only be able to hear and investigate the guilt or innocence of persons charged with committing praedial larceny but not with handing out sentences to them. Whenever

TABLE 38

PROBLEMS EXPERIENCED BY FARMERS BY FARM SIZE

PROBLEMS	PERCENTAGE OF FARMER RESPONSE		
	0-2 Acres	2-10 Acres	Over 10 Acres
Praedial Larceny	23.23	26.0	30.22
Plant Material	13.31	8.67	4.99
Marketing	5.77	5.18	2.87
Extension Help	8.55	6.89	4.99
Labour	17.43	20.90	21.46
Water	7.71	5.26	1.97
Roads	9.33	13.55	19.33
Disease	12.61	11.63	12.83
Credit	2.06	1.92	1.34
TOTAL	100	100	100

Source: Final Report on Grenada Agricultural Census 1981. p. 39



a tribunal found an accused guilty, he or she would then be taken into the custody of the police for a period of five days, within which time the accused would be brought before the District Magistrate either in chamber or open court to be sentenced. For those found guilty of committing praedial larceny, the proposed law provided for sentences of imprisonment with or without hard labour for a term not exceeding two years and/or fines of up to EC\$1,000. There was also a provision for convicted persons to be placed under special police supervision for a period not exceeding one year.<sup>42</sup>

In another move designed to stamp out praedial larceny the PRG took steps to introduce greater surveillance over the sale of cocoa to the GCA. Each cocoa grower in Grenada has an identification card which specifies the maximum amount of cocoa the grower's farm is capable of producing. The identification card provides a simple method of preventing illegal sales of cocoa, and hence praedial larceny in cocoa, by ensuring that only recognised growers are able to sell cocoa to the GCA. If a grower attempted to supply more than his maximum quota then he or she would be suspected of obtaining cocoa illegally, and if found guilty would have his or her identification card withdrawn. However, because the identification cards did not carry a picture of the grower, this system was difficult to operate in practice. Cocoa growers could, for example, lend their cards to friends who had obtained cocoa illegally. Moreover, many growers tended to sent their children with their cards to sell produce. As a means of tightening up the monitoring procedure the PRG established a cocoa police force which went to receiving stations looking out for persons selling stolen produce.<sup>43</sup>

## Assessment of the Agrarian Programme

Four-and-a-half years could hardly be considered a long enough period of time to resolve the myriad problems which beset Grenada's agricultural industry. The PRG itself gave itself until 1986 to attain the same volume of traditional exports as were produced in the mid-1970s.<sup>44</sup> An assessment of the PRG's agrarian programme must therefore remain tentative; it can only list successes and failures and identify overall trends but cannot attempt to draw any firm conclusions. The analysis made by the PRG of the problems it faced in agriculture provides a good starting point for such an assessment.

In his 1983 Report on the Economy, Bernard Coard identified 'worker productivity' as the chief impediment to progress in agriculture: 'Our progress in agriculture is being seriously hampered by a number of things.

Wages of agricultural workers are still among the lowest in the country. But the wage of the agricultural worker cannot rise because the productivity of the agricultural worker is extremely low. On the average, it is 2 to 3 times less than the wage. That is to say that a worker is paid \$8.50 a day, but he/she is producing less than \$3.00 or \$4.00 a day in agricultural produce.'<sup>45</sup> Coard then went on to itemise a number of factors which in his view were responsible for the low productivity in agriculture. The first factor isolated was that of primitive technology: 'We are still scratching the soil with the cutlass and the fork as in the days of Job. This kind of technology is all well and good for our backyard gardening. It is all well and good for the Caribs and Arawaks, who knew no better than living from hand to

mouth. But for large-scale agricultural production which aims at feeding a nation properly and making money to raise the general living standards of that nation, agriculture has to use modern technology. Agriculture has to be mechanized.<sup>46</sup> Secondly, Coard pointed to the health and age of agricultural workers: 'Most agricultural workers are older comrades. Many have not had the best possible nutrition over the years. Machines would make the work easier for these comrades, and enable them to produce more.'<sup>47</sup> Finally, Coard referred to the low educational level of the rural workforce: 'Many agricultural workers, foremen and managers are comrades who have not been able to gain much education. Long ago we used to think that you didn't need education if you were going to work with your hands. Why bother to keep a girl or boy in school so long when it is land they are going to work?

But today, we are trying to bring our country into the twentieth century, it is becoming clear to us that education is necessary not only for "office work" but for every kind of work. A worker can do better work if he/she is educated: better carpentry, better road-building, better cultivation. Modern methods of agriculture demand educated workers.

The low educational level of those involved in agriculture prevents them, for example, from understanding and adopting new methods regarding use of fertilizers, pesticides, and so on, which would improve our output; it means too, that many foremen and farm managers do not know how to keep proper records, along modern lines.'<sup>48</sup>

Coard's explanation of the problems facing Grenada's agricultural industry provides a good insight into the PRG's

approach to agriculture. While the views expressed by Coard were clearly meant to serve a pedagogical function, they did, nevertheless, demonstrate the PRG's overemphasis on the work ethic and educational level of the agricultural worker. For in his presentation Coard barely mentioned factors such as falling prices for agricultural exports, bad weather, pest and disease infestation and praedial larceny. There was a good deal of voluntarism in the way he addressed the question. It was as though all the problems of Grenada's agriculture could be resolved if only the agricultural worker would work harder, produce more, use modern farming instruments and technology and educate him- or herself; and this sort of thinking informed the PRG's whole approach to rural labour, the consequences of which were often counter-productive. The revolutionary government experienced great difficulty in its attempt to raise productivity and attract labour to the state farming sector. The profit-sharing plan, for instance, produced a number of anomalies. Since many of the estates were not making any profit most workers did not receive any bonus payments, and given the depressed prices for Grenada's agricultural exports there was little likelihood of any profits being made for some time to come. The payment of bonuses on some state farms and not others led a good number of workers to move to the profit-making estates. Other workers left the state farming sector altogether and went to one of the few private estates that were at the time making money. This occurred at the River Antoine estate before it was taken over in April 1983.<sup>49</sup> There was also resistance to the increased production levels required by the PRG. In this area the legacy of Gairyism was particularly stultifying. Because of the patronage

function served by the state farms under the despot, estate workers were given very little work to do and were allowed to pilfer produce and equipment from the farms. Given the symbiosis which exists between estate work and own-account work in Grenada, this situation was most attractive to a number of estate workers in that they were given the time and resources to tend to their own plots of land. The PRG's insistence on higher levels of performance therefore constituted a major challenge to the work pattern and lifestyle to which many workers had become accustomed. Since the revolutionary government was not prepared to pay higher wages until productivity increased, there were a significant number of defections from the state farming sector. Some estate workers simply decided to devote more attention to their private plots of land. The Belle Vue estate in St. Andrew, which I visited in January 1983, was a very good example of this. As to the actual performance of the state farms, the picture was not too impressive. In his 1983 Report on the Economy, Coard stated that in 1982 the GFC as a whole produced goods to the value of EC\$1,058,900, which was 37 per cent below their target for that year. He gave six reasons for this shortfall: poor organisation and management; the absence of a proper system of record-keeping and accounts; primitive methods of agriculture; low worker productivity; the failure to develop linkages with the MNIB and the Agro-industrial plant; and the practice of mixed farming used on most farms which did not allow for specialisation.<sup>50</sup>

Turning to the PRG's co-operative programme, NACDA, the performance here was somewhat desultory. For while many of the non-agricultural co-operatives did very well, the

agricultural co-ops encountered similar problems to the GFC. Out of a total of thirty-seven co-ops established up to May 1983, ten had been disbanded and three were experiencing great difficulties. (See table 39). And of the twenty-four that were still functioning only one-quarter were performing well. Out of a total of some 500 persons trained in co-operative management, only 170 were employed in co-ops in May 1983. Agricultural co-ops did not go down well with the young people of Grenada. Francis Hosten, a NACDA officer, considered that there were four major factors impeding the development of co-ops in the country: personal conflicts between individuals in the co-ops; a lack of irrigation on some of the land used; problems involved in the transportation and marketing of goods; and low wages. He stated that the PRG intended to launch a another propaganda drive over the radio to get more people involved in forming co-ops.<sup>51</sup>

The state marketing board set up by the PRG, the MNIB, was a far more successful venture. There was a rapid growth in the amount of produce bought by the board from peasants. Thus, in 1982 the MNIB bought 1,315,601 pounds of agricultural produce, a 75 per cent increase over the 1981 total. In absolute terms, however, the MNIB still only accounted for a small proportion of the non-export agricultural produce of the country. (See table 40). The MNIB also performed well in expanding its sales and reducing the prices of several items through importing in bulk. In 1982 MNIB sales of agro-industrial products and fish, both locally and overseas, amounted to EC\$554,000. In the same year, powdered milk and fertilizer were imported in bulk. The milk was sold at EC\$2.95 per pound; considerably cheaper than the powdered

TABLE 39

CO-OPERATIVES ESTABLISHED BY THE NATIONAL  
CO-OPERATIVE DEVELOPMENT AGENCY

<u>NAME AND NUMBER OF CO-OPERATIVE</u>	<u>STATUS</u>
1. Grenada Co-operative Plumbing Society	X
2. Good Hope CAPS <sup>(a)</sup>	X
3. Jams Craft Co-operative	✓
4. Herbs and Greens CAPS	✓
5. Togetherness (Fishing) Co-operative	X
6. Fontenoy Fishing Co-operative	✓
7. Vegetables and Food Crop Growers CAPS	✓
8. Brizan CAPS	✓
9. River Salle CAPS	X
10. Happy Hill CAPS	X
11. Evans Co-operative Bakery	(✓)
12. Brizan Bakery Co-operative	(✓)
13. Paradise CAPS	X
14. St. Patrick's Fishing Co-operative Service Society	✓
15. Concord Youth CAPS	✓
16. Redemption CAPS	X
17. United Workers CAPS	✓
18. Coleen CAPS	✓
19. Norman Antoine CAPS	X
20. We People CAPS	✓
21. Grenada Publishing Society	✓
22. People's Revolutionary Army Co-operative Credit Union	✓
23. River Salle Construction Co-operative	✓
24. St. George's Shipping Co-operative	X
25. Rose Hill Food Processing Co-operative	X
26. Unity 5 CAPS	(✓)
27. Awade Sandals Co-operative	X
28. Mount Pleasant Fishing Co-operative	✓
29. Sand Pebbles Co-operative Society (1)	✓
30. Sand Pebbles Co-operative Society (2)	✓

- |   |   |
|---|---|
| 31. Grenfruit Women's CAPS                              | ✓ |
| 32. Broken Fingernails CAPS                             | ✓ |
| 33. Grenada Union of Teachers Co-operative Credit Union | ✓ |
| 34. Sauteurs Women's Sewing Co-operative Society .      | ✓ |
| 35. Butlers CAPS  | ✓ |
| 36. Chantimelle Furniture-making Co-operative           | ✓ |
| 37. Gouyave Fishing Co-operative                        | ✓ |

X Disbanded

✓ Still functioning

⊗ Experiencing great difficulties

(a) Co-operative Agricultural Production Society

Source: National Co-operative Development Agency, St. George's, 1983



TABLE 40

FREQUENCY OF MARKETING OUTLETS FOR  
NON-EXPORT AGRICULTURAL PRODUCE

	%
Marketing and National Import Board	7.92
Hucksters	21.20
Central Markets	29.48
Village	41.25

Source: Final Report on Grenada Agricultural  
Census 1981, p. 36.

milk that was being sold by private retailers at EC\$4.50 per pound. Similarly, the importation of five million pounds of fertilizer allowed the Board to knock EC\$6.00 off the price of a 110 pound bag. The MNIB also took important steps in establishing a Shipping Division and making contact with Cuban, Soviet and East German shipping lines. However, because MNIB had not yet developed any shipping facilities of its own it was unable to ensure that its overseas orders could be met on time. The overall success of the Board was reflected in an increase in sales revenue from EC\$6.5 million in 1981 to EC\$12.2 million in 1982 - an increase of over 88 per cent.<sup>52</sup>

