

REPORT
OF THE SPECIAL COMMITTEE ON THE SITUATION
WITH REGARD TO THE IMPLEMENTATION
OF THE DECLARATION
ON THE GRANTING OF INDEPENDENCE
TO COLONIAL COUNTRIES AND PEOPLES

VOLUME V

GENERAL ASSEMBLY

OFFICIAL RECORDS: TWENTY-EIGHTH SESSION

SUPPLEMENT No.23 (A/9023/Rev.1)



UNITED NATIONS

(218p.)



REPORT
OF THE SPECIAL COMMITTEE ON THE SITUATION
WITH REGARD TO THE IMPLEMENTATION
OF THE DECLARATION
ON THE GRANTING OF INDEPENDENCE
TO COLONIAL COUNTRIES AND PEOPLES

VOLUME V

GENERAL ASSEMBLY

OFFICIAL RECORDS: TWENTY-EIGHTH SESSION

SUPPLEMENT No. 23 (A/9023/Rev.1)



UNITED NATIONS

New York, 1975

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

The report of the Special Committee is divided into five volumes. The present volume contains chapters XXII to XXIX;* volume I, chapters I to III; volume II, chapters IV to VI; volume III, chapters VII to IX; and volume IV, chapters X to XXI; each volume contains a full table of contents.

* The present version of chapters XXII to XXIX is a consolidation of the following documents as they appeared in provisional form: A/9023/Add.6 of 29 October 1973 and A/9023/Add.7 of 3 October 1973.

CONTENTS

VOLUME I

(Chapters I to III)

LETTER OF TRANSMITTAL

<u>Chapter</u>	<u>Paragraphs</u>
I. ESTABLISHMENT, ORGANIZATION AND ACTIVITIES OF THE SPECIAL COMMITTEE (A/9023 (Part I))	1 - 207
A. Establishment of the Special Committee	1 - 14
B. Opening of the Special Committee's meetings in 1973	15 - 41
C. Organization of work	42 - 52
D. Meetings of the Special Committee and its subsidiary bodies	53 - 68
E. Consideration of Territories	69 - 70
F. Question of the list of Territories to which the Declaration is applicable	71 - 85
G. Question of the participation of national liberation movements in the work of the United Nations	86 - 93
H. Matters relating to small Territories	94 - 97
I. International Conference of Experts for the Support of Victims of Colonialism and <u>Apartheid</u> in Southern Africa	98 - 104
J. Week of Solidarity with the Colonial Peoples of Southern Africa and Guinea (Bissau) and Cape Verde Fighting for Freedom, Independence and Equal Rights	105 - 110
K. International Convention on the Elimination of All Forms of Racial Discrimination	111 - 115
L. Relations with other United Nations bodies and international institutions associated with the United Nations	116 - 131
M. Co-operation with the Organization of African Unity	132 - 136
N. Co-operation with non-governmental organizations	137 - 155
O. Consideration of other matters	156 - 176
P. Review of work	177 - 192

CONTENTS (continued)

<u>Chapter</u>	<u>Paragraphs</u>
Q. Future work	193 - 205
R. Adoption of the report	206 - 207
ANNEX: LIST OF REPRESENTATIVES OF THE SPECIAL COMMITTEE (1973)	
II. DISSEMINATION OF INFORMATION ON DECOLONIZATION (A/9023 (Part II))	1 - 8
A. Consideration by the Special Committee	1 - 6
B. Decisions of the Special Committee	7 - 8
ANNEXES	
I. REPORT BY THE CHAIRMAN, MR. SALIM AHMED SALIM (UNITED REPUBLIC OF TANZANIA)	
II. REPORT OF THE DELEGATION OF THE SPECIAL COMMITTEE TO MEETINGS OF NON-GOVERNMENTAL ORGANIZATIONS	
III. SECOND REPORT OF THE SUB-COMMITTEE ON PETITIONS AND INFORMATION ON THE QUESTION OF DISSEMINATION OF INFORMATION ON DECOLONIZATION	
III. QUESTION OF SENDING VISITING MISSIONS TO TERRITORIES (A/9023 (Part II))	1 - 14
A. Consideration by the Special Committee	1 - 13
B. Decision of the Special Committee	14
ANNEX: REPORT BY THE CHAIRMAN	

VOLUME II

(Chapters IV to VI)

IV. ACTIVITIES OF FOREIGN ECONOMIC AND OTHER INTERESTS WHICH ARE IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES IN SOUTHERN RHODESIA, NAMIBIA AND TERRITORIES UNDER PORTUGUESE DOMINATION AND IN ALL OTHER TERRITORIES UNDER COLONIAL DOMINATION AND EFFORTS TO ELIMINATE COLONIALISM, APARTHEID AND RACIAL DISCRIMINATION IN SOUTHERN AFRICA (A/9023 (Part III))	1 - 7
A. Consideration by the Special Committee	1 - 5
B. Decision of the Special Committee	6 - 7
ANNEX: REPORT OF SUB-COMMITTEE I	

CONTENTS (continued)

<u>Chapter</u>	<u>Paragraphs</u>
V. MILITARY ACTIVITIES AND ARRANGEMENTS BY COLONIAL POWERS IN TERRITORIES UNDER THEIR ADMINISTRATION WHICH MIGHT BE IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES (A/9023 (Part IV))	1 - 7
A. Consideration by the Special Committee	1 - 5
B. Decision of the Special Committee	6 - 7
ANNEX: REPORT OF SUB-COMMITTEE I	
VI. IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS (A/9023 (Part V)) . . .	1 - 18
A. Consideration by the Special Committee	1 - 17
B. Decision of the Special Committee	18
ANNEXES	
I. REPORT OF THE WORKING GROUP ON THE IMPLEMENTATION BY THE SPECIALIZED AGENCIES AND THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES AND OTHER RELEVANT RESOLUTIONS OF THE UNITED NATIONS	
II. REPORT BY THE VICE-CHAIRMAN	
VOLUME III	
(Chapters VII to IX)	
VII. SOUTHERN RHODESIA (A/9023/Add.1)	1 - 23
A. Consideration by the Special Committee	1 - 20
B. Decisions of the Special Committee	21- 23
ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT	
VIII. NAMIBIA (A/9023/Add.2)	1 - 14
A. Consideration by the Special Committee	1 - 13
B. Decision of the Special Committee	14
ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT	

CONTENTS (continued)

<u>Chapter</u>	<u>Paragraphs</u>
IX. TERRITORIES UNDER PORTUGUESE ADMINISTRATION (A/9023/Add.3)	1 - 28
A. Consideration by the Special Committee	1 - 25
B. Decisions of the Special Committee	26 - 27
C. Statement issued by the Chairman on 11 July 1973 . . .	28
ANNEXES	
I. WORKING PAPERS PREPARED BY THE SECRETARIAT	
II. NOTE BY THE SECRETARIAT	
VOLUME IV	
(Chapters X to XXI)	
X. SEYCHELLES AND ST. HELENA (A/9023/Add.4)	1 - 10
A. Consideration by the Special Committee	1 - 9
B. Decisions of the Special Committee	10
ANNEXES	
I. WORKING PAPER PREPARED BY THE SECRETARIAT	
II. NOTE BY THE ACTING CHAIRMAN	
XI. COMORO ARCHIPELAGO (A/9023/Add.4)	1 - 12
A. Consideration by the Special Committee	1 - 11
B. Decision of the Special Committee	12
ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT	
XII. SPANISH SAHARA (A/9023/Add.4)	1 - 10
A. Consideration by the Special Committee	1 - 8
B. Decisions of the Special Committee	9 - 10
ANNEXES	
I. WORKING PAPER PREPARED BY THE SECRETARIAT	
II. LETTER DATED 12 JULY 1973 FROM THE DEPUTY PERMANENT REPRESENTATIVE OF SPAIN TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL	
XIII. GIBRALTAR (A/9023/Add.4)	1 - 4
A. Consideration by the Special Committee	1 - 3
B. Decision of the Special Committee	4
ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT	

CONTENTS (continued)

<u>Chapter</u>	<u>Paragraphs</u>
XIV. FRENCH SOMALILAND (A/9023/Add.4)	1 - 4
A. Consideration by the Special Committee	1 - 3
B. Decision of the Special Committee	4
ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT	
XV. GILBERT AND ELLICE ISLANDS, PITCAIRN AND THE SOLOMON ISLANDS (A/9023/Add.5)	1 - 9
A. Consideration by the Special Committee	1 - 8
B. Decision of the Special Committee	9
ANNEX: WORKING PAPERS PREPARED BY THE SECRETARIAT	
XVI. NIUE AND THE TOKELAU ISLANDS (A/9023/Add.5)	1 - 9
A. Consideration by the Special Committee	1 - 8
ANNEX: WORKING PAPERS PREPARED BY THE SECRETARIAT	
XVII. NEW HEBRIDES (A/9023/Add.5)	1 - 9
A. Consideration by the Special Committee	1 - 8
B. Decision of the Special Committee	9
ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT	
XVIII. AMERICAN SAMOA AND GUAM (A/9023/Add.5)	1 - 11
A. Consideration by the Special Committee	1 - 10
B. Decision of the Special Committee	11
ANNEX: WORKING PAPERS PREPARED BY THE SECRETARIAT	
XIX. COCOS (KEELING) ISLANDS AND PAPUA NEW GUINEA (A/9023/Add.5)	1 - 8
A. Consideration by the Special Committee	1 - 7
B. Decision of the Special Committee	8
ANNEX: WORKING PAPERS PREPARED BY THE SECRETARIAT	
XX. TRUST TERRITORY OF THE PACIFIC ISLANDS (A/9023/Add.5)	1 - 10
A. Consideration by the Special Committee	1 - 9
B. Decision of the Special Committee	10
ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT	
XXI. BRUNEI (A/9023/Add.5)	1 - 11
A. Consideration by the Special Committee	1 - 10
B. Decision of the Special Committee	11
ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT	

CONTENTS (continued)

VOLUME V

(Chapters XXII to XXIX)

<u>Chapter</u>		<u>Paragraphs</u>	<u>Page</u>
XXII.	BAHAMAS (A/9023/Add.6)	1 - 9	3
	A. Consideration by the Special Committee	1 - 8	3
	B. Decision of the Special Committee	9	4
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		5
XXIII.	BERMUDA (A/9023/Add.6)	1 - 9	8
	A. Consideration by the Special Committee	1 - 8	8
	B. Decision of the Special Committee	9	9
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		12
XXIV.	BRITISH VIRGIN ISLANDS, CAYMAN ISLANDS, MONTSERRAT AND TURKS AND CAICOS ISLANDS (A/9023/Add.6)	1 - 10	30
	A. Consideration by the Special Committee	1 - 9	30
	B. Decision of the Special Committee	10	31
	ANNEX: WORKING PAPERS PREPARED BY THE SECRETARIAT		35
XXV.	UNITED STATES VIRGIN ISLANDS (A/9023/Add.6)	1 - 9	92
	A. Consideration by the Special Committee	1 - 8	92
	B. Decision of the Special Committee	9	93
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		96
XXVI.	ANTIGUA, DOMINICA, GRENADA, ST. KITTS-NEVIS-ANGUILLA, ST. LUCIA AND ST. VINCENT (A/9023/Add.6)	1 - 8	116
	A. Consideration by the Special Committee	1 - 7	116
	B. Decision of the Special Committee	8	117
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		118
XXVII.	FALKLAND ISLANDS (MALVINAS) (A/9023/Add.6)	1 - 12	179
	A. Consideration by the Special Committee	1 - 11	179
	B. Decision of the Special Committee	12	180
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		182
XXVIII.	BRITISH HONDURAS (A/9023/Add.6)	1 - 6	188
	A. Consideration by the Special Committee	1 - 5	188
	B. Decision of the Special Committee	6	188
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		189

