

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

THE VICE PRESIDENT'S MEETING WITH
AMBASSADOR MAX V. KREBS

Thursday, June 27, 1974
5:15 p.m. (15 minutes)
Executive Office Building Office

From: Brent Scowcroft *[Signature]*

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 11/24/96, State Dept. Guidelines
By WJW, NARA, Date 12/24/00

I. PURPOSE

To receive the Ambassador for a brief courtesy call.

II. BACKGROUND, PARTICIPANTS, PRESS PLAN

A. Background:

Ambassador Krebs (biography at Tab A) requested the opportunity to pay a courtesy call on you while he is in Washington on consultation. He is a career Foreign Service officer who was appointed Ambassador to Guyana by the President early this year. Prior to that he was Deputy Chief of Mission in Buenos Aires, where he served as Chargé d'Affaires after the departure of Ambassador John Davis Lodge.

B. Participants:

Ambassador Max V. Krebs and John O. Marsh.

C. Press plan:

To be announced.



III. TALKING POINTS

A. You may wish to note your pleasure in meeting the Ambassador and express your interest in hearing his impressions of Guyana and of the government of Prime Minister Forbes Burnham.

B. Ambassador Krebs may note a potential problem in U.S. -Guyana relations if Guyana nationalizes the Reynolds subsidiary which mines bauxite there. Prime Minister Burnham, in following a program of expanding government control of resource

exploitation, nationalized the Canadian-owned bauxite and alumina company (a subsidiary of Alcan) in 1971. Compensation was provided. It has been expected that the smaller Reynolds subsidiary ultimately would also be nationalized, and there are indications such action could come this year if the company refuses to grant Guyana majority participation. Reynolds may not be willing to accept a compensation arrangement similar to that accepted by Alcan. You may want to express your hope that such a problem will not in fact materialize and reiterate that the U.S. recognizes the right of a country to expropriate but, of course, expects that prompt, adequate and effective compensation would be paid. Should such action be taken, we would certainly hope the company and the Government of Guyana would be able to work out a mutually satisfactory agreement on the subject.

- C. The Ambassador would very much like to be able to pass on your regards to the leaders of the Government of Guyana when he returns. You may therefore wish to ask the Ambassador to express your regards to President Chung, Prime Minister Burnham and Foreign Minister Ramphal.

Attachments:

- Tab A: Biography
Background Notes

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A



Max Vance Krebs

Ambassador-designate to Guyana

Max Krebs was born on June, 1916, in Ohio. He attended Princeton University where he earned an A.B. in 1937. He served in the U.S. Army from 1941 to 1946 and was separated as a captain. Assistant Credit Manager with a biscuit manufacturer 1937-41 and Assistant Export Manager sportwear manufacturer 1946-47.

Ambassador Krebs' Foreign Service career began in September, 1947. His initial overseas assignments were in Montevideo, Bogota, and Antwerp. He held the position of Personnel Officer in Department of State (1955). In 1957-58 he was Special Assistant to the Under Secretary of State. From 1959-60 he was Special Assistant to the Secretary of State. He was Political Counselor in Manila April, 1961. In December, 1964 he was Political Counselor in Rio de Janeiro. In August, 1967 he was Deputy Chief of Mission in Guatemala. He was Political Advisor to the CINCSOUTH Command, Canal Zone in June, 1970. In August 1971, he was assigned as Deputy Chief of Mission in Buenos Aires. He received the Department of State Superior Honor Award in 1969.

Ambassador Krebs is married to the former Esther Winn and they have two children.



GUYANA

BACKGROUND NOTES

Population: 786,000 (1971 est.)

Capital: Georgetown

Guyana is situated on the northeast coast of South America. Bounded by the Atlantic Ocean, Brazil, Surinam, and Venezuela, it covers an area of some 83,000 square miles (about the size of Idaho).

The country is divided into three areas: an inland forest covering about 85 percent of the total area; a grass-covered savanna of some 8,000 square miles in the hinterland; and a coastal plain varying from 10 to 40 miles in width. Guyana is watered by three rivers which flow north-south: the Essequibo, Demerara, and Berbice.