The agro-industrial programme of the PRG was, on balance, also a success story. Grenada Agro-Industries showed good progress in increasing its output and productivity. In 1981 the factory produced goods to the value of EC\$326,200, and the following year this figure grew more than twofold to EC\$804,900. Equally, in 1981 a worker at the plant produced on average goods to the value of EC\$22.10 per day, and in 1982 this figure rose to EC\$104.12 per day. These achievements were, nevertheless, somewhat short of the targets that the agro-industrial plant had set itself. In his 1983 Report on the Economy Coard isolated five difficulties which in his view prevented the plant from reaching its targets: insufficient space for storing raw materials; the irregularity of supplies from peasants; the high cost of the tins and bottles used to retail products; inexperienced management; and the problems involved in marketing the products abroad.<sup>53</sup> Output and productivity also improved markedly at the Coffee Processing Plant. In 1982 the plant produced 20,515 pounds of coffee,

more than double the 1981 output. Over the same period productivity rose by 34 per cent. At the same time, however, full use had not been made of the plant's equipment. This was due to problems in obtaining raw coffee from abroad. The plant also experienced difficulties in marketing.<sup>54</sup> Another profitable venture was the Spice Processing Plant, which made a profit of EC\$15,700 in its first year of operation. The performance of the Grenada Sugar Factory was somewhat mixed. While there was a steady increase in output, which amounted to EC\$2.8 million in 1982, productivity declined. The downturn in productivity was caused by the incentives paid to cane growers to stimulate production and the low yield of sugar from the cane processed at the factory. Rum sales at the plant grew significantly, although here again there were problems in marketing.<sup>55</sup> The PRG was more satisfied with the progress made at the Livestock and Genetic Centre. Output increased from EC\$37,000 in 1981 to EC\$181,000 in 1982. At the same time, the installation of new equipment and production facilities at the plant proceeded satisfactorily. The plant was, however, beset by a number of minor problems which slowed down developments somewhat. There were hold-ups caused by the difficulties involved in deciding which countries to buy stock from; other delays were caused by problems in obtaining finance to buy stock, so that in 1982, for example, breeder animals arrived five to six months later than planned; and there were also problems involved in obtaining breeder animals which had been paid for.<sup>56</sup> Finally, the Forestry Development Corporation struggled to increase its production from EC\$80,000 in 1981 to EC\$92,500 in 1982. Coard isolated four main factors which adversely affected the Corporation's performance: a lack of organization;

inadequate data concerning the country's forestry resources; the unavailability of appropriate technology and equipment to fully exploit forestry resources; and problems in marketing.<sup>57</sup>

Mention has already been made of the general problems which the PRG experienced with the production and export of Grenada's traditional crops and the measures which it sought to introduce to resolve these problems. Here I shall give some empirical data on the performance of each of the traditional crops, and examine the fortunes of the growers who were dependent upon these crops.

In the first year of the revolution cocoa exports amounted to 5,382,667 pounds, a significant increase over the 1978 figure of 5,203,200 pounds. (See table 41). Thereafter cocoa exports declined in an irregular pattern in each of the remaining years of the revolution. The increase in income received by the GCA in 1979 was far more substantial than the growth in exports. In the following years, however, the income of the Association fell off in a similar fashion to that of exports. The sharp rise in income received by the GCA in 1979 enabled it to markedly increase its payments to growers in that year. Payments were raised from EC\$1.70 per pound in 1978 to EC\$2.40 per pound in 1979. In 1980 growers received the same amount as the previous year. Thereafter there was a decline, but not of the same order as the fall in exports and receipts of the GCA. Thus, in order to make payments to growers the GCA had to take money from its reserves. In 1981 and 1982 the Association reduced its reserves by EC\$5,350,736 - a substantial amount.<sup>58</sup> Weighing up the situation the 1982 Annual Report of the GCA cautioned: 'The

TABLE 41

COCOA SALES 1978-1982

Crop Year	Production lbs	Export lbs	Gross Revenue to the G.C.A. EC \$	Payment to Growers EC \$ per lb	Exchange Rate EC \$ to £1
1978	5,370,207	5,203,200	18,039,941	1.70	N.A.
1979	5,788,633	5,382,667	27,318,780	2.40	5.81
1980	4,689,180	3,990,938	18,193,960	2.40	6.34
1981	5,546,416	5,891,872	19,114,677	2.30	5.54
1982	5,204,832	4,995,649	13,454,061	2.06	4.66

N.A. Not available

Source: Grenada Cocoa Association, Annual Report of the Grenada Cocoa Industry Board 1982, St. George's, 1983, p. 2.

balance sheet does not give cause for alarm at this stage. But like all responsible people we have to plan to avoid a future crisis. We are concerned that should this pattern of trading continue, by the year 1985 the Association would have to seek to borrow funds to sustain its operations without any guarantee that these funds will be forthcoming.<sup>59</sup> Over and above the fall in exports, the decline in earnings of the GCA was caused by two *interrelated* factors. First of all, the price of cocoa on the world market. This fell from EC\$5.07 per pound in 1979 to EC\$2.69 in 1982. The premium that the GCA obtained for its cocoa followed a similar pattern. Secondly, the exchange rate of the pound sterling, the currency in which cocoa is traded on the world market. In 1979 one pound was worth EC\$5.81. By 1982 this figure had fallen to EC\$4.66. In 1982 the depreciation of the pound resulted in a loss of earnings to the GCA of EC\$2,108,009.<sup>60</sup>

The 1982 Annual Report of the GCA also provides some information on the progress made by the PRG in its attempt to resuscitate the cocoa industry. Concerning the Cocoa Rehabilitation Project, the report noted: '... we are heartened by the progress of the Cocoa Rehabilitation Programme and especially by the farmers' willing participation which augurs well for the future of cocoa in Grenada.'<sup>61</sup> This was quite an achievement. Given that the benefits of the project were long term and agriculture was going through a period of hardship, it was an uphill battle for the revolutionary government to get growers to participate in the scheme. Nevertheless, because of the PRG's policy of popular consultation it was possible to overcome the resistance. The report's assessment of the pest and disease control programme in cocoa was more mixed: 'Whilst being reasonably satisfied

about the noticeable success achieved in controlling thrips and beetles, the Association is very concerned about the incident (sic) of witches broom and wood-eating termite for which no control programme has so far been introduced.<sup>62</sup> Finally, the report praised growers for the quality of the cocoa produced in 1982: 'The Association takes this opportunity to congratulate farmers on the quality of the cocoa that was produced during the 1981-1982 crop year. The dramatic improvement was evident by the decrease in defective cocoa received from farmers, from 60,652 pounds during 1980/81 to 17,137 pounds this year.

Farmers will know that it costs as much to produce and deliver defective cocoa as it costs for sound cocoa but with considerably less earnings.<sup>63</sup>

In contrast to cocoa, there was a progressive increase in Grenada's production of nutmeg over the four years of the revolution. (See table 42). Nutmeg production rose from 5,128,778 pounds in 1979 to 6,157,754 pounds in 1982. Production of mace, however, declined from 625,467 pounds in 1979 to 502,905 pounds in 1982. While there was an increase in production, nutmeg sales declined from 4,533,499 pounds in 1979 to 4,210,664 in 1982. (See table 43). Sales of mace, on the other hand, rose from 576,350 pounds in 1979 to 695,345 pounds in 1982.<sup>64</sup> On account of the decline in nutmeg production and the fall in nutmeg prices in the various international markets, the earnings of the GCNA plummeted from EC\$16,128,777 in 1978 to EC\$10,640,716 in 1982. As in the case of the GCA, the GCNA's loss of earnings forced the Association to dip into its reserves in order to make payments to growers. In the case of the GCNA, however, the decrease in the amount paid

TABLE 42

NUTMEG PRODUCTION 1978-1982

Crop Year	Nutmeg lbs Equivalent shelled	Mace lbs Equivalent cured
1978	4,454,405	568,497
1979	5,128,778	625,467
1980	5,486,294	647,672
1981	5,300,836	532,129
1982	6,157,754	502,905

Source: Grenada Co-operative Nutmeg Association, Financial Statement and Report of the Nutmeg Board for the Year Ended 30th June 1982. St. George's, 1982, p.13.



TABLE 43

NUTMEG SALES 1978-1982

Crop Year	NUTMEG		MACE		Total Value EC \$
	Sales lbs	Average Market Price EC \$ per lb	Sales lbs	Average Market Price EC \$ per lb	
1978	6,145,499	2.35.18	549,500	3.04.97	16,128,777
1979	4,533,499	2.38.03	576,350	2.88.32	12,453,067
1980	3,970,239	2.48.13	665,915	2.98.63	11,839,998
1981	3,572,700	2.26.98	491,640	3.41.18	9,786,726
1982	4,210,664	1.95.26	695,345	3.47.84	10,640,716

Source: Financial Statement and Report of the Nutmeg Board for the Year Ended 20th June 1982, p. 16.

to growers was more pronounced. In 1979 growers were paid EC\$1.58 per pound for nutmeg, and in 1982 this figure fell to EC\$0.80. (See table 44).

In the banana industry there were similar problems to those in cocoa and nutmeg. Declining exports, lower prices and increased costs of inputs adversely affected the finances of the GBCS. Owing to these difficulties, the Society was forced to lower the amount paid to growers from around EC\$0.18 per pound in 1979 to EC\$0.14 per pound in 1982.<sup>65</sup>

In making an assessment of the PRG's agrarian programme as a whole, one can say that strenuous efforts were made, and a number of important initiatives were launched which could have laid the basis for a radical transformation of the Grenadian countryside and a dramatic improvement in the working conditions and living standards of the rural labour force. Unfortunately, the PRG was not allowed sufficient time to see the fruits of its labour, and during the actual period of the revolution numerous factors militated against the efforts of the revolutionary government so that on balance the net position of the rural masses probably deteriorated under the Bishop regime. The problems of low yields, pest and disease infestation, falling prices for Grenada's agricultural exports, praedial larceny and the legacy of Gairyism were deep-seated and intractable, and could not be overcome in the space of just four years. Probably the most salutary feature of the PRG's agrarian programme was the openness with which it conducted itself. There was no attempt to brush problems under the carpet. Grenada's agriculture was depressed for a variety of reasons and the revolutionary

TABLE 44

NUTMEG: PRICES PAID TO GROWERS 1978-1982

	1978	1979	1980	1981	1982
	EC £ per lb				
Nutmegs	1.58	1.58	1.45	1.28	0.80
No. 1 Mace	1.90	1.90	2.34	3.29	2.60
No. 2 Mace and Pickings	1.24	1.24	1.04	1.04	1.05

Source: Financial Statement and Report of the Nutmeg Board for the Year Ended 30th June 1982, p. 17.

government wanted the masses to know about it so that they, the masses, could do something about it. Nevertheless, the PRG evinced a good deal of impatience, insensitivity and voluntarism in its bid to transform Grenadian agriculture. Unable to provide the rural poor with any substantive material inducements, it wanted to give them ideology and rhetoric. There were, of course, positive aspects of this; a greater appreciation of the importance of agriculture to the economy was instilled in society and a healthier attitude towards farmwork was discernible. At the same time, however, the PRG expected far too much from ideology. It was as if it was trying to force-feed Marxism to people who were hungry, and this feature of the agrarian programme led to cynicism and disaffection with the revolution.

## Chapter Nine

## The Unmaking of the Revolution

In providing a detailed assessment of the social and economic policies of the PRG, the preceding chapters of this book furnish abundant material about the state of the revolution in 1983. From what has been said in these chapters it is possible to understand the context in which the implosion of the Bishop regime took place which led directly to the US invasion of Grenada. It is this unmaking of the revolution which forms the subject of this chapter.

## The Confrontation With Washington

Taking into account the extremely limited resources at its disposal, the NJM devoted more attention to the history and multiformity of US destabilization of Third World regimes than any other contemporary revolutionary leadership. In fact, so confident were the NJM of the effectiveness of the strategy and tactics they had devised for combating destabilization that they collaborated with Chris Searle, an English supporter of the revolution, in producing a book which presented Grenada as 'a casebook of destabilization and a manual for fighting it'. The NJM were immensely ambitious and were committed internationalists, and they believed that the Grenadian revolution provided an example that could be emulated by other revolutionary movements around the world. Michael Manley, who had not himself been particularly successful in countering the CIA subversion that was directed at him while he was in office, was greatly impressed by Grenada's formula and declared at the back of Chris Searle's book: 'When an internal process is united and has adequate mass foundation, you could bring all the CIA's in the world and they would not advance an inch because they would be rebuffed by the unity of the people themselves. And that is why I dare to predict with confidence that no such force will prevail against the Grenada Revolution.' The fact that the book was released just days before the US invasion of Grenada was acutely embarrassing to its author. Nevertheless, in putting forward the NJM's views on how to deal with destabilization, Chris Searle's book shows the systematic way in which the NJM addressed itself to this question. One could not, therefore, attribute the implosion of the revolution and the subsequent US invasion to a lack of

understanding on the part of the NJM about the subtleties of US destabilization techniques. Rather, one should examine the strategy employed by the NJM to counter the US offensive in order to understand why such a well-informed leadership succumbed to the type of mistake which has given American imperialism one of its greatest propaganda victories over socialism in this decade. Before doing so, however, it is necessary to outline the precise nature of the confrontation between Washington and St. George's.