CONTENTS (continued)

<u>Chapter</u>	<u>Paragraphs</u>	<u>Page</u>
XXIX. INFORMATION FROM NON-SELF-GOVERNING TERRITORIES TRANSMITTED UNDER ARTICLE 73 <u>e</u> OF THE CHARTER OF THE UNITED NATIONS (A/9023/Add.7)	1 - 9	202
A. Consideration by the Special Committee	1 - 8	203
B. Decision of the Special Committee	9	204
ANNEX: REPORT OF THE SECRETARY-GENERAL		206

CHAPTERS XXII-XXVIII

(A/9023/Add.6)

BAHAMAS, BERMUDA, BRITISH VIRGIN ISLANDS, CAYMAN ISLANDS, MONTSERRAT,
TURKS AND CAICOS ISLANDS, UNITED STATES VIRGIN ISLANDS, ANTIGUA,
DOMINICA, GRENADA, ST. KITTS-NEVIS-ANGUILLA, ST. LUCIA, ST. VINCENT,
FALKLAND ISLANDS (MALVINAS) AND BRITISH HONDURAS**

CONTENTS

<u>Chapter</u>	<u>Paragraphs</u>	<u>Page</u>
XXII. BAHAMAS		
A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 8	3
B. DECISION OF THE SPECIAL COMMITTEE	9	4
ANNEX		
WORKING PAPER PREPARED BY THE SECRETARIAT		5
XXIII. BERMUDA		
A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 8	8
B. DECISION OF THE SPECIAL COMMITTEE	9	9
ANNEX		
WORKING PAPER PREPARED BY THE SECRETARIAT		12
XXIV. BRITISH VIRGIN ISLANDS, CAYMAN ISLANDS, MONTSERRAT AND TURKS AND CAICOS ISLANDS		
A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 9	30
B. DECISION OF THE SPECIAL COMMITTEE	10	31
ANNEX		
WORKING PAPERS PREPARED BY THE SECRETARIAT		35
XXV. UNITED STATES VIRGIN ISLANDS		
A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 8	92
B. DECISION OF THE SPECIAL COMMITTEE	9	93
ANNEX		
WORKING PAPER PREPARED BY THE SECRETARIAT		96
XXVI. ANTIGUA, DOMINICA, GRENADA, ST. KITTS-NEVIS-ANGUILLA, ST. LUCIA AND ST. VINCENT		
A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 7	116
B. DECISION OF THE SPECIAL COMMITTEE	8	117

** See chapter XVIII, annex, paras. 10-11, for details concerning the change in the name of the Territory.

CONTENTS (continued)

<u>Chapter</u>	<u>Paragraphs</u>	<u>Page</u>
ANNEX		
	WORKING PAPER PREPARED BY THE SECRETARIAT	118
XXVII.	FALKLAND ISLANDS (MALVINAS)	
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 11 179
	B. DECISION OF THE SPECIAL COMMITTEE	12 180
ANNEX		
	WORKING PAPER PREPARED BY THE SECRETARIAT	182
XXVIII.	BRITISH HONDURAS	
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 5 188
	B. DECISION OF THE SPECIAL COMMITTEE	6 188
ANNEX		
	WORKING PAPER PREPARED BY THE SECRETARIAT	189

CHAPTER XXII

BAHAMAS

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 902nd meeting on 23 February 1973, the Special Committee, by approving the sixty-eighth report of the Working Group (A/AC.109/L.841), decided, inter alia, to refer the Bahamas to Sub-Committee II for consideration and report.
2. The Special Committee considered the Territory at its 912th meeting on 14 May.
3. In its consideration of the Territory, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 2908 (XXVII) of 2 November 1972 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, by paragraph 11 of which the Assembly requested the Special Committee "to continue to seek suitable means for the immediate and full implementation of General Assembly resolutions 1514 (XV) and 2621 (XXV) in all Territories which have not yet attained independence and, in particular, to formulate specific proposals for the elimination of the remaining manifestations of colonialism and report thereon to the General Assembly at its twenty-eighth session". The Committee also took into account other resolutions of the General Assembly, particularly resolution 2984 (XXVII) of 14 December 1972 concerning 17 Territories, including the Bahamas, by paragraph 11 of which the Assembly requested the Committee "to continue to give full consideration to this question, including in particular the dispatch of visiting missions to those Territories ...".
4. During its consideration of the Territory, the Special Committee had before it a working paper prepared by the Secretariat (see annex to the present chapter) containing information on action previously taken by the Committee as well as by the General Assembly, and on the latest developments concerning the Territory.
5. The administering Power did not participate in the work of the Special Committee during its consideration of the item.
6. At the 912th meeting, on 14 May, the Rapporteur of Sub-Committee II, in a statement to the Special Committee (A/AC.109/PV.912), introduced the report of that Sub-Committee (A/AC.109/L.864) containing an account of its consideration of the Territory (A/AC.109/SR.3/SR.164, 165, 168 and 169). He also proposed that the relevant records of that Sub-Committee be transmitted to the administering Power for the attention of the people of the Bahamas.
7. At the same meeting, following a statement by the Chairman on behalf of the Special Committee extending warm congratulations and best wishes to the people of the Bahamas on the occasion of their accession to independence, the Committee adopted the report, without objection, and endorsed the conclusions and

recommendations contained therein (see paragraph 9 below). The Committee also approved the proposal put forward by the Rapporteur of Sub-Committee II.

8. On 21 May, the text of the conclusions and recommendations was transmitted to the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations for the attention of his Government. On the same day, the records of Sub-Committee II relating to the question of the Bahamas were also transmitted to him for the attention of the people of the Territory.

B. DECISION OF THE SPECIAL COMMITTEE

9. The text of the conclusions and recommendations adopted by the Special Committee at its 912th meeting, on 14 May, to which reference is made in paragraph 7 above, is reproduced below.

Conclusions and recommendations

(1) The Special Committee recalls General Assembly resolution 1514 (XV) of 14 December 1960, containing the Declaration on the Granting of Independence to Colonial Countries and Peoples, as well as the other pertinent resolutions, especially resolution 2984 (XXVII) of 14 December 1972 concerning 17 Territories, including the Bahamas.

(2) The Special Committee reaffirms its previous conclusions and recommendations relating to the Bahamas, in particular those adopted at its session in 1972 and subsequently approved by the General Assembly at its twenty-seventh session. 1/

(3) The Special Committee notes that the administering Power has complied with the request made by the Bahamas legislature in November 1972 that the Territory should accede to independence on 10 July 1973.

(4) The Special Committee expresses its satisfaction that, on that day, the people of the Bahamas will attain the goals proclaimed in the Charter of the United Nations and in the Declaration contained in General Assembly resolution 1514 (XV), and extends to the people and the Government of the Territory its congratulations and best wishes for their prosperity, success and well-being on the occasion of their accession to independence.

(5) The Special Committee is confident that the Bahamas, in joining the international community, will make a constructive contribution to the achievement of international co-operation and harmony on the basis of the purposes and principles of the Charter of the United Nations.

1/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, para. 9.

ANNEX*

WORKING PAPER PREPARED BY THE SECRETARIAT

CONTENTS

	<u>Paragraphs</u>
A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY	1 - 2
B. INFORMATION ON THE TERRITORY	3 - 8

* The full text of the working paper prepared by the Secretariat containing information on the Territory prior to its accession to independence is contained in document A/AC.109/L.848.

A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE
AND THE GENERAL ASSEMBLY

1. The Territory of the Bahamas has been considered by the Special Committee since 1964 and by the General Assembly since 1965. The Special Committee's conclusions and recommendations concerning the Territory are set out in its reports to the General Assembly at its nineteenth and twenty-first to twenty-seventh sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1972 concerning the Territory and subsequently approved by the General Assembly at its twenty-seventh session and the text of General Assembly resolution 2984 (XXVII) of 14 December 1972 concerning 17 Territories, including the Bahamas, have been made available to the Special Committee.

B. INFORMATION ON THE TERRITORY

1. GENERAL

3. The Commonwealth of the Bahama Islands comprises an archipelago of about 700 islands (of which about 30 are inhabited) and over 2,000 islets or cays, extending over 700 miles in a south-easterly direction from the Florida coast of the United States of America. Andros is the largest island, but the most important are the relatively small islands of New Providence (with Nassau the capital city) and Grand Bahama (with Freeport the main city), the fourth largest in the chain. The total land area of the Territory is 5,380 square miles.

4. At the last census, taken in April 1970, the population totalled 168,838, of whom more than 80 per cent was of African descent. Of the total, 101,182 inhabitants were on New Providence and 41,341 on Grand Bahama. The remainder were dispersed on 17 major islands. On 31 December 1970, the population of the Territory was estimated to be 174,365.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Bahamas Independence Conference

5. An Independence Conference for the Bahamas was held in London between 12 and 20 December 1972. The Conference was attended by representatives of the

a/ For the most recent, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XVIII, para. 11; ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, para. 10; ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, para. 9.

two political parties in the Bahamas legislature; the Progressive Liberal Party (PLP), led by Mr. Lynden O. Pindling, Prime Minister, and the Free National Movement (FNM), led by Mr. Kendall G. L. Isaacs, Leader of the Opposition.

6. On 21 December, Sir Alec Douglas-Home, Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom of Great Britain and Northern Ireland, stated in a written reply to a question in the United Kingdom House of Commons that, after full discussions in which all sides had had opportunity to explain their views, the Conference had agreed on the substance of a constitution appropriate to the Commonwealth of the Bahama Islands as an independent sovereign State. The United Kingdom Government had indicated that it would be prepared to recommend to Parliament the passage of the necessary legislation to provide for the independence of the Bahamas on 10 July 1973.

7. The Bahamas delegation to the Conference expressed the wish that the country should remain a monarchy after independence. Under the new constitution, the present bicameral form of legislature would be retained. The life of the Parliament would be limited to five years from the date of its first sitting after any dissolution. The Prime Minister would preside over a cabinet consisting of not less than eight other ministers, of whom one would be the Attorney-General. In his responsibility for public prosecutions, the Attorney-General would act entirely on his own and would not be subject to direction or control by any other person or authority. There would be a Supreme Court presided over by the Chief Justice and also a Court of Appeal. Provision would be made for appeals to the Judicial Committee of Her Majesty's Privy Council (or to such other courts as might be prescribed by the Bahamas Parliament). Responsibility for the public service, police and judicial services would lie with independent executive commissions as at present. Provision would also be made for safeguarding the position of the past and present members of Her Majesty's Overseas Civil Service in the Bahamas.

8. The Bahamas Government agreed that, upon its accession to independence, the country would establish diplomatic relations with the United Kingdom through the creation of high commissions in London and Nassau. The Bahamas Government indicated that it would assume all treaty obligations and rights previously undertaken by the United Kingdom Government on behalf of the Bahamas, on the understanding that, within a reasonable time, the new State would review in detail such treaty obligations with a view to their continuation or termination. It was also indicated that the new State would apply for membership in the Commonwealth. The United Kingdom Government undertook to sponsor such an application, as well as to use its best endeavours to facilitate applications by the Bahamas for membership in the United Nations and other international bodies. It further undertook that, before 10 July 1973, discussions would be held with the Bahamas Government concerning future defence and financial arrangements.