The climate is tropical, but the northeast trade winds mitigate the heat along the coast where temperatures vary between 72° and 90°F. Interior temperatures average 80°F, with extremes of 60° and 103°F. Average annual rainfall ranges from 80 to 102 inches in different parts of the country. The coastal rainy seasons are from April to July and November to January.

Guyana's flag has a green background with a red triangle edged with black superimposed on a yellow triangle edged with white.

THE PEOPLE

Guyana's 1971 population is estimated at 786,000, with an annual growth rate of about 3 percent. Ninety percent of the inhabitants live along the coast, where the population density is more than 300 persons per square mile. Density is only about nine persons per square mile for the country as a whole. Georgetown, the capital, had a 1969 population of 193,000.

The ethnic composition of Guyana is varied. The major racial groupings are East Indians (50 percent) and Africans (40 percent) with minorities of Chinese, Caucasians, and Amerindians. Guyanese are primarily Hindu, Christian, and Muslim. The most numerous Christian denominations are Anglican, Roman Catholic, and Presbyterian. English is the official language of Guyana, and an estimated 86 percent of the people are literate.

HISTORY

The original area of Guiana, which included present-day Surinam, French Guiana, Guyana, and parts of Brazil and Venezuela, was sighted by Columbus in 1498. Voyages by Sir Walter Raleigh

in 1595 and others increased European interest, and the first European settlement in what is now Guyana was made late in the 16th century by the Dutch. For the next 150 years the territory alternated between Dutch and British rule apart from a short period of French rule. Although the British exercised effective control after 1796, the area was not ceded to the United Kingdom by the Dutch until 1814. In 1831 the settlements were consolidated into the colony of British Guiana.

Following many years of gradual preparation of British Guiana for home rule and ultimately for independence, the British Government in 1945 extended the franchise to include all literate adults with small incomes or property qualifications. In 1953 a new and advanced constitution was introduced with universal adult suffrage, a bicameral legislature, and a ministerial system of government.

The U.K. Government, believing there was a threat of Communist dictatorship, suspended the constitution on October 9, 1953; an interim government, composed wholly of nominated members and senior officials of the civil service, was established. A constitutional amendment of 1956 allowed the inclusion of elected members to the Legislative Council. The 1961 elections were held under a new constitution, which provided for internal self-government, and in 1964 officials were elected under a system of proportional representation.

In a constitutional conference held at London in November 1965, the leadership of the coalition parties (People's National Congress and United Force) and the U.K. Government agreed on the provisions of a constitution and set May 26, 1966, as the date for independence. Although invited to do so, the opposition (People's Progressive Party) did not participate at the conference. The present Constitution was promulgated on May 26, 1966.

Guyana became a Republic on February 23, 1970, the 207th anniversary of a slave revolt in Guyana.

GOVERNMENT

Guyana has a parliamentary form of government with a President as titular Chief of State and a Prime Minister as Head of Government. The President is elected to a 6-year term by the National Assembly. The President appoints as



Prime Minister the leader of the political party who is able to form a Government following an election.

The unicameral National Assembly, is composed of 53 members who are elected to 5-year terms by universal adult suffrage.

The highest national judicial bodies are the Court of Appeals headed by the Chancellor of the Judiciary and the High Court presided over by the Chief Justice. The Chancellor and Chief Justice are appointed by the President.

For administrative purposes, Guyana is divided into nine Districts. There are no elected officials at this level. The local communities are administered by elected village or city councils.

POLITICAL CONDITIONS

Guyana has three major political parties, each of which claims to be multiracial but in fact draws the bulk of its support from one of the major racial groups.

The People's National Congress (PNC) has been in power since 1964, at first in coalition with the United Front. However, in the December 1968 elections the PNC won a majority of 30 seats in the National Assembly and formed a single-party Government. The leader of the PNC, Prime Minister L.F.S. Burnham, was once a leader of the People's Progressive Party but broke with it in 1955. He describes the PNC as Socialist. It draws its principal support from the African and mixed groups who are concentrated in the urban areas.