The US under the Carter administration initially adopted a wait-and-see attitude towards the PRG. The overthrow of Gairy was generally welcomed in the Caribbean and elsewhere and the State Department was unclear as to the direction which the revolutionary government would take. Furthermore, the revolution occurred at a time when the Carter administration was still floating the idea reconciliation with leftist regimes in the Third World. Although the National Security Council considered the idea of blockading the island, it was deemed an untenable option. Cautious recognition was granted to the PRG. Nevertheless, relations between St. George's and Washington soon deteriorated as the Bishop regime moved on to establish close relations with Cuba - a move the regime made despite a candid statement by the then US ambassador to the Eastern Caribbean, Frank Ortiz, that the US would 'view with displeasure any tendency on the part of Grenada to develop closer ties with Cuba'.<sup>3</sup> Taking exception to the Cuban connection, the US embarked upon a policy of economic and diplomatic harassment of the PRG. In response to the US attempt to dictate policy to Grenada, Bishop gave a defiant speech, in which he declared: 'Grenada is a sovereign and independent country, although a tiny speck on the world map, and we expect all countries to

strictly respect our independence just as we will respect theirs. No country has the right to tell us what to do or how to run our country or who to be friendly with. We certainly would not attempt to tell any other country what to do. We are not in anybody's backyard, and we are definitely not for sale.'<sup>4</sup>

From then on US hostility towards the PRG increased. A major development in US-Grenada relations took place when the Bishop regime backed the Soviet intervention in Afghanistan in December 1979. According to a report in the Washington Post, this action led the Carter administration to first discuss the use of covert operations against the PRG. However, only propaganda measures were approved by Carter, and this led to a barrage of anti-Grenada articles appearing in North American newspapers and magazines.<sup>5</sup>

With the inauguration of Ronald Reagan as US President, a qualitative shift in the US attitude towards Grenada took place. Along with Nicaragua and Cuba, Grenada was portrayed as a source of unrest in the region and an 'exporter of revolution'. The administration also alleged that the island constituted a military threat to the US. Having elevated the Caribbean basin into a foremost concern of US policy, the Reagan administration proceeded to intensify and systematise the economic and political offensive against Grenada launched by Carter. In addition, the Reagan administration took steps to improve its capacity to carry out direct military intervention in Grenada. In August 1981 the US led the largest naval exercises conducted by Western forces during peacetime since World War Two. Code-named 'Ocean Venture 81', this exercise deployed over 120,000 troops, 250 warships and 1,000 aircraft in a fictitious scenario that had NATO forces



battling Soviet ships in the South Atlantic, Caribbean and North Atlantic before finally vanquishing them in the Baltic. A central component of the exercise was the invasion of a Caribbean island group known as 'Amber and the Amberines'. (The islands to the north of Grenada are known as the Grenadines; a locality near Point Salines is called Amber). Staged at the island of Vieques, off Puerto Rico, this phase of the manouvres had the 'hostile' forces of Amber (backed by 'Red', presumably Cuba) seizing US hostages, refusing to negotiate, and compelling a US invasion. At the time the scarcely-veiled threat to Grenada was widely appreciated. Subsequent US naval exercises in November 1981 ('Red X 183') and March 1983 - when US craft came within six miles of Point Salines - gave the State Department additional military expertise for a direct invasion of Grenada. However, because such rehearsals were carried out, and detailed contingency plans made, one should not therefore conclude that the real invasion of October 1983 was inevitable. Such activities have been directed against Cuba for over 25 years and still no US invasion of that country has taken place. The military exercises were used by the Reagan administration to intimidate the PRG. Up until the dramatic turn of events in October 1983, it is highly unlikely that even the Reagan administration would have risked the formidable diplomatic problems of launching a full-scale invasion of an independent and sovereign state. If any country was likely to fall victim to such a move, it was thought to be Nicaragua, which presented a much greater military challenge and had been the object of a prolonged propaganda campaign, a major CIA covert operation, and an extensive US military build-up on its borders. Grenada, by contrast, was in a far more secure position. In July 1981

the US Senate Intelligence Committee rejected outright plans drawn up by the CIA for covert destabilization of Grenada. The fact that Grenada is an island protected it against any obvious incursions from neighbouring territories. And because of the highly pragmatic foreign policy pursued by the PRG, Washington reaped poor results from its attempt to impose a diplomatic and economic boycott of Grenada. In fact, so effective was the diplomatic and propaganda counter-offensive mounted by the PRG that in April 1983 the US was obliged to shift the focus of its attacks on Grenada. In his bid to obtain congressional approval for increased military assistance to El Salvador, in March 1983 Reagan again linked Grenada to Soviet- and Cuban-inspired subversion in the region. The island was deemed a threat to the 'national security' of the US, and in a television address to the nation delivered on 23 March, Reagan presented a 'declassified aerial photograph' of the airport. This gave rise to an intense public interest in the Grenada issue in the US, and a number of journalists and Congressmen visited the island. The PRG handled the whole incident very skillfully and made considerable propaganda value out of the fact that American students from the St. George's School of Medicine frequently went jogging on the airport site. In response to the weight of evidence that surfaced which demonstrated conclusively the civilian nature of the airport, the State Department suddenly became reticent about the airport issue. In mid-April Ludlow Flower, the charge d'affaires at the US embassy in Barbados, stated that the US was prepared to normalize its relations with Grenada providing there was movement with respect to the human rights situation on the island and the PRG's anti-US foreign policy.

Although the PRG publicly denounced Washington's plea for an improvement in relations, privately the revolutionary government had now come to the view that some sort of rapprochement with the US was necessary. Towards the end of 1982 Bishop and Whiteman had realised that the new airport could be economically viable only if the American tourist market was secured. And this could only happen if proper relations were established with Washington. Unless a bilateral aviation agreement was signed between Grenada and the US American jets would not be able to fly directly to Grenada so that US tourists would still be obliged to trans-ship in a neighbouring Caribbean territory. This would have significantly reduced the impact of the airport in terms of boosting the number of US visitors to Grenada. Given the strategic importance assigned to tourism in the economic strategy of the PRG the US tourist market was of considerable importance to the Grenadian economy. Hence, the PRG was somewhat optimistic when, at around the time of Flower's statement, it received the first official note from Washington since the warning issued in the first few days after the revolution against involvement with Cuba. Moreover, the official note was conciliatory in tone. Despatched via the leader of the US black caucus in Congress, Mervyn Dymally, it indicated that all US embassy personnel in Barbados were to be accredited to Grenada except the ambassador, Milan Bish. Congressman Dymally also invited Bishop to visit Washington and the trip was also supported by Trans-Africa, the influential black American lobby group. In the period leading up to the visit the Central Committee of the NJM agreed with Bishop's suggestion that a moratorium should be placed on anti-US

propaganda. The visit took place during the first week of June, and Bishop used the occasion to explain to the US public in extremely diplomatic language the nature of the Grenadian revolution and the PRG's position on sensitive issues such as human rights, elections, and the island's relations with the Soviet Union and Cuba. Rather than stay on the defensive, Bishop took the offensive and listed the gains made by the revolution in the areas of employment, health care, education, economic growth and mass participation in the political process. In his speech delivered at Trans-Africa's annual dinner, he pointed out that the American Revolution gave itself thirteen years before holding its first elections, and also acknowledged that like all previous revolutions the Grenadian revolution had brought about some 'disruptions'. On the question of the island's relations with the Soviet Union and Cuba, Bishop was somewhat more evasive, yet re-affirmed the PRG's commitment to non-alignment and support for Third World liberation struggles. He used the visit to forge links between the PRG and its supporters in the US and discussions were held with US Congressmen and Senators. An announcement was also made on the PRG's intention to take steps that would lead to elections.

Included in the PRG's delegation were Royston Hopkin, President of the Grenada Hotel Association, Richard Menezes, President of the Chamber of Commerce and Lyden Ramdhanny, and the trip was also used to promote Grenada as a tourist resort and invite American entrepreneurs to invest in the island. Throughout the visit, Bishop skilfully used the heightened interest in Grenada to draw attention to the island's exceptional qualities as a holiday centre. Bishop's speeches were aimed at both a political and a travelling audience.

As regards the latter, some important successes seemed to have been achieved. A reception hosted by Lyden Ramdhanny drew some 450 travel agents, travel writers and tour operators, and at a press conference Senator Lowell Weicker announced his intention to visit Grenada with a team to study the potential for US investment in the island.<sup>6</sup> Prior to the visit, Bishop had requested a meeting with Reagan or some other high-ranking US official. Reagan refused to meet with Bishop, but eventually agreed to a meeting with Judge William Clark, the chief of the National Security Council.<sup>7</sup> Although no details of the meeting were disclosed, it is known that the US administration welcomed the formation of the constitutional commission and discussed the possibility of reducing the Cuban presence, resisting future moves against the private sector and arresting the deepening of relations with the Soviet Union and Cuba.<sup>8</sup> Bishop appears to have been quite satisfied with the talks and described them as representing 'a useful first step in renewing bilateral relations between our two governments.'<sup>9</sup> On his return to Grenada, Bishop called for the moratorium on anti-American rhetoric to continue and asked for permission to allow a US diplomatic mission to be established in St. George's and a Congressional delegation to visit Grenada the following autumn. The Central Committee reluctantly agreed to the moratorium and the Congressional delegation but was non-committal about the US diplomatic mission. Many people in the party leadership were apprehensive about Bishop's overtures towards the US and this was an important factor in the party crisis which developed in October 1983.

Prior to the event of October 1983, then, there was an easing of tension in the relations between St. George's and

Washington. The Reagan administration continued to make wild accusations about the Grenadian revolution, but in discussions with Bishop spelt out its real apprehensions about the PRG. In the State Department's view, Grenada was in the process of becoming a client state of the Soviet Union and Cuba and this represented a challenge to US hegemony in the Caribbean basin. Irrespective of the fact that the PRG had not taken any actions against US interests in Grenada - which were in any case negligible - and the possibility of the Grenadian revolution spreading to neighbouring Caribbean islands had been markedly reduced, the political allegiance of the NJM to the Soviet Union could not be tolerated in Washington. Because of the strategic importance of the Caribbean Basin to the economic and security interests of the US, the establishment of a Soviet bridge-head in Grenada constituted a major threat to the US. To be sure, the State Department was well aware that Grenada's international airport was not designed for military purposes. But by making exaggerated claims about the Soviet and Cuban involvement in the airport project, the Reagan administration was sending signals to both St. George's and Moscow that it would not accept the deployment of sophisticated Soviet weaponry in Grenada. In order for a normalization of relations between Grenada and the US to occur, the PRG had to demonstrate that it was moving out of the Soviet orbit by reducing the Cuban presence, severing its political links with the Soviet Union and allowing the US to set up a diplomatic mission in St. George's.

The NJM, for its part, was being extremely pragmatic and tactical in seeking a rapprochement with Washington. Bishop had no intention of renouncing the official communist ideology of the party and remained resolutely opposed to the

domestic and international policies of the Reagan administration. But the isolation of the Grenadian revolution in the Commonwealth Caribbean and the economic difficulties which confronted the PRG, led Bishop to realise that some sort of modus vivendi with Washington was imperative for the very survival of the revolution. The problem which he faced was how to assuage the State Department's ire without abandoning the tenets of socialist orientation. Bishop wanted to make concessions to the US, but recognised the dangers that were attendant in embarking upon such a course of action. Nevertheless he believed that the strategy that the NJM had devised for countering destabilization would enable the party to withstand any subversive actions which the State Department might attempt to carry out. This anti-destabilization strategy was informed by the official communist ideology of the party, and was enunciated by Bishop in very plain terms in the interview published in Searle's book.