CHAPTER XXIII

BERMUDA

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 902nd meeting, on 23 February 1973, the Special Committee, by approving the sixty-eighth report of the Working Group (A/AC.109/L.841), decided, inter alia, to refer Bermuda to Sub-Committee II for consideration and report.
2. The Special Committee considered the Territory at its 930th and 931st meetings, on 2 and 6 August.
3. In its consideration of the Territory, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 2908 (XXVII) of 2 November 1972 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, by paragraph 11 of which the Assembly requested the Special Committee "to continue to seek suitable means for the immediate and full implementation of General Assembly resolutions 1514 (XV) and 2621 (XXV) in all Territories which have not yet attained independence and, in particular, to formulate specific proposals for the elimination of the remaining manifestations of colonialism and report thereon to the General Assembly at its twenty-eighth session". The Committee also took into account other resolutions of the General Assembly, particularly resolution 2984 (XXVII) of 14 December 1972 concerning 17 Territories, including Bermuda, by paragraph 11 of which the Assembly requested the Committee "to continue to give full consideration to this question, including in particular the dispatch of visiting missions to those Territories ...".
4. During its consideration of the Territory, the Special Committee had before it a working paper prepared by the Secretariat (see annex to the present chapter) containing information on action previously taken by the Committee as well as by the General Assembly, and on the latest developments concerning the Territory.
5. The administering Power did not participate in the work of the Special Committee during its consideration of the item.
6. At the 930th meeting, on 2 August, the Rapporteur of Sub-Committee II, in a statement to the Special Committee (A/AC.109/PV.930 and Corr.1), introduced the report of that Sub-Committee (A/AC.109/L.882) containing an account of its consideration of the Territory (A/AC.109/SC.3/SR.169-172, 175 and 176).
7. At the 931st meeting, on 6 August, the Special Committee adopted the report without objection and endorsed the conclusions and recommendations contained therein (see paragraph 9 below).

8. On 9 August, the text of the conclusions and recommendations was transmitted to the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations for the attention of his Government.

B. DECISION OF THE SPECIAL COMMITTEE

9. The text of the conclusions and recommendations adopted by the Special Committee at its 931st meeting, on 6 August, to which reference is made in paragraph 7 above, is reproduced below.

Conclusions and recommendations

(1) The Special Committee reaffirms the inalienable right of the people of Bermuda to self-determination and independence in conformity with the Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in General Assembly resolution 1514 (XV) of 14 December 1960.

(2) Fully aware of the special circumstances of the Territory, owing to such factors as its size, geographical location, population and limited natural resources, the Special Committee reiterates the view that those circumstances should in no way delay the speedy implementation of the process of self-determination in conformity with the Declaration contained in resolution 1514 (XV) which fully applies to the Territory. In this connexion, the administering Power should seek, in consultation with the people of the Territory and the Special Committee, a constructive approach towards solving the problems of the Territory.

(3) The Special Committee reiterates its profound regret at the continued refusal of the United Kingdom of Great Britain and Northern Ireland, as the administering Power, to co-operate with the Committee in the implementation of the Declaration and other relevant resolutions of the General Assembly with respect to Bermuda, and to provide it with up-to-date, relevant information on the Territory, in order to enable the Committee fully to assess the situation and to play its proper role in helping to guide the people towards the exercise of their right to self-determination. Further, it regrets that, as a consequence, the Committee has been deprived of essential information which would have assisted it in the formulation of recommendations for the full and speedy implementation of the Declaration with respect to the Territory. Accordingly, it urges the administering Power to reconsider its attitude and to participate fully in the consideration of the Territory under its administration.

(4) The Special Committee takes note of the recent constitutional amendments introducing a cabinet form of government, which constitutes a further step towards the attainment of the goals set forth in the Declaration contained in resolution 1514 (XV). Nevertheless, it regrets that the administering Power has not introduced the necessary constitutional changes to transfer all powers to the people of Bermuda. Consequently, the Committee urges the administering Power, without any conditions or reservations and in consultation with the people of Bermuda, to consider ways to expedite the process leading to the final objective of the Declaration.

(5) The Special Committee deeply regrets the assassination of the Governor and other public officials in Bermuda. It is very much concerned that social unrest appears to exist in the Territory and that this may be largely the result of inequalities in regard to the rights of and opportunities for local inhabitants. The Committee therefore calls once more upon the administering Power to take without further delay effective measures to ensure that all the people of the Territory enjoy equal rights and opportunities.

(6) The Special Committee, while noting the present benefits which the Territory derives from tourism and the international finance industry, reiterates its concern about the almost total dependence of Bermuda on such unstable industries and urges the administering Power to make every effort to diversify the economy to the extent possible.

(7) The Special Committee urges the administering Power to safeguard the right of the people of Bermuda to own and dispose of their natural resources and maintain control over their future development, and to ensure that the inhabitants benefit from the revenues obtained from tourism, real estate sales and tax haven arrangements, as well as employment opportunities flowing therefrom.

(8) Having in mind that recent visiting missions to small Territories have demonstrated their usefulness, the Special Committee reiterates its firm view that visiting missions are a vital element in the participation of the United Nations in the process of decolonization. In this respect, the Special Committee strongly urges the administering Power to reconsider its position and to permit the access of such visiting missions to Bermuda in order to enable the Committee to acquire adequate first-hand information on the situation prevailing in the Territory and to ascertain the genuine views and wishes of the people concerning their future.

ANNEX*

WORKING PAPER PREPARED BY THE SECRETARIAT

CONTENTS

	<u>Paragraphs</u>
A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY	1 - 2
B. INFORMATION ON THE TERRITORY	3 - 73
1. GENERAL	3 - 4
2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS	5 - 28
3. ECONOMIC CONDITIONS	29 - 53
4. SOCIAL CONDITIONS	54 - 67
5. EDUCATIONAL CONDITIONS	68 - 73

* Previously issued under the symbol A/AC.109/L.853.

A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE
AND THE GENERAL ASSEMBLY

1. The Territory of Bermuda has been considered by the Special Committee since 1964 and by the General Assembly since 1965. The Special Committee's conclusions and recommendations concerning the Territory are set out in its report to the General Assembly at its nineteenth and twenty-first to twenty-seventh sessions. a/
2. The text of the conclusions and recommendations adopted by the Special Committee in 1972 in regard to the Territory and subsequently approved by the General Assembly at its twenty-seventh session, and the text of General Assembly resolution 2984 (XXVII) of 14 December 1972 which concerned 17 Territories, including Bermuda, have been made available to the Committee.

B. INFORMATION ON THE TERRITORY^{b/}

1. GENERAL

3. The Bermuda or Somers Islands are an isolated group of about 150 small islands in the Western Atlantic Ocean. The 10 principal islands are connected by bridges or causeways and are about 22 miles long with an average width of between one half and one mile. The Territory has a total area of 20.59 square miles of which 2.29 square miles are at present leased to the Government of the United States of America for military bases. The largest island, about 14 miles long with a maximum width of two miles, lies approximately at the centre of the group and contains about 9,000 acres.
4. The civil population figures for 1970 and 1971 were estimated at 51,908 and 52,609 respectively. About two-thirds of the population is of African or mixed descent and the remainder are of European origin.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

5. The Constitution, which came into force on 8 June 1968, is set out in the Bermuda Constitution Order, 1968, the main provisions of which are summarized below.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XVIII, para. 11; ibid.; Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, para. 10; ibid.; Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, para. 9.

b/ The information contained in this section has been derived from published reports and from information transmitted to the Secretary-General by the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 16 November 1972 for the year ending 31 December 1971.

Governor

6. Executive authority is exercised by the Governor who is appointed by the Queen. He retains responsibility for external affairs, defence, internal security and the police. In all other matters he acts on the advice of the Executive Council. He may act against the advice of the Council, however, if in his judgement it is necessary or expedient to act in the interests of any of the matters exclusively reserved to him.

Legislature

7. The legislature consists of the Queen, a Legislative Council and a House of Assembly. The power of the legislature to make laws is exercised by bills passed by both Houses and assented to by the Queen or by the Governor on behalf of the Queen. The Legislative Council consists of 11 members appointed by the Governor (5 in his discretion; 4 in accordance with the advice of the Government Leader and 2 in accordance with the advice of the Opposition Leader). It elects a president and a vice-president from among its members. The Council has power to delay legislation and introduce and amend bills other than financial bills. It is empowered, however, to return any financial bill received from the House of Assembly with recommendations for amendments which the Council may consider desirable.

8. The House of Assembly consists of 40 members elected under universal adult suffrage for a term of five years. It elects a speaker and a deputy speaker from among its members. The Governor, acting in his discretion, appoints the majority leader in the House as Government Leader. He also appoints the Opposition Leader from among its members.

9. Except on the recommendation of the Governor, signified by a member of the Executive Council, the House of Assembly cannot proceed on any bill, including any amendment to a bill, that, in the opinion of the person presiding, makes provision for any of the following purposes: (a) the imposition of taxation or the alteration of taxation other than by reduction; (b) the imposition of any charge upon any public fund or the alteration of any such charge other than by reduction; (c) the payment, issue or withdrawal from any public fund of any moneys not charged thereon or any increase in the amount of such a payment, issue or withdrawal of any moneys not charged thereon; (d) the composition or remission of any debt due to the Government; or (e) proceeding upon any motion (including any amendment to a motion) the effect of which will be to make provision for any of these purposes. Except for a taxation bill, provisions are made in the Constitution empowering the House of Assembly to present to the Governor for assent any financial or other public bill even when the Legislative Council has not consented to the bill.

Executive Council

10. The Executive Council, which is collectively responsible to the legislature, consists of the Government Leader and at least six other members of the legislature, appointed by the Governor in accordance with the advice of the Government Leader.

Of these members, a maximum of two are appointed from among the members of the Legislative Council and the remainder from among the members of the House of Assembly. The Executive Council is presided over by the Governor and its members are assigned responsibilities for government departments and other business. Provisions are made for the appointment of parliamentary secretaries. The Secretary of the Executive Council is the head of the civil service.

11. In addition to the Government Leader, the Executive Council, as constituted at present, consists of members for labour and immigration, finance, education, tourism and trade, works and agriculture, health and welfare, marine and air services, planning, transport and organization, as well as a member without portfolio, concerned particularly with youth activities. There are three parliamentary secretaries, for finance, education and aviation. The Secretary of the Executive Council is also an appointed post.

Electoral arrangements

12. Members of the House of Assembly are elected under universal adult suffrage. General elections are held within three months after each dissolution of the legislature. The Territory is divided into 26 constituencies, each returning two members to the House. To be qualified to register as an elector in a constituency, a person should: (a) be a British subject aged 21 years or over; (b) either possess Bermudian status or have been ordinarily resident in the Territory throughout the immediately preceding period of three years; and (c) be ordinarily resident in that constituency.

Judiciary

13. The Judiciary consists of the Court of Appeals, the Supreme Court and the magistracy. The Chief Justice presides over the Supreme Court and is consulted by the Governor in the appointment of judges, magistrates and court officers.

Local government

14. The city of Hamilton and the town of St. George are each governed by a corporation, consisting of an elected mayor, aldermen and councillors. Charges for water and dock facilities, together with municipal taxes are the main sources of revenue. Elsewhere in the Territory, the main unit of local government is the parish. Until the end of 1971, each of the nine parishes elected its own vestry annually, with power to levy taxes and manage local affairs. In accordance with the provisions of a bill approved by the House of Assembly in November 1971, the Government replaced the vestries with nominated and largely advisory parish councils.

Political parties and elections

15. The first political party in the Territory, the Progressive Labour Party (PLP), was formed shortly before the general elections in May 1965. The majority of seats in the House of Assembly were won by independent candidates. In August 1964, 24 independent members of the House formed the United Bermuda Party (UBP). In March 1967, another political party, the Bermuda Democratic Party (BDP), was formed. In August 1969, UBP formed its youth branch, Young Bermuda United (YBU).