The second largest party in the National Assembly (19 seats) is the People's Progressive Party (PPP) led by Dr. Cheddi Jagan. The PPP won the elections in 1953, 1957, and 1961. Dr. Jagan, an East Indian, describes himself as a Marxist-Leninist. The bulk of his support comes from East Indian rice farmers and sugar workers.

The conservative United Force (UF) was organized in 1961 and is led by Feilden Singh, an East Indian lawyer. In 1964 the PNC formed a coalition with the UF to obtain a majority in the National Assembly. In the 1968 elections the UF won only four seats. Its support comes mainly from the Portuguese, Chinese, and East Indian middle-class business interests, and Amerindians.

Parliamentary elections were last held in December 1968 and must be held again no later than March 1974. Under the parliamentary system, the precise timing of the elections is left to the Government.

Elections for seats on 58 local government councils were held during June and December 1970. After the PNC won control of all six local councils in the June elections, the PPP charged the Government with electoral fraud and announced it would boycott the December balloting in the remaining 52 councils. The UF also withdrew from the December elections, alleging that the Government had manipulated registration procedures

thus giving the ruling PNC an unfair advantage. The PNC denied these opposition charges and won control of all 58 local government councils.

A President was elected for the first time in 1970, when Guyana became a Republic.

ECONOMY

Guyana's economy is basically agrarian and has depended historically on sugar, which in 1970 accounted for 29 percent of the country's exports. Rice, comprising 6 percent of the 1970 exports, has also become a major crop in recent years. Bauxite mining and alumina production are Guyana's principal industries, together accounting for 52 percent of 1970 exports. The country's major bauxite-alumina producer is the government-owned Guyana Bauxite Co. (GUYBAU), the former Demerara Bauxite Co, which was nationalized in July 1971 after the Government reached a compensation agreement with its previous owners, Aluminum Company of Canada (ALCAN). Gold, diamonds, hardwood timbers, and shrimp play lesser roles in the economy.

Total exports for all products in 1970 amounted to U.S.\$130.8 million; imports totaled \$134.1 million. Guyana imports mainly consumer and manufactured goods, and the country's major trading partners are the United Kingdom, Canada, the United States, and the members of the Caribbean Free Trade Association (CARIFTA).

A sharp decline in the Guyanese economy occurred between 1961 and 1965 because of the uncertain political situation of labor and racial strife. Racial riots erupted periodically between the East Indians and the Africans. The Governments elected since December 1964 have been successful in stimulating investment and restoring a measure of economic growth. The gross domestic product (GDP), which stood at \$151.4 million in 1964, grew at a rate averaging 6 percent annually and in 1970 reached \$266.5 million. Per capita income is about \$350.

Guyana depends heavily on foreign trade, exporting more than 50 percent of its production and importing more than 50 percent of its needs. With a small population compared to its size, Guyana also needs foreign economic assistance to develop its resources. The United States, Canada, the United Kingdom, the Federal Republic of Germany, the U.N. Development Program (UNDP), and the International Bank for Reconstruction and Development (IBRD) have contributed to Guyana's development. While most developmental expenditures are being made in the heavily populated coastal areas, the Government is putting increasing emphasis on development of the Guyanese interior.

Guyana is a strong supporter of Caribbean economic integration and is a member of CARIFTA and the Caribbean Development Bank (CDB).

There are 81 miles of regular railroads and 80 miles of mine railroads in Guyana. There are 1,100 miles of highways, of which 440 miles are paved.

FOREIGN RELATIONS

Guyana is a member of the United Nations and several of its specialized agencies, the General Agreement on Tariffs and Trade (GATT), and the Commonwealth of Nations. It also participates in the Organization of American States (OAS) as a permanent observer.

Since 1969 Guyana increasingly has identified itself with the nonaligned nations of the world and is presently expanding its diplomatic contacts, especially with the African countries of Ethiopia, Guinea, Kenya, Nigeria, Tanzania, Uganda, and Zambia.

Guyana has unresolved boundary disputes with two of its neighbors—Venezuela and Surinam. The problem with Venezuela relates to Venezuela's claim to the area west of the Essequibo River, more than half the size of Guyana as it is now constituted.

The dispute with Surinam relates to which interior river, the Corentyne or the New River, is the border between the two countries. An uninhabited area of about 6,000 square miles is involved.