The first factor isolated by Bishop in the anti-destabilization strategy, was the fact that there was no US embassy in Grenada: 'In Grenada there is no US Embassy, and this has clearly placed a powerful brake upon their potential to destabilize the Revolution internally, not having the permanent base for their mischief which they had in /Guyana, Chile and Jamaica7. The US imperialists and their CIA are thus forced to rely upon local agents which they first have to recruit internally then contact clandestinely from time to time, but in Grenada they do not have this fixed facility and infrastructure to operate, they do not have this ready-made system. The guise of normal diplomatic relations - which only hid on-the-spot organizational and recruitment centres - enabled them to reach their agents and gain

information on a daily basis, as well as to provide guidance to those unpatriotic elements within the country who were prepared to carry out the dirty work of the CIA. This is a critical disadvantage for them in relation to Grenada.<sup>10</sup>

The imposition of a one-party state was also considered by Bishop to be an effective means of countering destabilization: 'Then our dismantling of the Westminster parliamentary system is also important in this context. Along with that dismantling has come an end to the traditional tribalism which continues in other Caribbean countries. A part of that political tribalism as used by the CIA, has been to get some of the parliamentarians to use the medium of parliament in such a way as to destabilize the country. Masterminded by their American puppeteers, they raise bogus concerns about the economy, they spread vicious propaganda from outside the country and seek to make the people lose faith and confidence in their revolutionary government, raising a million and one other such provocative matters through the medium of parliament - and thus claim to do it in that sense with a certain measure of legitimacy.'<sup>11</sup>

The third factor highlighted by Bishop was the NJM's monopoly of the media: 'In relation to the media, we made it very clear at an early stage that we were not prepared to countenance counter-revolutionary literature in our country, or media that were being used for the purpose of inciting sections of the population to violence or disaffection. So within the first six months of the Revolution, one counter-revolutionary newspaper, The Torchlight, was closed down, and that too has meant that a powerful arm of their destabilization machinery has been amputated in our situation.'<sup>12</sup>

Next Bishop referred to the armed forces: 'Then there is the question of the armed forces, which in the Chile and Jamaica



situations, for example, remained intact after progressive governments had taken power. For us it was very different. In the first hours of the Revolution the Green Beast army of Gairy was completely disbanded. That meant that thereafter a new army came into being, an army of patriotic youth, young farmers and sections of the unemployed. Right from the start it was possible to imbue this young army with a patriotic, anti-imperialist consciousness, and that has proved to be a decisive factor. The possibilities of infiltration or of coups d'etats are much more difficult in this army than in those countries where the armed forces of the previous regime remained intact. On top of that we have built a people's militia in addition to our regular armed forces, something that did not happen in the three countries that were mentioned before, where the progressive regimes did not move to arm the people in this way.<sup>13</sup> The fifth factor cited by Bishop was the economy: '... there has been a great deal more voluntary involvement in the building of the economy in our situation than perhaps there was in either Chile or Jamaica. That too has been a major factor in terms of the room imperialism would have to manoeuvre in our situation.'<sup>14</sup> Finally, Bishop gave a resume of the main features of the anti-destabilization strategy: '... our first line of defence is complete openness and honesty: tell our people all the facts and call upon them for a response and involve them in what is happening. ... We believe that the Revolution can only develop around three pillars: first the people and their democratic organizations, secondly the building of a strong national economy, and thirdly the building of a national defence capacity. We try at all times to integrate these three

pillars because we feel that if any one of the three is missing at any particular time, then the Revolution will be in danger and will be weakened.

But we can also speak of a fourth pillar, the pillar of international relations, and that too has been a major way of fighting destabilization. Whenever there is any threat to our process we immediately appeal to all our friends around the world for their support.<sup>15</sup>

The anti-destabilization strategy outlined by Bishop proved to be effective for four years. However, in 1983 serious differences of opinion arose in the NJM, and this development showed up some of the inadequacies of the anti-destabilization strategy.

### The Crisis of the Party

Most accounts of the party crisis devote considerable attention to the personality clash between Bishop and Coard. In so doing, they underestimate the broader political issues involved and do not draw the right conclusions about the collapse of the revolution. Undoubtedly, in a country the size of Grenada strong personalities have a marked influence on public affairs. But the personal characteristics of Bishop and Coard were less important in themselves than for what they represented. Maurice Bishop was always more than a figurehead. For most Grenadians he symbolised their revolution and was their trusted 'chief'. Good looking, of 'fair' complexion and tall for a Grenadian, Bishop had acquired much sympathy through the loss of his father, who had been a prominent figure, and was widely respected because he had remained in the country from 1973 onwards and dedicated much of his work as a lawyer to defending people of humble background. His sympathetic character made him a natural mediator and gave the PRG a flexible and accessible image that did much to commend it to those who harboured reservations about its policies. In this sense Bishop represented an individual bridge not just between the government and the mass of Grenadians but also between the NJM and the PRG, which, it must be remembered, contained non-party members and did not work openly towards the full party programme but only those parts considered applicable to the strategy of socialist orientation. This bridge eventually collapsed because leading members of the party felt that Bishop did not have a thorough grasp of 'Marxism-Leninism', provided indecisive leadership and was

becoming conciliatory in his attitude towards the US.

Bernard Coard was in many respects the antithesis of Bishop. An unkempt, bespectacled and plump figure, Coard never sought personal popularity. Grenadians respected his academic achievements, but found him aloof and unattractive as an individual. The fact that his wife, Phyllis, was a Jamaican and not widely viewed as sympathetic also made him unpopular. Coard was austere, an exceptionally hard-worker and a dedicated ideologue. He was also a strict disciplinarian and a tough taskmaster. He relished the state sector rationalisation programme, and had a saying: 'If you don't work, you don't eat.'<sup>16</sup> It was well known that Coard was highly ambitious, and it was widely rumoured that his wife was dissatisfied with the fact that he was only the Deputy Prime Minister. In reply to a comment that Bernard was 'number two in the country', Phyllis is alleged to have said: 'My husband isn't second to anybody'. Throughout the four years of the revolution many false rumours were spread about conflict between Bishop and Coard, and this may have been one of them. However, while many of the stories about the relationship between Bishop and Coard were unfounded, it is known that Coard was insecure as an individual and had a personal complex about Bishop. But up until 1983 Coard's feeling of unease did not adversely affect his political relationship with Bishop.

In October 1982 a dramatic development took place in the NJM when Coard insisted on resigning from the Central Committee and its political bureau on the grounds that he was overworked and the party had become excessively reliant upon him. He said that other members of the party leadership always turned to him to answer questions about theory and

political strategy, and this was an impediment to the collective development of the party. Bishop opposed Coard's resignation, and asked him to stay on the Central Committee and do educational work. But Coard won backing for his position from his supporters in OREL, who, it must be remembered, commanded a majority of the party's leadership. Thus, Coard was able to retire from the Central Committee. He remained Deputy Prime Minister and Minister of Finance, Planning and Trade, but his role in NJM affairs was that of an eminence grise operating behind the scenes and only occasionally attending formal meetings to which he was specially invited. After Coard's resignation more OREL members were elected to the Central Committee, while the individuals closest to Bishop, namely Kenrick Radix and Vincent Noel, lost their positions. The newly-elected OREL members were extremely hard-working and deserved their positions, but the strengthening of the OREL faction at the expense of the Bishop faction took place in the context of a move to transform the NJM into a bona fide Marxist-Leninist party. In 1982 the NJM openly declared to the membership that it was a Marxist-Leninist party, and a rule was introduced to the effect that party members were not allowed to derive any portion of their income from the ownership of property. The consolidation of a genuine Marxist-Leninist vanguard party was one of the major injunctions of the socialist orientation strategy, and in 1982 Coard and other leading figures in the party judged that the time was right to refashion the NJM.

With the benefit of hindsight one can interpret Coard's resignation as the first move in a deliberate plan to curb Bishop's authority by placing Coard outside of policy-making bodies of the party and therefore in a good position to

re-enter the arena when matters went awry, as he warned they might.

By the summer of 1983 the NJM was in a state of disarray. Its total membership was not more than 300 militants, many of whom were 'candidate members', still in the process of receiving political education and lacking full voting rights in accordance with the organisational traditions of official communist parties. Given the fact that the NJM was the ruling party, its low membership in a society of 110,000 people is remarkable. It shows that the party adhered rigidly to the concept of a 'vanguard party' and made party members undergo rigorous selection procedures. However, the membership was not just low but also declining. This was principally because of the enormous demands made of militants, whose party, community and governmental obligations as well as their ordinary work kept them tied to 14-hour days six days a week. The strains that this timetable imposed were evident in the high incidence of illness at all levels and the growing inefficiency of political and other work. It was noted in several meetings of the Central Committee that important members of the party were drifting away because their obligations had exhausted them beyond all endurance. As a result, the vigour and sensitivity of the NJM's activity in the unions and mass organisations had fallen off to a critical degree. There was resistance to the popular education programme, a falling away of the membership and enthusiasm of the NWO and NYO, an increasing incidence of tactical mistakes, and a 'general drift' in the NJM's work that substituted genuine political leadership with brow-beating obligation. However, while the difficulties faced by the party were serious they were not insurmountable, and the revolution was not in danger of

an imminent collapse from within. Yet this was the line taken by the OREL faction. In July 1983 the Central Committee held an extraordinary session at which the progress of the NJM and the revolution were assessed. This meeting led to extensive self-criticism and the implementation of a variety of administrative changes, but both were essentially superficial and conducted in a coded manner that suppressed real political differences. No major changes came about despite the formal candour of the admissions that the party was facing severe difficulties. The Central Committee's appraisal of the period since Coard's resignation was that it had made partial gains but that the structural problems remained.

These problems were again discussed at a further extraordinary meeting of the Central Committee held from 14 to 16 September. This meeting had been convened to analyse the results of the decisions made at the July meeting. However, by this time positions in the party had hardened. No agenda was circulated prior to the September meeting - an unprecedented omission - and two days before it began, all those overseas were ordered home. The scene was set for a confrontation when the OREL members refused to accept Bishop's agenda. They proposed an alternative agenda which centred on an analysis of the state of the party and the revolution, the work of the Central Committee and the way forward. On the first day of the meeting, a debate took place on the problems facing the revolution. Set within the parameters of the socialist orientation strategy of the party, the debate was highly subjective and elitist in tone. The waning of support for the PRG that was discernible was attributed to the 'weakness of leadership' provided by the party. There was no attempt to make a balanced assessment of the progress of the

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revolution by examining the impact of the PRG's policies on the various classes in society. While passing reference was made to the economic and social characteristics of Grenada which presented a huge obstacle to revolutionary transformation, it was assumed that all these difficulties would be overcome once the NJM transformed itself into a 'disciplined Marxist-Leninist party'. On the second day of the meeting, Liam James, a devoted follower of Coard, argued that the main problem confronting the revolution was the 'quality of the leadership of the Central Committee and the party provided by Comrade Maurice Bishop.'<sup>17</sup> In this he was supported by Leon Cornwall, Ewart Layne and John Ventour, who were also dedicated supporters of Coard and members of OREL. James went on to call for the return of Coard to the Central Committee and proposed a model of joint leadership that would marry the strengths of Bishop and Coard. He suggested that Bishop should be assigned the responsibility for direct work among the masses, paying particular attention to the mass organisations and the organs of popular power, and regional and international work. Coard should be put in charge of the organisational development of the party, the formation of party cadres and overall strategy and tactics. Although James and the other supporters of OREL tried to present the joint leadership proposal as a mere administrative device that would allow for the smoother functioning of the party by supplementing Bishop's qualities with Coard's, in fact it amounted to a major shift in power. In the theory of socialist orientation the party is accorded a hegemonic place in the revolutionary process, over and above the organs of the state. So the proposal to put Coard in charge of the party was tantamount to making him the leader of the revolution. In putting forward the joint

leadership proposal, Coard and his followers in OREL were in fact saying that they did not believe that Bishop was competent enough to lead the revolution, but because of his popularity amongst the masses it was inappropriate to remove him from power completely. Joint leadership was a formula designed to enable Coard to take control of the real locus of power in the country and relegate Bishop to the position of a figure-head of the revolution. And this is confirmed by the fact that the joint leadership proposal went hand-in-hand with a move to make Leon Cornwall the Commander of the PRA in place of Hudson Austin, who was considered close to Bishop. Moreover, the power sharing arrangement was put forward even after Bishop had made a personal self-criticism and himself put forward a comprehensive solution to the problems facing the revolution. Bishop had conceded that there was a state of deep crisis in the party and revolution, and put forward a five-point proposal to improve the situation. The five points were: (i) improve the individual and collective leadership of the Central Committee; (ii) develop a perspective based on Marxist-Leninist criteria to guide the work of the party; (iii) find creative ways of reinforcing links and carrying out work among the masses; (iv) establish meaningful channels of communication between the leadership and the membership and formally rationalize the work among party members, bearing in mind the ground swell of complaints over work and lack of inner party democracy; (v) develop structures for accountability of the Central Committee to the party. Bishop's proposals were apposite and show that he recognised that the NJM had lost touch with the masses and had not been effective enough in winning support for its ideals and policies. Thus, in putting forward the joint leadership proposal, the Coard

faction rode roughshod over Bishop's plea for a turn towards the masses, and insisted on a bureaucratic solution to the problems facing the revolution. The fact that OREL had by now secured a majority on the Central Committee and had prepared its position well in advance of the meeting, ensured that the joint leadership proposal was accepted. Those members of OREL who spoke in favour of the proposal did so in a uniform and orchestrated fashion, showing quite clearly that they had caucused over the issue. Bishop was no fool, and appreciated the significance of joint leadership. But he had been outmanoeuvred. He was the undisputed leader of the Grenadian people, yet now found himself in a minority in his party and lacked the political tools with which to mount a challenge to the Coard faction. Bishop adhered to the concept of a monolithic party and a one-party state, and this ideological framework provided no avenues for legitimate dissent. So when confronted by a majority of members of the Central Committee in favour of him relinquishing power to Coard, he had to evaluate his position carefully. Bishop protested that the joint leadership proposal amounted to a vote of no confidence in him, and in the vote that was taken on the subject decided to abstain. The subsequent behaviour of the Grenadian leader was spasmodic and indecisive. He declined to attend a Central Committee meeting called to hear his views on the power-sharing formula, and was eventually brought to a second meeting of the whole party by a five-person delegation sent to fetch him. At this meeting, held on 25 September, Bishop made a complete volte-face on joint leadership. After the overwhelming majority of party members voted to implement joint leadership, Bishop made another self-criticism and pledged to carry out the wishes of the party. But he still had

grave doubts about the new arrangement. As a committed party member he did not want to be seen going against the decision of the majority, but he recognised that a power struggle was taking place. Coard had won support by devoting himself to ideological matters and organizing his supporters in OREL to take the leading positions in the party. Bishop's main support lay with the masses and the PRG, and in carrying out his duties as Prime Minister he probably neglected work in the party. Bishop was well aware of the ideological sway wielded by Coard and appreciated that some of Coard's supporters were dissatisfied with the Prime Minister's style of leadership. But Bishop was an extremely generous and accommodating individual and trusted that the Coard faction recognised the popularity which he enjoyed in the country, and would not question his authority to lead the revolution. It was now evident, however, that these assumptions were unfounded. Yet, having lost a majority in the party, there was no other institution to which Bishop could turn to seek a mandate for his continued leadership of the country. His personal predicament epitomised the central contradiction of a one-party state; namely that it imposes conformity upon minorities and oppositionists since public dissent is prohibited. Within the framework of the concept of monolithism to which he subscribed, Bishop's only legitimate course of action would have been to make a concerted bid win back control of the party. But it was too late for that. Outnumbered and confused, Bishop hoped against hope that commonsense would prevail.