16. The general elections of 22 May 1968 were the first held under the new voting age of 21 and were conducted on party lines. The UBP won 30 seats, and PLP won the other 10. A UBP Government was formed to rule the Territory for five years under the new Constitution.

17. The latest general elections in the Territory were held on 7 June 1972. Contesting the elections were 40 candidates from the ruling UBP and 35 from PLP. The UBP emerged as the winner with the same 30 seats it had held in the dissolved House of Assembly. The PLP retained the 10 remaining seats it had previously held. According to reports, 17,821 of the 23,091 registered voters or 77.2 per cent of the electorate, participated in the vote, compared with 90.7 per cent in 1968. The UBP improved its percentage of the popular vote by 4.7 per cent over its 1968 record, gaining 61.3 per cent of the total votes cast. The PLP improved its record by 4.3 per cent, gaining 38.7 per cent of the total votes. Both parties picked up votes which in 1968 had gone to the now defunct BDP and to independents.

18. After his party had obtained a majority of votes, Sir Edward Richards was reappointed Government Leader, and Mr. Walter Robinson was appointed Opposition Leader.

19. On political reforms, the PLP platform reiterated its dedication to a revision of the constitutional framework which would "prepare the way for a more democratic system of government, and ultimately independence". The PLP would call for a constitutional conference in order to examine with the United Kingdom Government what arrangements could be made for Bermuda "to move towards a more responsible government". The party advocated the following reforms in the Constitution: (a) the Bermuda Government should exercise full control over all financial matters; (b) the voting age should be reduced to 18; (c) provision should be made for automatic registration for all voters; (d) the voting numbers in each electoral district should be equalized; (e) the elected Government should be given authority over the civil service; and (f) reconstructed broad parish power should be placed in the vestries, based on the same electoral roll as that used for the general elections.

20. The UBP election platform drew particular attention to the Government's accomplishments in the recent past and promised a productive future for all Bermudians through continued economic growth, as well as further social and educational development of the Territory.

21. It was reported that during a UBP election campaign rally, on 31 May 1972, Mr. Jack Sharpe, the member of the Executive Council for finance, had said, inter alia: "Our position is perfectly clear. We are going to seek to make certain administrative changes which will improve the working of our Constitution as a consequence of our experience over the last four years, but we are not seeking independence. We are convinced that the money and manpower reserve of these small resources can better be utilized here in Bermuda at home than proliferated all over the world."

Recent constitutional developments

22. In his speech at the opening of the new Legislature, on 27 October 1972, Sir Richard Sharples, who had been sworn in as the new Governor on 12 October, after having served as Minister of State in the United Kingdom Home Office, said that the Bermuda Government would seek "at an early date" the agreement of the United Kingdom Government "to further constitutional advance". The proposed changes, which would be recommended to both houses of the legislature, were "modest but nevertheless significant". They would seek to change the title of Government Leader to that of Premier and to replace the Executive Council by a Cabinet of Ministers. The Premier would preside in the Cabinet in place of the Governor. A separate Governor's Council, composed of the Premier and certain other ministers, would be established and would be consulted by the Governor in the exercise of his powers in relation to defence, external affairs, the police and internal security. Sir Richard Sharples considered that these changes, some of which were "of an administrative nature, could be implemented without a constitutional conference and would not prejudice in any way any possible future decision to seek independence". They would give Bermuda a form of constitution which was as advanced, short of independence, as was possible. Continuing, he said that the Government would also seek to change the title of "Member of Colonial Parliament" to "Member of Parliament".

23. During the first meeting of the new House of Assembly on 27 October, Sir Edward Richards, the Government Leader, introduced a motion on constitutional changes asking for the House's approval and support of the projected approach to the United Kingdom Government for amendments to the Bermuda Constitution Order of 1968. In addition to the proposed changes indicated in the above-mentioned speech of the Governor, the motion called for, inter alia, the amendment of the section of the Constitution relating to constituency boundaries by clarifying that, in future, the Constituency Boundaries Commission should have regard to persons qualified to be registered as electors (see paragraph 12 above). Section 54 (2) (c) of the Constitution in its present form states that the Constituency Boundaries Commission shall "... ensure that the constituencies shall contain, so far as is reasonably practicable, equal numbers of adult persons...". The proposed amendment would replace the words "adult persons" by the words "... persons qualified to be registered as electors..." and was in line with the recommendation made by the last Constituency Boundaries Commission in January 1972.

24. During the debate in the House, PLP proposed an amendment to the motion, replacing the proposed changes with a more general one seeking a conference in London "for the purpose of obtaining agreement for a new constitution for Bermuda under which the option for independence will be available to the Government of Bermuda, besides other matters. Mr. Walter Robinson, the Opposition Leader, was quoted as having said: "Let us have a constitution to enable us to be a responsible government." He added that his party was not calling for independence but seeking a provision in the Constitution for independence if Bermuda wanted it. "I suggest we go to London," he continued, "because of a number of matters which should be rectified." Among them, he named the electoral boundaries and the establishment of a civil service commission. Finally, he said that "the opportunity should be taken to set up a new constitution more suited to a country which intends to rule itself." The Government Leader replied that the Government could not agree to the amendment terms because UBF had said in its platform that it would not be seeking independence.

25. Having voted to reject the PLP amendment seeking a constitutional conference in London similar to the one proposed in the House, the Legislative Council, on 22 November 1972, endorsed the Government's intention to seek the concurrence of the United Kingdom Government in the proposed constitutional amendments. During the debate, Mr. John R. Plowman, member of the Executive Council for organization, said that the United Kingdom Secretary of State for Foreign and Commonwealth Affairs had agreed that, while the proposed constitutional changes were "significant", they were "not of a major nature such as to require the convening of a further constitutional conference". As a result, subject to the approval of the legislature, "the changes would, in due course, be approved in the United Kingdom". Following the coming into operation of the proposed constitutional amendments on 18 April 1973, the Governor's Council is to be established, consisting of the Governor, the Premier and not less than two, nor more than three, other Ministers appointed by the Governor after consultation with the Premier. The Governor will consult the Council (but does not have to accept the advice of its members) in relation to the business of the Government for the conduct of which he is responsible: defence, external affairs, the police and internal security. The Chief Secretary has now become the Deputy Governor.

Internal security

26. On 10 March 1973, six months after the murder of Mr. George Duckett, the former Police Commissioner, the Governor and his aide-de-camp, Captain Hugh Sayers, were assassinated. Both the Government Leader and the Opposition Leader condemned the slayings. On the following day, Mr. Ian Kinnear, the Acting Governor, declared a state of emergency. Several persons were reported to have been detained. The United Kingdom Government sent experts to the Territory to assist in the investigation.

27. Speaking in the United Kingdom House of Commons on 12 March, Sir Alec Douglas-Home, the Secretary of State for Foreign and Commonwealth Affairs, said that the state of emergency had been proclaimed in order to provide the police

with special wider powers; that every possible effort would be made to bring the assassins to justice; and that the Bermudian authorities were fully aware of the need for security. He added that there was no sign whatever of any general unrest in the Territory. The state of emergency was still in force in early May. No one had been accused of committing the murder and the post of Governor remained vacant.

Military installations

28. In accordance with the Agreement of 27 March 1941, as amended in 1948-1971, between the Governments of the United Kingdom and the United States, the latter operates two military bases in the Territory, the Naval Air Station (formerly Kindley Air Force Base) and King's Point Naval Station. The total area occupied by the bases is 2.29 square miles, or about one tenth of the total area of the Territory. Civil aircraft continue to use the Naval Air Station. Details of the arrangement between the two Governments concerned appear in the last report of the Special Committee. c/ On 26 May 1972, the Governments of the United States and Bermuda reached a new agreement on further development of landing facilities at the Naval Air Station (see paragraph 48 below).

3. ECONOMIC CONDITIONS

General

29. In recent years, the economy of Bermuda has made good progress. According to a survey carried out for the Bermuda Business Association, the Territory's gross domestic product in 1971 was estimated at \$B 225 to \$B 245 million, d/ indicating that the average per capita income, amounting to between \$B 4,200 to \$B 4,500, was among the highest in the world. Tourism is the main basis of the economy, accounting in 1971 for 44 per cent of the gross domestic product, or about \$B 102 million. Next in importance is the international finance industry, representing 13 per cent of the gross domestic product in 1971, or about \$B 30 million. Agriculture, fishing and local industries play a minor role in the economic life of the Territory.

30. Among the conditions restricting agricultural development, are the limited cultivable area (760 acres in 1971), the shortage of labour and the small scale of farming operations. Production from farmlands (valued at approximately \$B 3.2 million in 1971), or \$B 300,000 more than in the previous year) is largely consumed locally, but there is a small export of lily bulbs and flowers. Commercial fishing barely meets local needs, the estimated catch in 1971 being valued

c/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723 Rev.1), chap. VI, appendix V, paras. 7-9.

d/ One pound sterling (£1) was equivalent to 2.40 Bermuda dollars (\$B), until 29 July 1972. See also paragraphs 33 and 42-44 below.

at \$B 2.3 million or \$B 150,000 more than in the previous year. On 24 March 1972, a new Fisheries Act, giving broad powers of control designed to protect fish supplies around Bermuda from undue exploitation, was approved in principle by the House of Assembly. The Territory has a number of relatively small concerns engaged in ship repairing, boat-building and the production of building materials, etc. for the local market. Other concerns are primarily engaged in the manufacture of flavouring extracts, mineral water extracts and pharmaceuticals chiefly for exports.

31. In 1971, the Territory's total external trade was \$B 200.1 million. Imports were valued at \$B 108.5 million against exports of \$B 91.6 million, giving rise to a deficit of \$B 16.9 million. Re-exports represented nearly all exports from the Territory, while domestic exports (\$B 849,310) occupied an insignificant place, with concentrated essences leading other items, followed by cosmetic preparations, flowers and pharmaceuticals. The principal imports were manufactured goods, food-stuffs and fuels. As in the past, trade was conducted mainly with the United States, the United Kingdom and Canada. Although Bermuda experienced an adverse balance of trade, its net receipts on invisible accounts fully covered outlays on imported merchandise. The main invisible items were tourist spending and the large inflow of foreign investment capital.

32. The weakness of the Territory's trade position lies in the fact that its productive resources are insufficient to satisfy the local requirements. The inadequacy of such resources also causes inflation to accelerate. A retail price index published in the Territory during December 1972 indicated a 19.6 per cent increase over the past two years, with food prices rising by 23 per cent. In its report for 1972, the Bank of Bermuda, Ltd. stated that, despite Government efforts to hold down the cost of living, local costs had continued to increase, and Bermuda would be in serious danger of losing the competitive position of its prime sources of revenue if the trend continued. The recent inflationary surge was also a major cause of labour disputes occurring during the year.

33. In 1972, the Government took measures to protect Bermudian interests in view of the recent domestic and international monetary developments. One of these measures was to peg the local currency in terms of the United States dollar instead of the pound sterling. This measure has the effect of linking the Territory's economy more closely with that of the United States than ever before. Following the 10 per cent devaluation of the United States dollar, announced on 12 February 1973, Bermuda once again faces uncertainties in the international monetary situation.

34. Earlier, in his speech at the opening of the new legislature, the late Governor stated that the Government intended to carry out an economic survey with the objective of identifying the options for long-term economic policies. At about the same time, the Government was reported to be preparing a new five-year development plan, which would emphasize the need for economic diversification. Meanwhile, despite the problems referred to above, the Territory's total economic activity was considered likely to grow at an annual rate of about 5 per cent over the period 1972-1976, with a much faster pace for the international finance sector.