U. S. -GUYANA RELATIONS

The United States seeks to demonstrate to the Guyanese that their legitimate desires for freedom, independence, and social and economic progress can best be satisfied by cooperation with the West.

The U.S. Government initiated a modest technical assistance program in 1954 aimed at helping the people acquire technical skills in health, education, agriculture, and roadbuilding. Prior to independence, the assistance program was expanded considerably and has continued at a high level for a nation of Guyana's size. In the 7 years which ended June 30, 1971, Agency for International Development (AID) commitments totaled \$37.7 million in development loans, \$12.4 million for grants, and \$2.2 million under the Public Law 480 (Food for Peace) program. In addition, \$6 million in investment guarantees were provided for two large housing projects.

Major emphasis has been placed on helping the Guyana Government develop the necessary infrastructure on which to build a sound and growing economy. Roadbuilding, airport modernization, and seawall projects have been stressed, as well as grant programs in industrial development, public safety, labor education, and technical training for the private and public sectors. Recent emphasis has been on programs to develop and diversify agriculture. The Peace Corps in Guyana was terminated in mid-1971.

PRINCIPAL GOVERNMENT OFFICIALS

President—Arthur Chung
Prime Minister—Linden F. S. Burnham
Deputy Prime Minister; Minister of Agriculture—Ptolemy A. Reid
Minister of Finance—Desmond Hoyte
Minister of Education—Cecilene Baird
Minister of State for Cooperatives and Community Development—William Haynes
Minister of Mines and Forests—H.O. Jack
Minister of Home Affairs—Oscar Clarke
Minister of Trade—David Singh
Minister of Works, Hydraulics, and Supply—Hamilton Green
Minister of Housing and Reconstruction—Bishwaishwar Ramsaroop
Minister of State and Attorney General—Shridath S. Ramphal
Minister of Information and Culture—Elvin B. McDavid
Minister of Local Government—Vibert Mingo
Minister of Labour and Social Security—W.G. Carington
Minister of Communications—Mohamed Kasim
Minister of Health—Shirley Field-Ridley
Ambassador to the U.S.—Rahman B. Gajraj
Ambassador to the U.N.—Frederick H. Talbot
Guyana maintains an Embassy in the United States at 2490 Tracy Place, N.W., Washington, D.C. 20008.

PRINCIPAL U. S. OFFICIALS

Ambassador—Spencer M. King
Deputy Chief of Mission—George B. Sherry
Economic Officer—James R. Sartorius
Director, U.S. AID Mission—Robert C. Hamer
Public Affairs Officer (USIS)—Katherine D. Ray
The U.S. Embassy in Guyana is located at 31 Main Street, Georgetown.

READING LIST

American University. Area Handbook for Guyana. Washington, D.C.: U.S. Government Printing Office, 1969.
Naipaul, V.S. The Middle Passage. New York: Macmillan, 1963.
Newman, Peter. British Guiana: Problems of Cohesion in an Immigrant Society. London: Oxford University Press, 1964.
Simms, Peter. Trouble in Guyana. London: Allen and Unwin, 1969.
Smith, Raymond R. British Guiana. London: Oxford University Press, 1962.
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DEPARTMENT OF STATE PUBLICATION 8095
Revised April 1972

Office of Media Services
Bureau of Public Affairs



S/S 7403748

DEPARTMENT OF STATE

Washington, D.C. 20520

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February 21, 1974

MEMORANDUM FOR MR. JOHN O. MARSH
OFFICE OF THE VICE PRESIDENT

Subject: Request for appointment: Max V. Krebs,
Ambassador-designate to Guyana

The United States Ambassador-designate to the Republic of Guyana is Max Vance Krebs, a career Foreign Service officer.

Mr. Krebs is in Washington and will be here until March 1, 1974. It is requested that an appointment be granted for Mr. Krebs to pay a courtesy call on Vice President Ford.

A biographic sketch of Mr. Krebs is attached.

George S. Springsteen
George S. Springsteen, Jr.
Executive Secretary

Attachment:

Biographic sketch.

Max Vance Krebs

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