Following the general meeting of party members, Bishop left Grenada for a two week trip to Eastern Europe. During his absence from the country, the party crisis entered a new

phase. The Coard faction feared that Bishop might use his support among the masses to challenge the party decision on joint leadership, and any sign of dissent on the part of individuals close to Bishop was construed as evidence that Bishop was preparing some form of counter-attack. The Central Committee of the party became particularly alarmed when Bishop and his touring party stopped off in Cuba on its way home. There Bishop was met at the airport by Fidel Castro and Raul Castro and eight other members of the Central Committee of the Cuban Communist Party. This was an unusually high-powered group for such a short visit by a close and familiar ally; it aroused suspicion that Castro was not only signalling to St. George's that he supported Bishop, a personal friend, but that he was also advising him. The Grenadian party leadership immediately sent a message of protest, but both Bishop's supporters and Castro himself subsequently denied that any discussion of Grenadian internal affairs took place. All the same, by this time the Coard faction had become paranoid. The outcome was that by the time the touring party returned to Grenada, the Central Committee had taken measures to disarm Bishop's supporters in the PRA and demobilize the militia.

When Bishop arrived at Pearls airport he was met only by Selwyn Strachan, a significant departure from protocol. It is said that Bishop told Strachan that he wanted a review of the leadership question to be on the agenda of the Central Committee meeting scheduled to be held on 12 October. This seems to have been interpreted by Strachan as the prelude to outright rejection; it was reported back as a negative response and must have been construed as an effort to challenge and reverse official party policy. The Central Committee

hardened its position.

Matters came to a head on Wednesday 12 October. On that day, one of Bishop's bodyguards told the Central Committee that Bishop had been spreading rumours that Bernard and Phyllis Coard planned to kill him. On the basis of this accusation the Central Committee called off the sentries at Bishop's house and placed them under its own authority. The accusation concerning the assassination rumour was then taken up by a meeting of the Central Committee. At this meeting Bishop was asked to deny the rumours on RFG; he did this but his statement was only broadcast once, and the lack of clear news caused widespread confusion and concern.

On the afternoon of 13 October a meeting of the entire membership of the NJM was held. Coard's supporters turned the meeting into a kangaroo court and cowed the membership into supporting a motion to expell Bishop from the party and strip him of all his positions. In taking this decision, the NJM revealed the fundamentally undemocratic character of their conception of the party as the primary source and ultimate guarantor of revolutionary legitimacy. It was an unwritten law of the revolution that spreading false rumours was a punishable offence; and it was this 'law' which the Central Committee resorted to when they placed Bishop under house arrest. But Bishop was given no opportunity to defend himself in public, and the Central Committee did not appoint an independent body to investigate the matter. Though given that the law which Bishop is alleged to have trangressed was unwritten, it is difficult to see what terms of reference would have been given to an investigative body. Bishop was now a political detainee just like many others in Richmond Hill prison. The concept of 'revolutionary law' which he espoused

had now been used to expell him from the party and strip him of all authority. But there was one important factor which Coard's supporters overlooked. For four-and-a-half years the NJM had educated the Grenadian people in the belief that the PRG was their government and it was they who ultimately decided the fate of the country. Whatever weaknesses the Grenadian revolution had, it was eminently successful in raising the level of political consciousness and self-organisation of the masses and instilling in ordinary Grenadians the idea that they exercised real political power. It was inevitable that the house arrest of Bishop would inflame the country. But Coard and his supporters were so intoxicated with their official communist ideology that they were prepared to go against the masses on this question. When Coard was asked by George Louison how he would respond when the masses reacted, he replied: 'Well, the people can march, they can demonstrate, and we won't stop them. But they'll get tired. Gairy let them march and demonstrate almost daily for two months in 1973 and 1974. The same happened in Trinidad in 1970. The masses will get tired, and life will return to normal. And we will continue the revolutionary process on a more Marxist, more Leninist footing.'<sup>18</sup> A more elitist and substitutionist attitude towards revolutionary change could not be expressed. In Coard's view, the revolution could proceed without the masses.

But Coard was wrong. On 19 October a crowd of around 20,000 people, one-fifth of the population of the country, marched to Bishop's house and released him. Bishop was elated by this action taken in support of him. But the period in detention had taken its toll. He was very weary and in a state of tension. Nevertheless, together with some of his closest



supporters, Bishop decided to take action against the Central Committee and led the demonstration to the army barracks at Fort Rupert. After some brief scuffles with the sentries, Fort Rupert fell into Bishop's hands. Guns were distributed to the crowd and plans were drawn up to obtain more weapons. At around 1pm, two hours after Fort Rupert had been captured, three armoured troop carriers of the PRA arrived. Without any warning the PRA began to fire at the crowd. The firing lasted for some six minutes and over 100 people were killed, some of them in attempting to escape by jumping over a nearby cliff. The overwhelming majority of those who had rallied to Bishop's defence were school students and other youths, and it is they who bore the brunt of the casualties.

Having retaken the fort, the PRA ordered everybody to file out at gunpoint. All were allowed to go free except for Bishop and his five most prominent supporters - Unison Whiteman, Vincent Noel, Jaqueline Creft, Norris Bain and Fitzroy Bain - who were taken back inside. At approximately 1.40pm, another burst of gunfire was heard. Bishop and his followers were executed in cold blood.

The killings of 19 October sent a shock wave through the country, and the feeling of terror was heightened over the next three days as the security forces detained over 150 people. On Friday 21 October a Revolutionary Military Council (RMC) was set up, headed by Hudson Austin, who now served as the front man for the Coard faction. The RMC comprised fifteen members. Nearly all of them were leading figures of the PRA and members of OREL. Although Coard did not join the new military authority, he was in direct control of its activities. The RMC assumed absolute control of the island and ruled by decree.

In carrying out its putsch against Bishop, the Coard

faction considered how the US might respond to the split in the leadership of the NJM. Their evaluation, informed by the socialist orientation paradigm, was incredibly naive and adventurous. In reply to questioning by George Louison, they replied: '... even if it takes 10 years, the masses have to understand. Their analysis was that imperialism was too weak to attack them. There was Lebanon, which had reached a flash point. There were a number of other things, and imperialism could not attack them at that time. They felt that after a while the socialist countries would understand and come to their defense.'<sup>19</sup> But imperialism was not 'too weak'; and in carrying out their massacre of Bishop and his supporters they gave Reagan the perfect opportunity to launch the invasion which he had been planning for four years, but up until that point was unable to put into operation. Thus, on 26 October troops from the US and several Caribbean states landed in Grenada, and what remained of the revolution was obliterated for ever. The anti-destabilization strategy enunciated by Bishop made no provision for pluralism in the party, the state or the media because the NJM believed that the most effective way of countering CIA subversion was to suppress all potential sources of opposition. Yet it was the authoritarian and bureaucratic way in which the Coard faction sought to resolve its differences with Bishop that facilitated the US invasion. The seeds of the downfall of the revolution lay in the pitfalls of the anti-destabilization strategy adopted by the NJM.

## Chapter Ten

## Conclusion

The Grenadian revolution was the boldest experiment in revolutionary transformation ever attempted in the English-speaking Caribbean. It exploded the myth that Caribbean people are subservient and 'happy go lucky', and demonstrated how an oppressed nation in the West Indies could overthrow a tyrannical regime and begin the task of revolutionary transformation. In spite of its enormity, the tragedy that occurred in October 1983 cannot erase the contribution made by the Grenadian revolution to the cause of human liberation and social progress. During the four-and-a-half years of its existence, the Bishop regime unleashed the creative energy of the Grenadian people and introduced a series of measures to improve the position of the working class, the peasantry, women, youth and other oppressed groups in society. On account of the astute and fervent oratory of the island's leader, and the energy and originality devoted by the regime to Third World issues, Grenada emerged as a leading force in the Non-aligned Movement and acquired an international stature out of all proportion to the miniscule size of the country. For four-and-a-half years the Bishop regime stood in open defiance of the mightiest power on earth and thwarted successive attempts to destabilize the revolution. Notwithstanding

the humiliating circumstances of its denouement, there are many positive lessons to be learnt from the Grenadian revolution. This is something that is missed by Hugh O'Shaughnessy in his otherwise highly commendable journalistic account of the revolution. O'Shaughnessy makes no attempt to analyse the social and economic policies of the Bishop regime, and this lacuna prevents him from making a balanced assessment of the Grenadian experiment as a whole. Justifiably horrified and indignant at the massacre of Bishop and his supporters, he tends to dismiss altogether the political project of revolutionary transformation in the Caribbean. Another problem with O'Shaughnessy's book, is that he accepts the label of Leninism which the Coard faction used to legitimise its move against Bishop. He thus implies that it was the ideas of Lenin which led to the destruction of the revolution. In chapter 3 we saw that the theory of socialist orientation was at variance with Lenin's writings on proletarian revolution in backward countries in several important respects. Yet the Coard faction went even further from the theory and practice of Lenin in their attempt to apply socialist orientation to Grenada. Contrary to the injunctions laid down by Lenin in his theory of the vanguard party, the NJM never held a party congress in its entire history, voting was seldom used to arrive at political decisions and members of the Central Committee were handpicked by Bernard Coard rather than elected by the rank and file. There are, undoubtedly, problems involved in Lenin's theory of the party, but the experience of Grenada does not throw any real light on the matter since the NJM did not institute even the most elementary forms of Lenin's theory. O'Shaughnessy does not distinguish Lenin from his misguided followers, and in so doing makes invalid and unproven statements about the relevance

of Lenin's ideas to Caribbean society.

There is, however, a way in which the Grenadian revolution brings into question Lenin's writings on revolution in backward countries. It relates to his observations on advanced socialist countries providing assistance to revolutions in the periphery in order to enable them to bypass capitalist development. Socialist orientation cites Lenin on this issue, and claims that the existence of the socialist system makes it possible for Third World countries to break loose from imperialist domination and embark on a path of socialist transformation. The experience of Grenada shows that economic aid from the socialist countries is insufficient and inappropriate for socialist transformation in the Third World, and the official communist prescription that revolutionary states should blend socialist aid with financial assistance from the West is highly untenable on political grounds. Grenada was left in a sort of no man's land in which political and economic co-operation with the Socialist Bloc was not adequate to transform the society, and yet it was this co-operation which prevented the PRG from obtaining more funding from the West. The socialist countries have been unable to provide the type of assistance that Lenin envisaged would enable backward countries to make a direct transition to socialism.

The guidelines put forward in the theory of socialist orientation about economic aid are not the only weaknesses of the theory. The experience of Grenada shows that there are serious flaws in many aspects of socialist orientation. The primary objection that should be made against the theory is that it is quintessentially authoritarian and elitist in character. Too great an emphasis is placed upon the 'hegemonic role' of the vanguard party during the revolutionary process,

the notion of a monolithic one-party state is fundamentally intolerant and undemocratic, and no provision is made for political pluralism and the devolution of real power to mass organisations and organs of people's power. In its implementation of socialist orientation, the Bishop regime was highly pragmatic and innovative and attempted to refrain from the use of overt repression. But there was a heavy-handed edge to many of the social and economic policies of the regime, which derived from the undemocratic character of the revolutionary ideology of the NJM. The bloody conflict that took place in October 1983 was not simply an aberration, but the logical outcome of the authoritarian tendencies of the PRG. This is why it is not possible to go along with the assertion made by Anthony Payne, Paul Sutton and Tony Thorndike<sup>2</sup> that the theory of socialist orientation simply needs 'redevelopment'. Grenada is only the latest of a whole series of 'non-capitalist' or 'socialist-oriented' states that developed into military dictatorships, and this would indeed seem to suggest that the 'baby' of socialist orientation needs to be thrown out with the 'bathwater'. What is needed is a new theory of revolutionary transformation which is firmly anchored in Caribbean, and not East European, reality, and has as its primary axiom the need to create institutions that will allow the people to run society. After 184 years of chattel slavery, 320 years of colonialism and seven years of neo-colonialism, the Grenadian people are not prepared to surrender power to any self-styled 'hegemonic party'.