Tourism

35. During 1972, tourism which, according to an official estimate, provides approximately 70 per cent of the Territory's income, continued to expand steadily. A total of 420,950 persons visited Bermuda (412,947 in the previous year), of whom over 95 per cent came from North America.

36. In recent years, there has been a steady expansion of tourist facilities, including hotel accommodations. In order to ensure an orderly growth of the industry, the Government has decided to continue to limit hotel expansion. Its estimate indicates that, through the implementation of plans previously approved, 1,580 new beds will be added to the present 8,581 licenced number by 1975.

37. In his speech at the opening of the legislature, the late Governor reaffirmed this decision and stated that in the phasing of hotel development, particular regard would be paid to the employment needs of Bermudians. He further stated that the Hotels (licencing and Control) Act was to be amended so that all visitor accommodations, even in private homes, might be registered and of the highest possible standard. He stressed that the Government was determined that Bermuda would remain a first-class resort and that it would continue to be developed for the benefit of everyone in the Territory. Finally, he said that the Government would make a push for another scheduled air service to Europe and for local requirements on the Bermuda-London route to be met in full.

38. Towards the end of November, 1972, Mr. John Barritt, the member of the Executive Council for marine and air services, was reported to be holding preliminary talks with airlines on the establishment of a direct link between Bermuda and Europe. British Caledonian Airways had expressed interest in carrying European tourists to Bermuda. A spokesman for the British Overseas Airways Corporation (BOAC) said that it was hoped that more seats would be available in 1973. There was a possibility that Bermuda flights from the continent of Europe via London would be organized in co-operation with British European Airways (BEA).

39. Commenting on the unemployment situation in the hotel industry, which is the largest single employer of labour in Bermuda, the Opposition Leader said on 18 March 1973 that Europeans were being brought in to fill most of the senior positions in the industry and worked under favourable conditions. He therefore considered that tourism was not beneficial to many Bermudians.

Financial developments

Banking and finance

40. As previously noted, e/ four banks have been established to provide complete banking and trust facilities, with their main offices situated in the capital city

e/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, annex, sect. B, para. 30.

of Hamilton. Since the late 1960s, the development of the banking sector has proceeded very rapidly. In 1971, this sector had combined resources of \$B 634 million, of which the Bank of Bermuda accounted for \$E 319 million, the Bank of N. T. Butterfield and Son, Ltd. for \$B 249 million, the Bermuda Provident Bank, Ltd. (associated with Barclays Bank International, Ltd. of the United Kingdom) for \$B 35 million and the Bermuda National Bank, Ltd. (affiliated with the Bank of Nova Scotia of Canada) for \$B 31 million. The Bermudian public owns 40 and 33 per cent of the shares of the last two banks respectively. In 1972, there was further expansion of the banking industry, particularly the Bank of Bermuda, whose total resources increased by \$B 17 million to \$B 336 million.

41. Much of the progress made by the four banks in recent years has been attributed to a substantial expansion of the international companies in Bermuda (from 758 in 1967 to about 2,000 in 1971), most of them exempted companies numbering 1,606 at the end of 1970). In 1971, these international companies made a contribution of \$B 1.5 million (an increase of \$B 750,000 over the previous year) to Government revenue, or 5 per cent of the total revenue. It is estimated that they also generated about \$B 4 million in direct tourist business through visiting corporate representatives, and spent about \$B 11 million on such items as rents, office supplies and salaries in the Territory. Furthermore, they provided employment for 1,330, representing 6 per cent of all full-time jobs. According to a recent survey, their business was expected to increase by about 10 per cent per annum over the period 1972-1976, or twice the estimated annual growth rate of the economy.

Control of foreign exchange

42. It will be recalled f/ that, following a meeting with his advisers and representatives of the banks on 23 August 1971, Mr. Sharpe, the member of the Executive Council for finance, announced the decision taken by the Council to float the Bermuda dollar with the pound sterling against the United States dollar. The principle advantage of this course, he added, was that the 45 per cent of total imports originating from the United States should be cheaper in terms of the Bermuda dollar, thus helping to reduce the rate of inflation. In late December 1971, following the devaluation of the United States dollar, Mr. Sharpe announced that the Bermuda dollar would remain linked to the pound sterling.

43. On 23 June 1972, the United Kingdom Government decided to free the pound sterling from its fixed rate and to introduce exchange control between the United Kingdom (including the Isle of Man and the Channel Islands) and the countries of the sterling area except the Republic of Ireland. Following this decision, and after consultations with the United Kingdom Government, the Government of Bermuda decided to peg the exchange rate of the Bermuda dollar to the United States dollar instead of the pound sterling from 29 July. The Bermuda Government also announced that the new exchange parity for the local currency would be 0.818513 grams of fine

f/ Ibid., para. 31.

gold, and that this was the same gold value as that of the United States dollar, so that for practical purposes the Bermuda dollar would equal one United States dollar. This action meant that the Bermuda dollar would be devalued by some 3 per cent.

44. On 25 August, Mr. Sharpe announced the Government's policy on foreign exchange controls. In explaining this policy, he stated that the recent action of the United Kingdom Government had led the Bermuda Government to develop a new system of exchange control which would treat transactions with the whole of the rest of the world, including the former sterling area, on an equal basis. Under this system, Bermudian residents would be permitted to invest in any foreign country without the payment of any premium, or purchase foreign exchange within increased limits for other approved purposes such as travel or education. If a resident wished to exceed the limit for any particular purpose, he would have to apply to the Foreign Exchange Controller for permission. Residents with investments overseas would not be required to deposit the income from such investments with a local bank. The \$B 25,000 limit on new investment overseas would allow investors reasonable freedom while at the same time curbing excessive outflows of capital. Another important feature of the new system was that international trusts and companies registered in Bermuda and their non-Bermudian executive staff could be classified as "external". They, therefore, would not be subject to Bermudian exchange control and would be completely free to move their funds if they so desired.

45. In his speech at the opening of the legislature, the late Governor stated that, bearing in mind the effect of the decision recently made by the United Kingdom Government, the Bermuda Government considered that it might be desirable to introduce legislation to amend the law relating to interest rates and the obtaining of credit, and that the Territory should reduce its sterling reserves further. It was reported in November that, as revealed in this speech, the Bermuda monetary authority would soon be transformed into a central bank with expanded powers to control the Territory's financial and monetary affairs.

Communication and other basic facilities

46. There are 132 miles of paved public highways and an estimated 250 miles of private roads, most of which are surfaced. Licensed vehicles numbered 35,805 in 1970 and 38,359 in 1971. In early October 1972, the Government published a report which Freeman, Fox and Associates of the United Kingdom had submitted after conducting a survey of the Territory's roads and traffic problems. The report, which was being studied by a special committee of the Executive Council, contained the following main recommendations: (a) classification of major roads into three different groups: one for commercial use, another for commuter and general use and the third for tourists; (b) retention of the 20-mile per hour speed limit and elimination of the 15-mile per hour zones; (c) limitation of ownership of private cars to one per residential valuation unit rather than one per household; (d) continuation of present controls on the size and power of vehicles, and enactment of a law to govern maximum noise level; (e) construction and improvement of certain roads; and (f) increased efficiency of bus and ferry services. These recommendations were made with a view to catering for growth and protecting the

essential environment of Bermuda for the benefit of residents and the vital tourist industry.

47. The Territory has three ports, the largest being Hamilton, followed by St. George's and Freeport. Regular steamship services are provided by 10 shipping lines. In 1971, 893 vessels entered and cleared in Bermuda, carrying a total of 6.6 million gross tons of shipping (873 and 6.0 million respectively in 1970). The construction of additional container facilities in Hamilton at a cost of about \$B 2.2 million began in early 1972 and was expected to be nearly completed by July 1973.

48. The only airfield is the United States Naval Air Station (see paragraph 28 above). On 26 May 1972, the Governments of the United States and Bermuda signed an agreement to carry out work programmes aimed at solving the problem of Boeing 747 jumbo jet landings at the airfield. The programmes, costing \$B 126,000, were expected to be completed by the end of the year. There are five major commercial airlines operating international flights: Air Canada, BOAC, Delta and Eastern Airlines, Pan American World Airways and Qantas Airways. British Caledonian Airways provides a non-scheduled all-cargo service between London and Bermuda about once weekly. In 1971, there were 5,518 aircraft arrivals (5,687 in 1970) handling 920,304 passengers (867,475 in 1970) and 11.5 million kilograms of cargo and mail (9.9 million in 1970).

49. The Bermuda Telephone Company, Ltd. (BTC), a local concern, operates over 360 public telephones in the Territory. It also provides international telephone service in conjunction with Cable and Wireless, Ltd. As previously noted, g/ the latter maintains various sophisticated overseas communications facilities, which have contributed significantly to the rapid increase in the establishment of international companies in Bermuda. In September 1972, BTC took measures to expand its international telephone service. These included, in particular, the construction of an electronic exchange at a cost of \$B 2 million, which was expected to be completed in early 1975. This exchange will provide Bermuda with 6,000 extra exchange lines, bringing the total to 38,000, and would eventually enable subscribers to dial direct to anywhere in the world.

50. Electric power is provided by the Bermuda Electronic Light Company, Ltd. on a territory-wide basis. Total installed generating capacity increased from 66,340 kW in 1970 to 81,640 kW in 1971.

51. Water pipeline service in five parishes, including Hamilton, is owned and operated by the Watlington Waterworks, whose reservoirs have a storage capacity of 572,000 gallons. The company also operates distillation plants in three large hotels. In 1971, the output from another plant maintained by the Government was 32 million gallons (26 million in 1970). A new one-million gallon storage reservoir was brought into service.

g/ Ibid., para. 35.

Public finance

52. A summary of the Territory's revenue and expenditure for the period 1971/72 is given in the previous reports of the Special Committee. ^{h/} The budget estimates for 1972/73 envisaged a total expenditure of \$B 48.4 million (\$B 40.9 million in the previous year) of which 20.3 per cent was allocated to education, 16.3 per cent to health, 15.3 per cent to agriculture and works, 9.7 per cent to security services, 7.7 per cent to tourism and 5.9 per cent to transport service. During this period, revenue, mainly derived from customs duties, was estimated to have risen from \$B 39.6 million to \$B 48.4 million. These budgetary figures indicate the continuation of an upward trend since the early 1960s.

53. An important proposal contained in the budget estimates concerned certain changes in existing taxes and fees expected to produce about \$B 4.5 million of additional revenue. In early April 1972, both the House of Assembly and the Legislative Council passed the Finance Act giving effect to the proposal with minor amendments. In his recent speech, the late Governor stated that charges for certain government services would be reviewed, and that in the budget for 1973/74, a new taxation policy for the future would be revealed.

^{h/} Ibid., paras. 37-40.

4. SOCIAL CONDITIONS

Labour

54. In 1970, the principal occupational groups in Bermuda were as follows: production and related workers, 6,500; service workers, 6,500; clerical and related workers, 4,700; professional and technical, 3,600; sales workers, 2,500; labourers, 1,100; administrative and managerial, 1,000; and farmers and agricultural workers, 600. The estimated total working population of the Territory was 27,200, excluding citizens of the United States employed at its military bases. Of this total, 2,868 were non-Bermudians, including 1,808 from the United Kingdom and the Commonwealth, 218 from the United States, 158 from the Azores, Portugal and 684 others (mainly Europeans). Of the non-Bermudians, 1,023 were engaged by hotels and guest houses.