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46. In his detailed anthropological study of Carriacou, Donald Hill highlights the importance of remittances from migrants in providing a bridge between a cash and a subsistence economy. His line of reasoning could be applied mutatis mutandis to the state of Grenada as a whole: 'It is easy to see that in some years ... the earnings of migrants sent to or brought to the island exceeded local income from all sources. Thus, the economic history of Carriacou since emancipation has been written in Trinidad (from the early nineteenth century until today), Panama (in the early twentieth century), the United States (in the 1920s and again today), Venezuela (in the 1930s and 1940s), Aruba (primarily during the 1940s and early 1950s), and England (from about 1955 until today).

If remittances are low one year, Carriacouans can turn to cotton, limes, or sell livestock. If they are high, they can buy land, build shops or vessels and through them earn more money. As long as so many Carriacouans are abroad, the island's people adjust to economic conditions by shifting between a cash and a subsistence economy.' 'The Impact of Migration on the Metropolitan and Folk Society of Carriacou, Grenada', Anthropological Papers of the Museum of Natural

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55. Jose Miguel Sandoval, 'State Capitalism in a Petroleum-Based Economy: The Case of Trinidad and Tobago', in Fitzroy Ambursley and Robin Cohen, eds., Crisis in the Caribbean, London 1983, p. 263.

56. Author's interview with Lucille Commissiong, director and secretary, Geo. F. Huggins (Grenada) Ltd, 21 March 1983.

57. Author's interview with Patrick Clara, director, W. E. Julien and Co Ltd, 14 February 1983.

58. Kenrick Radix, 'Industrialization Prospects in Grenada' in Fedon, Grenada Is Not Alone: Speeches by the People's Revolutionary Government at the First International Conference in Solidarity with Grenada, St. George's 1981, p. 64.

59. The distinction which I make here between the petty bourgeoisie and the middle class is based on Post: 'The recognition of only one intermediate class ... creates an analytic problem. In it would have to be combined strata distinguished by the ownership of land, tools and other non-human means of production, and strata which own nothing but their labour power (in this resembling the working class). To meet this problem, the present study will distinguish two intermediate classes. The first, the petty bourgeoisie proper, is essentially a pre-capitalist small property-owning class, but may serve capitalism at levels of production and

retailing which are not profitable enough to warrant large-scale organisation (though they tend to be eliminated by competition with the passage of time). The second, which ranges in occupation from lawyers to shop assistants, will be treated as a separate middle class.' Post, pp. 79-80.

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62. Garth Southwell, Background Data on Rural Development Policies and Programmes in Grenada. Paper Prepared for the 15th West Indian Agricultural Economics Conference, St. George's, Grenada, 13-19 July 1980, p. 23.

63. Kay, pp. 47-53.

64. For an interesting discussion of the notion of marginalization and marginal activities in the Third World, see Bill Warren, Imperialism: Pioneer of Capitalism, London 1980, pp. 211-224.

65. See Post, p. 104.

66. Final Report on Grenada Agricultural Census, 1981, pp. 19-20.

67. 'An interesting borderline case is that of the so-called semi-proletariat - i.e., the layer which retains partial ownership of its own means of production. Its income, which is derived from agricultural and handicraft commodities privately produced at a productivity of labour far below the social average, barely exceeds its costs of production, and is therefore insufficient to secure the barest livelihood. The semi-proletariat is thus forced to work part of the time as wage-labour. But precisely because it sells its labour power only temporarily, its wages can be driven far below the prevailing social minimum. Its social existence is characterized by a striking contradiction:

while it is in no way involved in the extraction or consumption of surplus-value, both its immediate and its historic interests stand in a certain limited opposition to those of the proletariat proper. That is why the semi-proletariat, unlike unproductive workers and other straightforward wage-earners, cannot be regarded as a fraction of the proletariat; it represents rather a transitional phenomenon, with one foot in the petty bourgeoisie and another in the proletariat.' (Emphasis in the original) Ernest Mandel, Introduction, in Karl Marx, Capital: A Critique of Political Economy, Volume 2, London 1978, p. 40n.

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74. Hugh O'Shaughnessy, Grenada: Revolution, Invasion and Aftermath, London 1984, pp. 44-45.

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## Chapter Two

## Footnotes

1. Because of the cultural and language barriers between Cuba and the English-speaking Caribbean, the Cuban revolution did not have much of an impact in the Anglophone region.
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only be "the labour of the peoples of the newly free countries" and the "correct policies" of their leaders.

Soviet aid to both Angola and Mozambique has always been small. It buys a miserable amount of their goods /£3 million worth from Angola in 1982, £5 million from Mozambique<sup>7</sup> Arms sales make up a large part of Moscow's bigger but still modest exports to them.

The Russians have never tried to detach either country from the Western economic system on which they so largely depend. In fact, they have encouraged them to make the best deal they can with it.

A leading Soviet foreign affairs expert reflected on the paradox of backward African countries talking of 'building socialism'. The Soviet Union, he said, had been at it for 65 years and 'look at the problems we still have. Yet we started far, far ahead of the Africans.' The remark was a hint of the cautiousness that seems to exist here about the sense of trying to build a Soviet socialist commonwealth in Africa.' Mark Frankland, 'Russians stil have African card to play', The Observer, 23 March 1984. See also Fred Halliday, The Making of the Second Cold War, London 1983, pp. 151-158.

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(Emphasis in original).

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21. Ibid, p. 226. A concise and useful review of the literature on non-capitalist development in the Caribbean as it relates to Grenada is provided by Payne, Sutton and Thorndike, but these authors do not themselves say anything original on the subject: Anthony Payne, Paul Sutton and Tony Thorndike, Grenada: Revolution and Invasion, London 1984, pp. 213-221.

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27. Caribbean Life and Times, December 1979, p. 15.

28. Author's interrogation by Liam James, Head of Internal Security, 8 May 1983.

29. Author's interview with Alister Hughes, Grenadian journalist, April 1983.

30. 'Bernard Coard's Creeping Coup: Interview with New Jewel Leader Kenrick Radix', Intercontinental Press/Inprecor, 30 April 1984, pp. 253-256.

31. See in particular, Erik Jan Hertogs, 'Western European Responses to Revolutionary Developments in the Caribbean Region', in G. Irvin and X. Gorostiaga, eds., Towards An Alternative for Central America and the Caribbean, Mimeo, pp. 102-129.

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12. Quoted in Carlyle A. Glean, 'Reaching Beyond the Grasp: A Revolutionary Approach to Education', Bulletin of Eastern Caribbean Affairs, vol. 7, no. 1, March-April 1981, p. 9.

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14. For a legalistic critique of the Trade Unions (Recognition) Law, see Lindel Smith, 'Compulsory Recognition of Trade Unions in Grenada: A Critique of the Trade Unions (Recognition) Act, 1979', Bulletin of Eastern Caribbean Affairs, vol. 5, no. 3, July-August 1979, pp. 39-41.

15. Maurice Bishop, 'In the Spirit of Butler, Unionise! Mobilise! Educate! Democratise! Address by Comrade Maurice Bishop, Prime Minister of Grenada, on the opening of the Third Trade Union Conference for the Unity and Solidarity of Caribbean Workers at the Dome, St. George's, November 18, 1981' in Fedon, In the Spirit of Butler, St. George's 1982, p. 22.

16. Author's interview with Franklyn Philbert, Commissioner of Labour, 14 February 1983.

17. Ibid.

18. Bishop, 'In the Spirit of Butler', p. 21. (Emphasis in the original).

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20. Worker's Voice, 5 February 1983.

21. Quoted in EPICA Task Force, p. 104.

22. Chris Searle, who faithfully puts forward the PRG's position on this and all other questions, refers to the public workers' dispute as 'a clear pointer to many of the people that the trade unions can be manipulated to play a backward role, particularly in a situation when workers' unity is necessary to support a workers' government intent on building a workers' state.': Grenada: The Struggle Against Destabilization, London 1983, p. 45.

23. Caribbean Monthly Bulletin, May 1981; Free West Indian, 23 May 1981.

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25. See chapter 8.

26. Annette Walker, 'Grenada's Women - Four Years After March 1979', Caribbean Contact, February 1983; Rita Joseph,

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29. Grenada Committee on Human Rights, Report on Human Rights Developments in Grenada, St. George's 1982, p. 51.

30. For detailed documentation on the 1982 budget exercise, including interviews with participants, see Fedon, To Construct From Morning: Making the People's Budget in Grenada, St. George's 1982.

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## Chapter Four

## Footnotes

1. Economic Memorandum Presented by the Government of Grenada. The Caribbean Group for Co-operation in Economic Development was established in 1978, and was convened by the World Bank in association with the IMF and the CDB. It also includes donor countries such as Canada, the US, West Germany, the Netherlands and Norway and the recipient countries of the Caribbean.

2. This is a reference to the restrictions placed on government economic policy by Grenada's membership of the East Caribbean Currency Authority. See below.

3. Economic Memorandum Presented by the Government of Grenada, p. (ii).

4. The main body of Lewis' ideas on economic development in small states are contained in: Industrial Development in the Caribbean, 1951; and The Theory of Economic Growth, London 1963.

5. International Monetary Fund, Grenada: Recent Economic Developments, 1981, pp. 13-14.

6. Maurice Bishop, 'Opening Address, Conference on the Economy for Managers/Heads of State Enterprises Held on 25 February 1982', in To Construct From Morning, pp. 86-87. (Emphasis in the original).

7. Cabinet Secretariat, Cabinet Policy Directive To All State and Para-statal Enterprises, 1982, Mimeo.

8. In his 1982 Report on the Economy, Coard gave an example of what he meant by disguised unemployment: 'When we say that we need to eliminate disguised unemployment; this



may sound like big words! But let me tell you a story. Last year, when we were investigating the state of Agriculture in Carriacou, we came across a worker who was listed as a stockman on a cattle farm. What we discovered was that this farm had seen its last cattle ten years before. And here was the stockman of a herd of cattle that no longer existed, still drawing his salary and living free in the cottage. And as soon as we found out about this, and suggested he should work somewhere else where there were in fact, some cows, he applied for his holiday leave. That's what we mean by 'disguised unemployment'! How many workers do you know that are simply filling a post, clock-watching or doing no work? These people need to be redeployed, or put in other posts where they can be useful, so that our money is not wasted. We can find work, real work, not joke-work in our capital projects that are under way.' Bernard Coard, Report on the National Economy for 1981 and the Prospects for 1982. Presented by Brother Bernard Coard, Deputy PM and Minister of Finance and Trade, People's Revolutionary Government of Grenada, St. George's 1982, p. 74. (Emphasis in the original). Unfortunately, a good number of those found to be engaged in 'joke work' were not provided with alternative means of employment but simply sacked without any form of compensation.

9. The PRG's conception of emulation and the role that it was assigned in the economic strategy of the revolutionary government was spelt out by Coard in his 1982 Report on the Economy: 'Comrades, as you know, we have introduced the idea of Emulation into our way of life in a big way. Some people may think that Emulation is just another word for giving out prizes, but let me say, comrades there is lot more to it than that! Certainly it is a way of recognising our outstanding

comrades, and showing how much we value their hard work and production. But Emulation is really just as importantly about how we plan and carry out our work - and this is why those Emulation Committees that we must start at our work places are vital. For in them, our workers must sit down and plan together, decide upon targets, on how many tins of nectar we're going to produce this month and through the year, how many tonnes of sugar. And then, having made our target, our entire work effort is to take aim and launch our work towards it, by starting friendly, group competition between sets of workers, to try to out-do, out-work and out-produce each other. In this way, the final results of all our work will become greater and greater, because we shall drive each other on, continually being influenced and goaded on by the hard work of our comrades.

In this way we produce more, and thus we create more wealth for our country, our people and ourselves. For the more we produce through shared planning and carrying out our tasks, the more will be left at the end in the form of profits, which can also be shared among our workers. We have seen profit sharing last year in Grenada, but as we have said so many times, we can only take out what we put in, and Emulation is a new and very useful way of putting in more of our effort and commitment to the economy. So our Trade Unions have a particular function there in understanding Emulation practices, ... For we want our country to grow massively in both organisation and production this year, and Emulation at the work place is one of the ways we are going to make sure that this happens. You remember what our Comrade Leader said, 'Emulation is the seed that brings the fruit of Excellence! Ibid, pp. 71-72.

10. Cabinet Policy Directive, p. 5.

11. Grenada: Recent Economic Developments, p. 15.
12. Ibid, pp. 16-17.
13. Bernard Coard, Report on the National Economy For 1982 and the Budget-Plan for 1983 And Beyond: Presented By Brother Bernard Coard, Deputy PM and Minister of Planning, Finance and Trade to the National Conference of Delegates of Mass Organisations, February 24 1983, The Dome, Grand Anse, St. George's, Grenada, Pamphlet.
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15. This is a Grenadian expression for trickery.
16. Caribbean Monthly Bulletin, May 1981.
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23. Author's interview with Clairmont Kirton, Head, Macro-Planning Unit, Ministry of Planning, 6 April 1983.
24. Robert E. Cole, 'Pre-conditions for Planning' in Proceedings of the First Grenada Conference on Science and Technology, p. 122.
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26. George Eaton, Training Needs in Project Administration in the Caribbean Community Countries, Washington DC 1979, pp. 83-85.

27. Author's interview with Winston Bain, Farm Improvement Officer, Caribbean Development Bank, 21 February 1983.
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29. Coard, Report on the National Economy, 1983, pp. 73-74.
30. Ibid, p. 80.
31. In October 1983 the ECCA was upgraded to a central bank. Caribbean Times, 7 October 1983.
32. Caricom Perspective, March-April 1983.
33. Author's interview with Bernard La Courbiniere, Budget Officer, Ministry of Finance, 21 April 1983.
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37. See chapter five.
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39. A Proposal For Research And Planning For a Grenadian Indigenous Housing Program Submitted by the People's Revolutionary Government in Co-operation With Isles and Huck Rorick Associates, Berkeley, California, pamphlet.
40. 'Better Homes For People: PRG Launches \$7.5 m Programme To Build and Repair Houses', Free West Indian, 13 March 1983; News Release, 12 November 1981.
41. Coard, Report on the National Economy, 1983, p. 47.
42. Keith Griffin, Land Concentration and Rural Poverty, London 1981, pp. 10-11.
43. See chapter eight.

44. Coard, Report on the National Economy, 1983, p. 24.

## Chapter Five

## Footnotes

1. Michael Manley, Jamaica: Struggle in the Periphery, London 1982, pp. 218-219.
2. See Fitzroy Ambursley, 'Jamaica: From Michael Manley to Edward Seaga', in Fitzroy Ambursley and Robin Cohen, eds., Crisis in the Caribbean, London 1983, pp. 72-104; and Richard Bernal, 'Crisis and Reform in Jamaica: Some Lessons', in G. Irvin and X. Gorostiaga, pp. 168-190.
3. Coard, Address by Minister of Finance, p. 2.
4. Ibid, p. 7.
5. Report of the Council of Management for the Period April 1978-March 1979, p. 14.
6. Ibid, p. 14.
7. The Courier, no. 61, May-June 1980, p. 30.
8. See chapter 8.
9. Hart, p. 6.
10. Government of Grenada, Grenada Constitution Order 1973, St. George's 1974, p.11.
11. Ibid, p. 12.
12. See chapter 4.
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15. See chapter 1.
16. Government Information Service, 5 May 1980.
17. The Times, 13 February 1981.
18. See chapter 4.
19. Government of Grenada, Grenada Investment Code, 1983, Mimeo.
20. Ibid, p. 14.

21. Author's interview with Conrad Griffiths, Industrial Development Specialist, Caribbean Development Bank, 2 March 1983.

22. Author's interview with Ramon Lashley, Deputy Manager, Grenada Development Bank, 17 February 1983.

23. As Coard explained in his 1983 Report on the Economy: 'Changing the make-up of our exports - by exporting more and more non-traditional goods - has also led to a change in the countries to which we are now exporting. In the past, most of our exports - which were mainly traditional crops, went to the capitalist countries of Western Europe - countries such as Britain, Holland, West Germany and Belgium. However, today, most of our non-traditional exports are going to our Caricom neighbours such as Trinidad and Tobago, Barbados, Dominica, Jamaica, and St. Vincent. As a result, Trinidad and Tobago is now our second largest trading partner on the side of exports. As much as 31% of all our exports go to that country.' Coard, Report on the National Economy, 1983, p. 29.

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25. Caribbean News Agency, 7 April 1982.

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31. Author's interview with Chester Hinkson, Manager, Bank of Nova Scotia, 8 March 1983.

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33. Author's interview with Geoffrey Commissiong, Manager, Barclays Bank International, 7 March 1983.

34. Author's interview with Gordon Steele, Manager, Grenada Co-operative Bank Ltd, 10 March 1983.

35. Author's interview with Conrad Griffiths.

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6. Grenada: The Peaceful Revolution, pp. 118-119.
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12. René Dumont and Marie-France Mottin, L'afrique étranglée: Zambie, Tanzanie, Sénégal, Côte D'ivoire, Guinée-Bissau, Cap Vert, Paris 1980, p. 22.
13. The Courier, May-June 1980, p. 24.
14. Ibid, p. 32.
15. Latin America Regional Report: Caribbean, 8 May 1981.

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17. Author's interview with Alberto Ferrari, EEC Technical Advisor assigned to Grenada, 14 April 1983.
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61. Ibid, pp. 15-16.
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63. Coard, Report on the National Economy, 1983, p. 4.
64. See chapter 5.
65. Bishop, 'Imperialism Is Not Invincible', pp. 98-99.
66. Author's interview with Terrence Moore, Director of Planning, 20 April 1983.
67. Ibid.
68. Ibid.
69. Carty and Smith, p. 92.

## Chapter Seven

## Footnotes

1. The determinant role played by foreign exchange earnings in a small country is highlighted in the 1982 World Bank Report on Grenada: 'In an economy as small as Grenada the principal focus of attention must be the ability to earn sufficient foreign exchange to finance import requirements. Since these requirements are directly linked to the rate of overall growth, the long-term growth of the economy is determined largely by its ability to earn foreign exchange': World Bank, Economic Memorandum on Grenada, p.3.

2. Jean Holder, The Diplomatic Implications of Being a Tourism Dependent State, Caribbean Tourism Research and Development Centre, Barbados, 1983, p.3. See tables 20 and 21.

3. 'Tourism, the Largest Single Industry in the Caribbean - An Interview with Jean Holder Executive Secretary of the Caribbean Tourism Research and Development Centre', The Courier, no. 80, July-August 1983, p. 46.

4. John M. Bryden, who has made a very detailed examination of the Caribbean tourist industry, and provides data which raises many questions about the viability of tourism development in its present form, believes that many Caribbean islands would be unable to dispense with tourism: 'But when all the alternatives have been carefully explored, it is likely that tourism in some form will be almost inevitable for at least some of the smaller islands of the region, with or without a political union than at present seems likely. If this is so, then the findings of this study would suggest that progress towards higher real incomes for the bulk of the

population is likely to be slow, much slower than is suggested by most previous studies in the region, and that to achieve such progress considerable change will be required in the structure of the tourist industry, as well as elsewhere in the economy': John M. Bryden, Tourism and Development: A Case Study of the Commonwealth Caribbean, Cambridge 1973, p.219.

5. Edward Boorstein, The Economic Transformation of Cuba: A First Hand Account, New York 1968, pp. 42-43.

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9. Sherry Keith and Robert Girling, 'Caribbean Conflict: Jamaica and the US', Nacla, vol. 12, no. 3, 1978, pp. 30-31.

10. Norman Girvan, Richard Bernal and Wesley Hughes, 'The IMF and the Third World: The Case of Jamaica, 1974-80', Development Dialogue, no. 2, 1980, p. 144.

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12. International Graphics Inc., Official Guide to Grenada 1974-75, Hollywood 1974; Grenada the Spice Isle: A Special Tourism Feature, pamphlet; Grenada Yacht Club, Grenada: Easter Regatta '83, St. George's 1983.

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14. During a visit to the US in 1978, Bishop told Covert Action Information Bulletin that when members of Gairy's security forces returned from training in Chile they were accompanied by coffins which were unloaded and shipped to the medical school. Bishop said that the NJM believed the coffins contained cadavers of 'disappeared' people from Chile, and that Gairy was planning a body trade-off with the Pinochet regime: ibid, p. 8.

15. For example, a report prepared by Carinex Resources Ltd had this to say: 'It was evident from initial examination that Grenada had all the necessary attributes required for a major tourism industry. These included outstanding natural beaches, excellent scenery and topography, pleasant climate, hospitable people and proximity to major markets': Carinex Resources Ltd, Grenada Tourism Development - Master Plan for Establishing Grand Anse Resort Community and Grenada Development Corporation, p. 9.

16. See chapter 6.

17. 'Maurice Bishop - Premier in the Spotlight', Caribbean Life and Times, December 1979, p. 15.

18. Caribbean Tourism Research and Development Centre, Caribbean Tourism Statistical Report 1982, Barbados 1982, p. 67.

19. News Release, 28 October 1981.

20. Caribbean Development Bank, Memorandum, Project Identification Mission - Grenada, Barbados 1982, p. 26.

21. Caribbean Tourism Research and Development Centre, Grenada Visitor Expenditure and Motivational Survey: Summer 1978 and Winter 1979, Barbados 1980, p. 32.

22. For Bishop's main public statement on tourism see: 'The New Tourism - Address to the Regional Conference on the

Socio-cultural and Environmental Impact of Tourism in the Caribbean. St. George's December 1979', in Casa de las Americas, Maurice Bishop: Selected Speeches 1979-1981, Havana, pp. 67-74.

23. It is in fact legitimate to include nationals resident abroad in tourist figures, and it was something of an anomaly that this had not been done before in Grenada. Jane Belfon, the director of tourism under the PRG, argues that overseas Grenadians are stalwarts of the country's tourist industry. She puts forward the hypothesis that the dollar of a Grenadian holiday-maker goes the longest way in the economy, since most Grenadians tend to stay with relatives who are in many instances of low income: Author's interview with Jane Belfon, director of tourism, 3 May 1983.

24. Interview with Lyden Ramdhanny, minister of tourism, Radio Free Grenada, 3 April 1983.

25. This was explained by Bishop in his address to the First International Conference of Solidarity with the Grenada Revolution held in St. George's in November 1981: 'The most often reiterated position of the revolution in response to the absurd lies and distortions has been to "come and see for yourself."

Our revolutionary process is one guided by principles of honesty and integrity; our revolutionary process is one defended and made by the Grenadian masses. We say to our friends, "come, share our experiences," we say to the doubting Thomases, "come and see for yourself." /Applause/

By coming and seeing for yourself, and by encouraging others to do likewise, you not only dispel the falsehoods of imperialism, but you also help our economy, by contributing



to the new tourism.' Maurice Bishop Speaks, p. 252.

26. Grenada National Institute of Handicraft, Training for Production Programme, mimeo.

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28. Interview with Lyden Ramdhanny.

29. Maurice Bishop, 'New Tourism', p. 71.

30. Grenada Committee for Friendship with the Peoples, "come and see for yourself", pamphlet.

31. Interview with Jane Belfon.

32. Author's interview with Dr Brian Hudson, head of the physical planning unit, 21 March 1983.

33. See chapter 5.

34. Interview with Lyden Ramdhanny.

35. ibid.

36. Caribbean Development Bank, Project Identification Mission - Grenada, 1982, p. 5.

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38. ibid, pp. 15-18.

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40. Grenada Visitor Expenditure and Motivational Survey, p. 3.

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42. ibid, pp. A3.2-A3.11.

43. Interview with Conrad Griffiths.

44. Interview with Lyden Ramdhanny.

45. For example: in Antigua a consortium of South Korean businessmen provided EC\$103 million in finance for a 420-room hotel project being built just outside the capital, St. John's; Financial Times, 21 May 1982; in Barbados construction began in 1982 on the Admiral Beach Resort, a 600-room hotel complex

costing US\$60 million. The developer is a company based in Miami called Kilburn Vacation Homeshare Inc.: Caribbean Insight, vol. 5, no. 10, October 1982.

46. Author's interview with Nicholas Thomas, tourism development officer of the Caribbean Tourism Research and Development Centre, 3 June 1983.

47. The experience of the new international airport in the Seychelles could have been repeated in Grenada. See David Wilson, 'The Early Effects of Tourism in the Seychelles', in Emmanuel de Kadt, ed., Tourism: Passport to Development? - Perspectives on the Social and Cultural Effects of Tourism in Developing Countries, New York 1979, pp. 205-236.

48. One may also ask whether or not the PRG's pursuit of foreign capital to develop Grenada's tourist industry would have given rise to an increase in dependency, such as has occurred in other Caribbean states. The economic and social implications of tourism development based upon foreign capital attracted by fiscal incentives have been summarized by Bryden: 'First, taxes derived from much of the new investment are a very much smaller proportion of profits than is the case in the economy as a whole. Second, the control of a high proportion of incremental profits, and therefore potential 'domestic' savings, lies in the hands of non-nationals. To the extent that these profits are remitted overseas the gap between GDP and national income is widened, and the dependence on foreign capital is further increased since this potential source of savings is not in fact reinvested locally. Third, the dependence on a continued flow of capital necessitates the continuance and even strengthening of concessions, and forces the government to pursue even more

'open' policies which receive the approval of foreign investors, but which may not be in the long run interests of the indigenous population. Severe as these problems are for Jamaica, Trinidad and Barbados, they are much more so in the smaller islands of the Windwards, the Leewards and the Northern Group.