55. Programmes for apprentice and vocational training were being undertaken by the Government and various firms, but the Territory's need for trained workers from overseas was increasing rapidly. According to Mr. C. B. Woolridge, member of the Executive Council for immigration and labour, there were 9,626 non-Bermudians with work permits at the end of January 1972. Of this number, 356 were employed by the construction industry, and 950 were Portuguese contract workers. The hotels absorbed 1,796 workers in various categories, and the remaining 6,524 were made up of police, teachers, nurses, civil servants and employees of exempted companies. To obtain permission to employ a non-Bermudian, employers must prove to the Department that they have advertised and made efforts to engage a qualified Bermudian.

56. Despite the opposition from PLP, the Legislative Council passed a bill on 5 April amending the Immigration and Protection Act to tighten control on non-Bermudians working in the Territory illegally. The bill would, inter alia, require non-Bermudian employees to carry identity cards during working hours and would also give the police the power to enter premises (including houses) to search for illegal workers. While agreeing on the need for tightening control over these workers, the two PLP members of the Council strongly objected to conferring the proposed additional power upon the police.

57. Commenting on the problem of reconciling the pressure for the import of trained workers and the growing desire of Bermudians to improve their positions, Mr. Woolridge was reported to have said in May that it was the Government's policy that "qualified Bermudians be given the best opportunity on all jobs" and that the Government was appealing to employers to assist in training Bermudians in the various fields. He added that the Government had already taken the lead: 79 per cent of all government employees were Bermudians and 200 local people had been awarded scholarships and bursaries for institutions of higher education abroad. While the Government was committed to the idea of "Bermudianization", he considered it important that Bermudians should first receive the necessary training and should not expect that their birthright would entitle them to any position unless they were capable of filling it, because the free enterprise system could only prosper with well-trained and competent people.

58. The Opposition PLP criticized the Government's dispatch in December of a delegation to Portugal to bring in migrants from the Azores, who would furnish part of the labour supply for gardening and for the dairy and hotel industries. The party considered that if any labour were needed, priority should be given to the Commonwealth countries, especially those in the Caribbean. The Government justified its action by stating that the jobs done by the Portuguese did not attract Bermudians.

59. It will be recalled i/ that at the end of 1971, the Government Leader said that one of his main tasks would be to maintain industrial peace. During the period under review, the Territory had nine trade unions, including three associations of employees in private employment. Of the total union membership of 6,864 (an increase of 1,918 over 1970), 4,435 (3,494 in 1970) belonged to the Bermuda Industrial Union. In 1972, there were several labour disputes, the major one being a strike by the 900 members of the Construction Division of the union over new wage demands. The strike, which lasted five weeks, reportedly cost labour and management an estimated \$B 1 million in unpaid wages and irrevocable costs.

60. In his recent speech, the late Governor stated that draft legislation would soon be referred to the Labour Advisory Council before introduction in the legislature. This legislation would continue to protect the rights and interests of workers and employees, but at the same time would seek to give a greater degree of protection to the community from strikes and work stoppages in essential services or in services unconnected with a genuine dispute. He added that the Government intended to take the following measures to improve the labour situation: (a) the introduction of legislation to provide for the health and safety of industrial employees; (b) an increase in civil servant retirement pensions retroactive to 1 July 1972; (c) the payment from August 1973 of contributory pensions (including retirement and widows' pensions) with the rates of benefits and contributions to be reviewed in the light of actuarial advice; and (d) examination of the desirability of initiating a contributory unemployment insurance scheme.

Housing

61. On 12 May, Mr. Sharpe announced a plan for alleviating Bermuda's housing shortage. The plan proposed the establishment of a semi-independent, non-profit housing corporation, which would be financed initially by loans to be raised locally and in the United Kingdom. The corporation would carry out the Government's policy aimed at stimulating housing schemes undertaken by private developers and by providing mortgage finance to house purchasers who would not be able to obtain it under present conditions, but who would be able and willing to maintain the mortgage payments on a moderate or low-cost house. Another important feature of the plan was that the corporation would take over the land

i/ Ibid., para. 42.

already designated by the Government for high density development and some of the existing housing, and would also look for new sites which could be designated for such development.

62. Mr. Sharpe said that if the present growth rate of population continued, 500 new housing units would have to be built every year for at least the next 10 years. Among the other steps already taken in the housing field were a scheme prepared by the United States Navy to build 250 dwelling units at the Naval Air Station and similar negotiations concerning other military establishments.

63. Referring to the shortage of land suitable for housing development, the Planning Department commented in August that even if a high density building rate was opted for, the life of suitable land (estimated at 700 acres) would be 20 years, and that in commercial and community centres, high-rise apartment blocks would have to be constructed.

64. In his recent speech, the late Governor said that the Government would set up a housing corporation and would also go ahead with new housing and apartment projects. He added that the Government looked forward with confidence to the provision of more on-base accommodations at the United States Naval Air Station and other military establishments. On 2 November, the Government Leader announced that the United States Government had agreed to spend \$B 9.3 million on the scheme referred to above, on which work was expected to start in June 1973.

Public health

65. In 1971, there were 16 general medical practitioners, 17 specialists and 4 physicians. The medical institutions comprised the following three hospitals: (a) the King Edward VII Memorial Hospital (230 beds), a general hospital, which provided specialist services and a 90-bed geriatric ward; (b) Prospect Hospital (36 beds) which had been phased out, but was to be re-opened as an extended care centre for elderly patients; and (c) St. Brendan's Hospital (240 beds), which provided treatment for mental diseases. All hospitals were supported by fees charged to patients, voluntary contributions and government grants.

66. In his recent speech, the late Governor stated that hospital changes would come under review and that the Misuse of Drugs Bill, introduced in May 1972, would go forward with stiffer penalties for pushers. The bill was subsequently adopted by both the House of Assembly and the Legislative Council in December.

67. Government expenditure on medical services in 1972/73 was estimated at \$B 7.6 million (\$B 6.6 million in 1970/71).

5. EDUCATIONAL CONDITIONS

68. Education is compulsory between the ages of 5 and 16, and is provided free in aided and maintained schools which are managed by local governing bodies and the Department of Education respectively. Government funds are made available for the operation of these schools but private schools are precluded from such support. In 1971, there were 6 aided schools (7 in 1970), 35 maintained schools and 4 private schools (3 in 1970).

69. In September 1971, the Government put into operation its plan to reorganize primary education to accelerate the rate of racial integration. When the plan is completed within the next five years, the present 25 primary schools will have been reduced to 17. During the year, aided and maintained schools provided education up to the "0" level of the General Certificate of Education (GCE); the Academic Sixth Form Centre catered to pupils preparing for university entrance through "A" level of GCE. Junior clerical courses were provided at five schools, advanced commercial instruction at the Technical Institute and hotel training at the Hotel and Catering College. Total enrolment in all schools was 13,242 (13,674 in 1970). During this period, average enrolment in the aided and maintained schools increased from 11,161 to 11,481.

70. In 1971, there were 699 teachers (652 in 1970) of whom 359 were Bermudians. Thirty teachers attended summer school courses in Canada. During the years 1970-1971, some 30 Bermudians attended teacher-training courses in North America and 20 followed similar courses in the United Kingdom. The Government and private organizations provide opportunities for some 40 students annually for training abroad at university level. This number includes several teacher-training scholarships.

71. On 17 May 1972, Mr. Stanley Ratteray, the member of the Executive Council for education, announced that the Government would amalgamate the Academic Sixth Form Centre, the Technical Institute and the Hotel and Catering College into a single institution, to be known as Bermuda College, at a cost of \$B 1 million. It would occupy a central site at Prospect, featuring a 20-room hotel, a secretarial school and the first overseas affiliation with the British Open University. Mr. Ratteray said that the college's prime objective would be the "Bermudianization" of the Government, commercial enterprise and industry. The College, with over 2,000 students, would operate as a single entity with three departments: the Department of Academic Studies, the Department of Commerce and Technology and the Department of Hotel Technology.

72. In his recent speech, the late Governor stated that an educational survey being undertaken by an expert would enable the Government to continue to improve the system of education in Bermuda. He further stated that the Government intended to:

- (a) introduce more visual aids into the classrooms, particularly at primary level;
- (b) grant additional student loans for post-secondary school studies; and
- (c) increase the number and calibre of trained Bermudian teachers.

73. Government expenditure on education in 1972/73 was estimated at about \$B 10 million (\$B 7.4 million in 1970/71).

CHAPTER XXIV

BRITISH VIRGIN ISLANDS, CAYMAN ISLANDS, MONTSERRAT AND TURKS AND CAICOS ISLANDS

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 902nd meeting on 23 February 1973, the Special Committee, by approving the sixty-eighth report of the Working Group (A/AC.109/L.841), decided, inter alia, to refer the British Virgin Islands, the Cayman Islands, Montserrat and the Turks and Caicos Islands to Sub-Committee II for consideration and report.
2. The Special Committee considered the Territories at its 930th and 931st meetings, on 2 and 6 August.
3. In its consideration of the Territories, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 2908 (XXVII) of 2 November 1972 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, by paragraph 11 of which the Assembly requested the Special Committee "to continue to seek suitable means for the immediate and full implementation of General Assembly resolutions 1514 (XV) and 2621 (XXV) in all Territories which have not yet attained independence and, in particular, to formulate specific proposals for the elimination of the remaining manifestations of colonialism and report thereon to the General Assembly at its twenty-eighth session". The Committee also took into account other resolutions of the General Assembly, particularly resolution 2984 (XXVII) of 14 December 1972 concerning 17 Territories, including the British Virgin Islands, the Cayman Islands, Montserrat and the Turks and Caicos Islands, by paragraph 11 of which the Assembly requested the Committee "to continue to give full consideration to this question, including in particular the dispatch of visiting missions to those Territories ...".
4. During its consideration of the Territories, the Special Committee had before it working papers prepared by the Secretariat (see annex to the present chapter) containing information on action previously taken by the Committee as well as by the General Assembly, and on the latest developments concerning the Territories.
5. The administering Power did not participate in the work of the Special Committee during its consideration of the item.
6. At the 930th meeting, on 2 August, the Rapporteur of Sub-Committee II, in a statement to the Special Committee (A/AC.109/PV.930 and Corr.1), introduced the report of the Sub-Committee (A/AC.109/L.883) containing an account of its consideration of the Territories (A/AC.109/SC.3/SR.169-172, 175 and 176).
7. At the 931st meeting, on 6 August, following a statement by the Rapporteur of Sub-Committee II (A/AC.109/PV.931), the Special Committee decided to replace the words "enjoying a period of prosperity" in subparagraph (13) of the conclusions and recommendations in the report of Sub-Committee II by the words "deriving increased revenue from these sources".

8. At the same meeting, the Special Committee adopted the report as orally revised, and endorsed the conclusions and recommendations contained therein (see paragraph 10 below).

9. On 9 August, the text of the conclusions and recommendations was transmitted to the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations for the attention of his Government.

B. DECISION OF THE SPECIAL COMMITTEE

10. The text of the conclusions and recommendations adopted by the Special Committee at its 931st meeting, on 6 August, to which reference is made in paragraph 8 above, is reproduced below.

Conclusions and recommendations

General

(1) The Special Committee reaffirms the inalienable right of the people of the British Virgin Islands, the Cayman Islands, Montserrat and the Turks and Caicos Islands to self-determination and independence in conformity with the Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in General Assembly resolution 1514 (XV) of 14 December 1960.

(2) Fully aware of the special circumstances of those Territories, owing to such factors as their size, geographical location, population and limited natural resources, the Special Committee reiterates the view that these circumstances should in no way delay the speedy implementation of the process of self-determination in conformity with the Declaration contained in resolution 1514 (XV) which fully applies to these Territories. In this connexion, the administering Power should seek, in consultation with the peoples of the Territories and the Special Committee, a constructive approach towards solving the individual problems of each Territory.

(3) The Special Committee once again expresses its profound regret at the continued refusal of the United Kingdom of Great Britain and Northern Ireland, as the administering Power, to co-operate with the Committee in the implementation of the Declaration and other relevant resolutions of the General Assembly with respect to these Territories, in particular by not participating in the Committee's examination of the situation in the Territories. The Special Committee regrets that, as a consequence, it has been deprived of essential information which would have assisted it in the formulation of recommendations for the speedy and full implementation of the Declaration with regard to the Territories. Accordingly, it urges the administering Power to reconsider its attitude and to participate fully in the consideration of the Territories under its administration.

(4) The Special Committee requests the administering Power to take all the

necessary measures, without any conditions or reservations, in accordance with the freely expressed will and desire of the peoples of the Territories to transfer all powers to them with a view to enabling them to enjoy the right to self-determination as provided for in resolution 1514 (XV).

(5) The Special Committee reiterates its deep concern that the economy of these Territories is based mainly on fluctuating activities such as tourism, land sales and tax haven arrangements. It therefore appeals to the administering Power to take all possible steps to diversify their economies.

(6) The Special Committee also reiterates its concern over the continued existence of certain economic and financial entities in some of the Territories which are not subject to the proper control of government authority and urges the administering Power to take without further delay, effective measures which would guarantee and safeguard the rights of the people of the Territories to own and dispose of their natural resources and to establish and maintain control over their future development.

(7) Having in mind that recent visiting missions to small Territories have demonstrated their usefulness, the Special Committee reiterates its firm view that visiting missions are a vital element in the participation of the United Nations in the process of decolonization. In this respect, the Special Committee once again regrets that the administering Power has not seen fit to receive a visiting mission to the Territories which would enable the Committee to secure first-hand, adequate information on political, economic, social and other conditions prevailing in these Territories. The Committee strongly urges the administering Power to reconsider its position and to permit the access of such visiting missions to the Territories under its administration.

British Virgin Islands

(8) The Special Committee regrets that no significant constitutional progress has been made by the administering Power in the British Virgin Islands since the item was last examined by the Special Committee and the General Assembly.

(9) The Special Committee is seriously concerned about the latest situation in the Territory, whereby the Legislative Council, in a petition to the United Kingdom Government, has demanded the removal of the Governor for his total disregard of the views of Ministers. Having noted that the majority of the population of the Territory was dissatisfied with the present Governor, the Special Committee calls upon the administering Power to take the necessary steps to promote a climate of understanding and harmony between the Government and the people of the Territory.

(10) The Special Committee takes note that the Governments of the British Virgin Islands and the United States Virgin Islands have given consideration to the possibility of unification of the two Territories.

(11) The Special Committee is particularly concerned that considerable land in the British Virgin Islands has already passed into foreign hands and that if the

percentage continues to increase, a situation might arise whereby indigenous landowners would be in the minority in their own country. It therefore urges the administering Power to take steps to avoid an imbalance in the Territory's economic and social structure which might be detrimental to the local population.

Cayman Islands

(12) The Special Committee notes with satisfaction the increase in the number of elected members in the Legislative Assembly and the Executive Council of the Cayman Islands, and the introduction of an embryonic cabinet system. The Committee is concerned, however, that the Governor continues to have wide executive and legislative powers, and that, thus far, no political parties have emerged in the Territory, nor has there been any discussion with regard to its future political status.

(13) The Special Committee notes with satisfaction that, in recent months, because of the growth of tourism, property development and international finance, the Territory has been deriving increased revenue from these sources. It also notes the statement of the Financial Secretary that these activities cannot be regarded as stable sources of income and that it might be in the best interest of the Territory to investigate possible means of diversifying the economy to provide other, more stable, sources to serve as a basis for more definite future planning. The Special Committee expresses the hope that the administering Power will now take steps to find those means in order to diversify the economy.

Montserrat

(14) The Special Committee regrets that there has been no significant constitutional development in Montserrat. Nevertheless, the Special Committee takes note of the statement of the administering Power to the effect that the United Kingdom Government would respect the wishes of the majority of the people and would not place any obstacle in the way of their progress towards self-determination and independence. The Committee expresses the hope that such assurances will be respected.

(15) The Special Committee expresses its concern over the general economic situation of the Territory. In particular, it notes the inadequacy of financial resources which makes it difficult to stimulate economic growth, especially in the sectors of tourism and light industry. Nevertheless, the Special Committee welcomes the determination of the local government to improve living standards, primarily through the revitalization of agriculture. In this connexion, the Committee urges the administering Power to give the Government of Montserrat every assistance in this endeavour.

(16) The Special Committee notes with interest that the Government of Montserrat has demonstrated its desire to participate in programmes of political and economic co-operation in the Caribbean area.

Turks and Caicos Islands

(17) The Special Committee notes that the change in the status of the Government of the Bahamas 1/ opened the way to new constitutional arrangements in the Turks and Caicos Islands, namely that the former Administrator of the Territory was appointed its Governor from 25 April 1973. It expresses the hope that this development will encourage further constitutional advancement in the Territory.

(18) The Special Committee expresses its concern over economic and social conditions in the Territory. The Committee particularly notes that the excessive importance attached to the construction of buildings, banks and resort hotels, and the unrestricted sale of land to foreigners has caused land in the Territory to become increasingly scarce and expensive. Therefore, the Committee appeals to the administering Power to take the necessary measures to ensure equitable distribution of income from real estate transactions, and also to diversify the economy by introducing light industries in the Territory.

1/ The Bahamas acceded to independence on 10 July 1973.

ANNEX

WORKING PAPERS PREPARED BY THE SECRETARIAT

CONTENTS

	<u>Page</u>
A. BRITISH VIRGIN ISLANDS	36
B. CAYMAN ISLANDS	53
C. MONTSERRAT	66
D. TURKS AND CAICOS ISLANDS	78

A. BRITISH VIRGIN ISLANDS*

CONTENTS

	<u>Paragraphs</u>
A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY	1 - 2
B. INFORMATION ON THE TERRITORY	3 - 77
1. GENERAL	3 - 4
2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS	5 - 19
3. ECONOMIC CONDITIONS	20 - 64
4. SOCIAL CONDITIONS	65 - 70
5. EDUCATIONAL CONDITIONS	71 - 77

* Previously issued under the symbol A/AC.109/L.856.

A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE
AND THE GENERAL ASSEMBLY

1. The Territory of the British Virgin Islands has been considered by the Special Committee since 1964 and by the General Assembly since 1965. The Special Committee's conclusions and recommendations concerning the Territory are set out in its report to the General Assembly at its nineteenth and twenty-first to twenty-seventh sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1972 in regard to the Territory and subsequently approved by the General Assembly at its twenty-seventh session, and the text of General Assembly resolution 2894 (XXVII) of 14 December 1972, which concerned 17 Territories, including the British Virgin Islands, have been made available to the Special Committee.

B. INFORMATION ON THE TERRITORY^{b/}

1. GENERAL

3. The British Virgin Islands form the eastern extremity of the Greater Antilles, and, exclusive of small rocks and reefs, number 36 islands, of which 16 are inhabited. The total area of the Territory is approximately 59 square miles. The largest islands are Tortola (21 square miles), Anegada (15 square miles), Virgin Gorda (8.25 square miles) and Jost Van Dyke (3.25 square miles).

4. The official result of the census taken in 1970 showed a total population of 10,484, the majority of whom are of African descent. Of this total, 8,939 lived in Tortola, and most of the remainder in six other inhabited islands. Road Town, on Tortola, is the capital city, with a population of approximately 2,000. Comparison of the 1970 census figures with those of the previous census, held in 1960, indicates that the total population increased by 3,144, or nearly 43 per cent, over the decade.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XVIII, para. 11; ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, para. 10; ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, para. 9.

b/ This section is based on published reports and on information transmitted to the Secretary-General by the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 11 July 1972, for the year ending 31 December 1971.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

5. Details of the present constitutional arrangements for the Territory, which came into force in 1967, are contained in the report of the Special Committee to the General Assembly at its twenty-seventh session. c/ Briefly, the Governor, who is appointed by the Crown, is responsible for defence and internal security, external affairs, the civil service, the administration of the courts and finance, and has reserved legislative powers necessary in the exercise of his special responsibilities. On the other matters, however, he is normally required to act in accordance with the advice of the Executive Council. The Executive Council consists of the Governor, who is its Chairman, two ex officio members (the Attorney-General and Financial Secretary) and three ministers, one of whom is the Chief Minister. The Governor appoints as Chief Minister the elected member of the Legislative Council who appears best able to command a majority. The other two ministers are appointed by the Governor on the advice of the Chief Minister. The Legislative Council consists of a Speaker, chosen from outside the Council, two ex officio members (the Attorney-General and Financial Secretary), one nominated member appointed by the Governor after consultation with the Chief Minister and seven elected members returned from seven one-member electoral districts.

6. The present arrangements represent an interim stage in the Territory's constitutional development and a Constitutional Committee of the Legislative Council is charged with the task of studying proposals for further change. It was announced in September 1972 that the Constitutional Committee, which had been gathering information on the matter, had extended the date for receipt of recommendations to 31 March 1972. The extension was intended to encourage more participation by the people of the Territory in the expression of their views on changes for consideration by the Committee.

Change of government

7. It will be recalled d/ that, following political realignments, general elections were held for the second Legislative Council on 2 June 1971. They were contested by four independent candidates and three political parties: the Democratic Party (DP), headed by Mr. Q. William Osborne; the United Party (UP), headed by Mr. Conrad Maduro; and the Virgin Islands Party (VIP), formed by a group of former UP members and headed by Mr. H. Lavitty Stoutt, the Chief Minister in the previous Government. As a result of the elections, DP won three seats, VIP won two and UP won one. The seventh seat was secured by Mr. William Wheatley,

c/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, annex, sect. C., para. 6.

d/ Ibid., annex, sect. C., paras. 7-11.

standing as an independent candidate, who was then invited to join a coalition with DP and became the Chief Minister. Two other ministers were appointed to the Executive Council from among the members of DP: Mr. Osborne, Minister of Natural Resources and Public Health, and Mr. Oliver Cills, Minister of Communications, Works and Industry.

8. It was reported in April 1972 that, following a week of speculation about a split in the Government, a cabinet reshuffle was announced by the Chief Minister. Mr. Maduro had been appointed Minister of Natural Resources and Public Health, in place of Mr. Osborne, and Mr. Cills remained Minister of Communications, Works and Industry. When asked to give his reasons for the change, Mr. Wheatley reportedly gave two: Mr. Osborne had publicly said that he was opposed to the policy of the Government and of the Chief Minister in particular; he had also stated at a meeting of DP that he had approached the leader of another political party about heading the Government.

9. Before his appointment as Minister, Mr. Maduro delivered a broadcast speech in which he criticized strongly the powers vested in the Governor. Quoting various sections of the Constitution, he explained that the affairs of the Territory were in the hands of the Governor and not of the elected members. Dealing at length with the extensive powers of the Governor, he wondered what purposes the elected members served. He said: "In the British Virgin Islands we are living under dictatorial government, commonly called British colonialism". Mr. Maduro reportedly pleaded for unity and new leadership in the Government, and emphasized that changes in the Constitution would bring about a better Virgin Islands.

10. In letters sent to Mr. Derek Matthews, the Acting Governor, the Chief Minister and the Speaker of the Legislative Council on 1 December, Mr. Cills tendered his resignation without giving any reason. Following the resignation, Chief Minister Wheatley, in a radio broadcast, outlined future plans for the development of the Territory (see paragraphs 62-64 below) and defended his Government against accusations of being a "do nothing" administration. He ended his speech with a plea to members of the Government to work together for the good of the Territory and asked Mr. Cills to reconsider his decision to resign.