The first point to be stressed is the tenuous nature of the increases in GDP from this source. Much of the public capital inflow in the 1960s arose from using up 'slack' debt capacity which was the legacy of stringent financial accounting and control. The inflows of private capital, which also increased substantially, were doubtless attracted by the favourable policies mentioned above. These policies are under attack from intellectuals, opposition, and other groups who doubt their long term benefits. Yet the increasing dependence syndrome makes the reversal of these policies an increasingly difficult task.': Bryden, p.31.

49. Coard, Report on the National Economy - 1983, p.65.

50. Ibid, p.65.

51. De Kadt, 'The Issues Addressed', in Tourism: Passport to Development?, pp. 32-33.

52. Ibid, p.66.

53. Interview with Jane Belfon.

54. Comparing Grenada with Barbados before the revolution, Fernando Henriques and Joseph Manyoni reported that beach boy activity in Grenada was extremely limited. They attributed this to the tastes of Grenada's relatively older tourist clientele: 'Because of the tastes of the older type of tourist there has been no development [In Grenada] in terms of night clubs and discotheques, which are a familiar part of the

tourist scene elsewhere in the Caribbean.

Since visitors are of this type, beach boy activity, as in Barbados, is very much limited in relation to the hotels. White women over middle age are not apt to seek this kind of experience. Even if they were of this inclination there are few places of amusement to go. Their relation with the black population is almost entirely at the service level - there is very little opportunity for any other kind. ... While the ... white elite think of black people as uncouth and primitive, the North American tourist sees them as an exotic but subservient group.': Fernando Henriques and Joseph Manyoni, 'Ethnic Group Relations in Barbados and Grenada', in Race, Class and Post-colonial Society, p. 102.

55. Interview with Jane Belfon.

56. Holder makes an interesting comment on the relationship between tourism and international politics: 'A state which depends for most of its tourist (sic) from a particular country has to count the cost before voting against that country in the world's international forums. The issue may have nothing to do with tourism. But for ideological reasons or for reasons of survival, the tourist generating state may regard the opposing vote as a sufficiently hostile act to advise its citizens not to visit the country voting against it. Mexico discovered this to its cost when it supported Arabs against Israel in a UN vote. Grenada and Cuba are painfully aware of this in respect of their relationships with the US government. The agonizing decision is which is more important, the principle on which you vote or the tourists. ...

In sum, tourism countries have to be aware that no one takes a holiday in a place where personal safety is perceived to be at risk, for any reason whatever, whether it be acts of

God or of man, and once the negative propaganda breaks in the distant marketplace, it requires a great deal of skillful public relations and money to reverse the negative image created.' : Holder, p.6.

## Chapter Eight

## Footnotes

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4. People's Law No. 48 of 1982 - Land Development and Utilization (Amendment) Law 1982, in Grenada: The People's Laws 1982, St. George's 1983, pp. 242-243.
5. People's Law No. 21 of 1981, p. 105.
6. People's Law No. 48 of 1982, p. 244.
7. Author's interview with Laurie Wilson, Permanent Secretary, Ministry of Finance, 3 May 1983.
8. Grenada Government Gazette, 25 February 1983.
9. Author's interview with Chester Hinkson, Manager, Bank of Nova Scotia, 8 March 1983.
10. Author's Interview with Richard Hart, Attorney General, 12 April 1983.
11. Grenada Farms Corporation, The Role of the Trade Union in 1983, Mimeo, p. 1.
12. 'Massa Day Done, Better Day Come For Farm Workers', Free West Indian, 21 February 1981
13. Ibid.
14. Ibid.
15. The Role of the Trade Union in 1983.
16. Caribbean Development Bank, Appraisal Report on

Grenada Farms Corporation - Agricultural Development, 1982.

17. Author's interview with Hudson McPhail, Administration Officer, Grenada Farms Corporation, 27 April 1983.

18. National Co-operative Development Agency, Historical Background of Co-operative Development in Grenada, Mimeo, p. 3.

19. Grenada: The Peaceful Revolution, p. 80.

20. Author's interview with Francis Hosten, Officer in Charge of Education and Training, National Co-operative Development Agency, 5 May 1983.

21. Summary of Government's Policy For the Agricultural Sector.

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23. Kenrick Radix, 'Industrialisation Prospects in Grenada: Address by Cde. Kenrick Radix, Minister for Justice, Industrial Development and Fisheries', in Grenada Is Not Alone, pp. 67-68.

24. Grenada: Recent Economic Developments, p. 4.

25. Economic Memorandum Presented by the Government of Grenada, p. 4.

26. Payne, Sutton and Thorndike, p. 110.

27. Ibid.

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29. Ibid.

30. Ministry of Agriculture, Grenada: Overview of the Agricultural Sector, 1982, pp. 6-7.

31. Author's interview with Robert S. Renwick, General Manager, Grenada Co-operative Nutmeg Association, 29 March 1983.

32. Ibid.; author's interview with Norbert Arnold,

Executive Secretary, Grenada Cocoa Association, 23 March 1983.

33. Details of the funding of the project are available in chapter six.

34. Government of Grenada, Plan of Operation For the Cocoa Rehabilitation Project Between the People's Revolutionary Government of Grenada and the Government of Canada, CIDA Project No. 420/08001, Mimeo.

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36. Veronica Regis, An Economic Assessment of An Alternative Marketing Strategy For Grenada Nutmegs: Research Report on the Economics of Nutmeg Production Submitted to the Grenada Co-operative Nutmeg Association, St. Augustine 1975.

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- Bain, Winston, Farm Improvement Officer, Caribbean Development  
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- Belfon, Jane, Director of Tourism, People's Revolutionary  
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- Brizan, George, Early Member of the New Jewel Movement and  
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- Campbell, Percy, Manager, River Antoine Estate, 2 February 1983.
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- Commissiong, Geoffrey, Manager, Barclays Bank International,  
7 March 1983.
- Commissiong, Lucille, Director and Secretary, Geo. F. Huggins  
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- De Gale, David, Majority Shareholder, River Antoine Estate,  
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Grainger, Neville, Assistant Director, Development Finance Corporations, Caribbean Development Bank, 3 June 1983.

Griffiths, Conrad, Industrial Development Specialist, Caribbean Development Bank, 2 March 1983.

Hart, Richard, Acting Attorney-General, People's Revolutionary Government, 12 April 1983.

Hinkson, Chester, Manager, Bank of Nova Scotia, 8 March 1983.

Hosten, Francis, Officer in Charge of Education and Training, National Co-operative Development Agency, 5 May 1983.

Hudson, Dr. Brian, Head, Physical Planning Unit, 21 March 1983.

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James, Liam, Head of Internal Security, People's Revolutionary Government, 8 May 1983.

Kelly, John, Resident Representative of the British High Commissioner, 12 April 1983.

Kirton, Claremont, Head, Macro-Planning Unit, Ministry of Planning, 6 April 1983.

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Lashley, Ramon, Deputy Manager, Grenada Development Bank, 17 February 1983.

McPhail, Hudson, Administration Officer, Grenada Farms Corporation, 27 April 1983.

Moody, Tony, Project Officer, Food Production and Rural Development Division, Commonwealth Secretariat, 26 October 1982.

Moore, Terrence, Director of Planning, People's Revolutionary Government, 20 April 1983.

Noel, Patrick, Manager, Eastern Main Road Project, 14 April

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Renwick, Robert S., General Manager, Grenada Co-operative  
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Rojas, Don, Publicity Secretary to Maurice Bishop, 11 April  
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Ross, Terry, Researcher on Canadian Aid, March 1983.

Taylor, Regina, Secretary General, Agency For Rural  
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Thomas, Nicholas, Tourism Officer, Caribbean Tourism Research  
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Wilson, Laurie, Permanent Secretary, Ministry of Finance,  
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## List of Abbreviations

ACP	African, Caribbean and Pacific countries.
AGWU	Agricultural and General Workers' Union.
ART	Agency for Rural Transformation.
BBC	British Broadcasting Corporation.
BGWU	Bank and General Workers' Union.
CADEC	Christian Action for Development in the Caribbean.
Can.	Canadian.
CANA	Caribbean News Agency.
CANSAVE	Canada Save the Children Fund.
CARICAD	Centre for Development Administration.
CARICOM	Caribbean Community.
CBE	Commander of the British Empire.
CCC	Caribbean Council of Churches.
CDB	Caribbean Development Bank.
CDC	Commonwealth Development Corporation.
CFTC	Commonwealth Fund for Technical Co-operation.
CIA	Central Intelligence Agency.
CIDA	Canadian International Development Agency.
CMEA	Council for Mutual Economic Assistance.
CPE	Centre for Popular Education.
CRTP	Caribbean Regional Training Programme.
CSDP	Community-School Day Programme.
CTRC	Caribbean Tourism Research and Development Centre.

CUSO Canadian University Service Overseas.  
CWC Central Water Commission.  
ECCA Eastern Caribbean Currency Authority.  
ECCM Eastern Caribbean Common Market.  
EDF European Development Fund.  
EEC European Economic Community.  
EFF Extended Fund Facility.  
EIB European Investment Bank.  
FAO Food and Agricultural Organisation.  
FAC Fund for Action and Co-operation.  
FID Fund for International Development.  
FIV Fondo Inversiones de Venezuela.  
GAIDC Grenada Agricultural and Industrial Development Corporation.  
GBC Grenada Bank of Commerce.  
GBCS Grenada Banana Co-operative Society.  
GCA Grenada Cocoa Association.  
GCFP Grenada Committee for Friendship with the Peoples.  
GCNA Grenada Co-operative Nutmeg Association.  
GDB Grenada Development Bank.  
GDP Gross Domestic Product.  
GFC Grenada Farms Corporation.  
GHA Grenada Hotel Association.  
GIS Government Information Service.  
GMMWU Grenada Mental and Manual Workers' Union.  
GNIH Grenada National Institute of Handicraft.  
GNP Grenada National Party.  
GNP Gross National Product.  
GPP Grenada People's Party.  
GRC Grenada Resorts Corporation.  
Grencraft Grenada Craft Market.

Grenelec Grenada Electricity Services.  
GTAWU Grenada Technical and Allied Workers' Union.  
GTUC Grenada Trades Union Council.  
GULP Grenada United Labour Party.  
GUT Grenada Union of Teachers.  
GWA Grenada Workingmen's Association.  
GWU General Workers' Union.  
HIVOS Dutch charity.  
ICOR Incremental Capital Output Ratio.  
ILO International Labour Organisation.  
IMF International Monetary Fund.  
INIT Cuban National Tourist Agency.  
IOJ International Organisation of Journalists.  
JEWEL Joint Effort for Welfare and Liberation.  
JLP Jamaica Labour Party.  
LDCs Less Developed Countries.  
MACE Movement for the Advancement of Community Effort.  
MAP Movement for the Assembly of the Peoples.  
MNIB Marketing and National Import Board.  
MPLA Popular Movement for the Liberation of Angola.  
MWAFG Media Workers' Association of Free Grenada.  
NACDA National Co-operative Development Agency.  
NBM New Beginning Movement.  
NCB National Commercial Bank.  
NFC National Fisheries Corporation.  
NGO Non-governmental Organisation.  
NISTEP National In-Service Teacher Education Programme.  
NJAC National Joint Action Council.  
NJM New Jewel Movement.  
NSSC National School Students' Council.  
NTS National Transport Service.

NWO National Women's Organisation.  
NYO National Youth Organisation.  
OAS Organisation of American States.  
OECD Organisation for Economic Co-operation and Development  
OECS Organisation of Eastern Caribbean States.  
OPEC Organisation of Petroleum Exporting Countries.  
OREL Organisation of Revolutionary Education and Liberation  
PATU Project Administration Training Unit.  
PCB Parish Co-ordinating Bureau.  
PDM People's Democratic Movement.  
PFU Productive Farmers' Union.  
PNP People's National Party.  
PPP People's Progressive Party.  
PRA People's Revolutionary Army.  
PRG People's Revolutionary Government.  
PWU Public Workers' Union.  
RFG Radio Free Grenada.  
RGA Representative Government Association.  
RMC Revolutionary Military Council.  
SDR Special Drawing Rights.  
TASS Telegraphic Agency of the Soviet Union.  
TFG Television Free Grenada.  
UN United Nations.  
UNDP United Nations Development Programme.  
UNESCO United Nations Educational, Scientific and Cultural  
Organisation.  
UNICEF United Nations Children's Fund.  
UPP United People's Party.  
US United States.  
USAID United States Agency for International Development.  
USSR Union of Soviet Socialist Republics.

WINBAN      Windward Islands Banana Association.  
WLL          Workers' Liberation League.  
WPJ          Workers' Party of Jamaica.  
WU           Workers' Union.

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**III**