11. On 4 December, Mr. Cills announced that he had reconsidered his decision and would continue to serve in the Government. Mr. Cills said that the Governor's "attitude towards ministers at best is one of toleration; at worst one of total disregard for the opinion". He added that: "in reply to my comments on a particular matter at a particular occasion, his reply was 'What can the people do?'". A certain head of a department, he continued, had reported directly to the Governor, who had taken action without consulting the minister concerned. Mr. Cills felt that this could only cause frustration "when my proposals are blocked or disregarded or objected to without any reasons given". In this connexion, he blamed the Chief Minister for failing to take a firm stand over the attitude and actions of the Governor, Mr. Derek G. Cudmore.

12. In a resolution adopted at a meeting on 4 April 1973, the Legislative Council decided to petition the United Kingdom Government for the removal of the Governor, taking into consideration his "total disregard" for ministers during his two years of office in the Territory. In particular, it noted that, in disregard of the ministers' advice, the Governor had commuted the death sentence of a convicted murderer to life imprisonment.

13. In moving the resolution, Mr. Cills said that he had complained to the Governor about his "dictatorial attitude" and that most of the people were opposed to the Governor and his policies. Agreeing, Mr. Osborne, an opposition member of the Council, stated that the Governor "must know that we are united and that we will fight to the death until he goes". Commenting on the resolution, Mr. Maduro asserted that those opposing the Governor were not urging violence but were seeking justice for the Territory. The recent decision of the Council had been preceded by demonstrations calling for the Governor's removal and the introduction of constitutional reforms. The Council requested the Governor to notify the United Kingdom Secretary of State for Foreign and Commonwealth Affairs by telegram that the petition was on its way.

Relations with the United States Virgin Islands

14. During a visit to the Territory in February 1972, Mr. A. D. Scott, Assistant Under-Secretary in the United Kingdom Foreign and Commonwealth Office, commented on the possibility of unification of the British Virgin Islands and the United States Virgin Islands, a matter to which the Government of the two Territories had given consideration. He said that "Her Majesty's Government in London would have no objections to the two groups of islands getting together".

15. Mr. Matthews, Acting Governor of the British Virgin Islands, and Mr. Melvin Evans, Governor of the United States Virgin Islands, together with political leaders, government officials and representatives of various organizations of the two Territories, met on 21 October to celebrate the first officially proclaimed Friendship Day in Road Town. The aim of this celebration was reportedly to establish lasting ties between the two Territories which, at one point, are separated by only 300 yards of sea.

16. In their welcome addresses Mr. Matthews, Chief Minister Wheatley and Mr. H. R. Penn, Speaker of the Legislative Council, all expressed delight over the close relationship existing among the peoples of the two Territories and offered their best wishes for further strengthening the bonds of friendship. Mr. Penn also stated that "although it may be a dream, the day may come when the two closely knit Territories will be under one flag".

17. In his remarks, Governor Evans told the gathering of his many years of affiliation with the Inter-Virgin Islands Conference. He considered that the Conference had functioned to the common advantage of the two groups of islands. He also called for strengthening the bonds of friendship in the years ahead. Two senators from the United States Virgin Islands, Messrs. E. B. Ottley and

H. P. Reese, were reported to have stated that the dream referred to by Mr. Penn would become a reality. Mr. Ottley also repeated the recommendation previously made for the absorption of the British Virgin Islands into the United States Virgin Islands. Mr. Reese predicted that such a union would be formed within 5 to 10 years.

18. Mr. Stoutt, the Opposition Leader in the British Virgin Islands Legislative Council, was reported to have called for the elimination of red tape governing travel between the two Territories. Mr. G. L. Rossi, Chief Immigration Officer of the United States Virgin Islands, agreed to make the necessary recommendations to his Government.

19. It was reported that the next Friendship Day celebration would take place during 1973 in the United States Virgin Islands.

3. ECONOMIC CONDITIONS

General

20. The economy of the British Virgin Islands continues to depend primarily on the related activities of tourism, construction and land development, and to a lesser extent on the development of an international finance industry. The substantial expansion of these sectors in the late 1960s was followed by a decline in 1970 and 1971. Agriculture, light industry and mining have remained relatively underdeveloped. Although the Territory is an exporter of fish, livestock and other agricultural products, it is dependent on imports of certain foodstuffs (rice, flour, dairy products, meat, fruits and vegetables) and other goods.

21. The value of imports usually exceeds that of exports, but the adverse balance of trade is normally offset by financial aid from the United Kingdom, tourist spending, the purchase of real estate by foreigners and the inflow of capital and remittances from abroad. The value of imports increased from \$US 6.6 million e/ in 1968 to \$US 8.1 million in 1969 and \$US 10.2 million in 1970. The value of exports during these years decreased from \$US 144,854 to \$US 49,754 and \$US 42,608. A summary of the exports and imports for the three-year period shows a deficit of approximately \$US 24.7 million. Most of the Territory's exports went to the United States of America, Puerto Rico and the United States Virgin Islands, from which, in turn, the Territory obtained most of its imports.

22. Referring to the trade figures quoted above, in a speech he delivered in September 1972, Mr. Maduro, Minister of Natural Resources and Public Health, declared that the record for the three years showed that at least \$US 1.1 million could have been saved on articles such as fish, meat, dairy products and vegetables (peas and beans), which could be produced within the Territory.

e/ The local currency is the United States dollar (\$US).

Tourism

23. The slowing down of economic activity in 1970 and 1971 stopped the rapid growth of the tourist industry. In 1970, there were about 20 hotels, cottages and guest houses with a total of 500 beds in the Territory.

24. In a speech on the state of the Territory, on 21 December 1971, the Chief Minister reiterated his Government's intention to foster the tourist industry to the point where it would eventually become a year-round operation instead of being limited to one season. Consequently, the Tourist Board had been reconstituted and its objectives were to act as the main agency for the development of the industry, to work in closer co-operation with the British Virgin Islands Hotel and Tourist Association, to encourage private investment in tourism and to offer proper guidelines for the development of infrastructure (roads, training, health facilities, etc.) essential to the industry. The Government was attempting to determine the number of hotel beds it hoped to add per year and of arrivals it hoped to encourage so that the infrastructure could be properly planned to keep pace.

25. Two major tourist facilities (the Peter Island Yacht Harbour and the Virgin Gorda Yacht Harbour), which were opened in November 1971, were expected to contribute substantially to the development of the tourist industry. Another project which had received the Government's approval was a residential and tourist development at Biras Creek on Virgin Gorda.

26. A necessary asset in the development of the tourist industry is the training of local personnel to provide adequate and efficient hotel service. This matter was receiving the Government's attention. Mr. Wheatley said that during the recent visit of a team from the United Nations Development Programme (UNDP), he had received assurances that the United Nations would be willing to finance the training of such personnel and that the matter would be actively followed up.

27. In a speech delivered at the opening of the Legislative Council on 24 August 1972, the Governor stated that the Tourist Board had been transferred to its own offices in Road Town, and that the Board had established a close working relationship with the British Virgin Islands Hotel and Tourist Association with which it held regular meetings.

28. The Governor also said that a general review of promotional policies and activities had been carried out, one result of which had been the Territory's resignation from the Caribbean Travel Association to avoid duplication of effort. Membership of the Eastern Caribbean Tourist Association and the West Indian Committee was retained, however, and plans had been made to make fuller use of the facilities available. The Government would continue to improve and increase its work in publicizing the Territory, although it acknowledged the individual promotional work done by the tourist industry. This work cost over \$US 250,000 in 1971. As a long-term objective, the Government would encourage the development of the Territory as a "get away from it all" haven for visitors. In pursuance of this objective, the following measures would be taken: (a) promoting investment

in medium-size hotels, yet seeking to maintain a balance with small owner/manager hotels and guest-houses and placing special emphasis on local participation; (b) providing training for hotel employees at all levels; (c) fostering the development of all water-oriented recreational activities; and (d) preserving the Territory's most valuable assets both on land and under the sea.

Land development

29. In its previous report, the Special Committee noted that the total land area in the Territory was estimated at 37,708 acres, of which 22,587 acres were in private ownership and 15,121 acres were owned by the Crown. Of the privately owned land, some 16,927 acres were owned by British Virgin Islanders, 1,485 acres by non-indigenous Commonwealth citizens and 4,175 acres by aliens. The Government used 457 acres of the Crown land and rented, or otherwise granted for occupation, some 4,729 acres to British Virgin Islanders, 256 acres to non-indigenous Commonwealth citizens and 759 acres to aliens; the remaining 8,935 acres were not in use.

30. Whereas substantial investments were made in land development in the late 1960s, the construction industry suffered a setback in 1970 and made little progress in 1971.

31. However, in his speech of 21 December 1971 (see paragraph 24 above), Chief Minister Wheatley noted indications that development in the private sector would increase in 1972. Alien land-holding licences continued to be granted to non-British Virgin Islanders wishing to purchase land in the Territory who, in the opinion of the Government, were able to contribute either to the "aesthetic or the economic development" of the Territory. A new policy had been formulated, whereby applications for licences to purchase land up to three acres could be dealt with in a much shorter time than for larger acreages, some almost immediately. Development commitments were still attached to all new licences for land purchases. According to Mr. Wheatley, 40 such licences had been granted since his Government took office.

32. In his speech of 24 August 1972 (see also paragraphs 27-28 above), the Governor stated that the Regional Cadastral Survey and Land Registration Project had continued to gain impetus during 1971 (the cadastral survey is being financed by the British Development Division in the Caribbean). Although the absence of over-all mapping cover had been a handicap for the project team, its work was proceeding at a reasonable pace. It was hoped that the mapping cover would be shortly available through the work of the Directorate of Overseas Surveys. Adjudication started in January 1972. By August, adjudication of the Beef Island section had been basically completed, the East End section almost completed, work in the Land Look and Road Town sections was proceeding and the area comprising Virgin Gorda and the southern cays was about to be surveyed.

33. The Government's aim in conducting the cadastral survey is to make it as easy as possible for all landowners who wish to do so to obtain certificates of title to their lands. f/ Most local people own land, but in a large number of cases, the land is held by uncertain or insecure legal titles.

f/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, annex, sect. C, para. 22.

Financial institutions

34. There are four international banks in the Territory: the Virgin Islands National Bank (a subsidiary of a bank based in Pennsylvania (United States)), Barclays Bank International, Ltd., the Bank of Nova Scotia (Canada) and the Chase Manhattan Bank of New York (United States). Since 1970, two trust companies, the Provident Trust Company (Tortola), Ltd. (a subsidiary of the Provident Trust Company, Ltd. of Hamilton, Bermuda), and the trust subsidiary of the Bank of Nova Scotia, have also been operating in the Territory.

35. Although the four banks grew rapidly between 1966 and 1970, their total deposits and advances had decreased by the end of 1971. The following table shows their financial status from the end of 1969 to the end of 1971:

	<u>1969</u>	<u>1970</u>	<u>1971</u>
	(thousand United States dollars)		
Loans	14,241	20,049	18,827
Total deposits	17,878	21,802	20,669
Time deposits	15,435	19,414	17,763
Demand deposits	2,443	2,388	2,906

36. A bill intended to regulate banking in the Territory was introduced in the Legislative Council, on 11 July 1972. It was passed with the understanding that it would be reviewed by the Government. The bill had previously been discussed by the Chief Minister and other officials of the Government with managers of the various banking establishments. The results of the consultations have not been made public.

Agriculture and fisheries

37. Of the Territory's total land area of about 37,708 acres, approximately 22,587 acres are arable land owned and cultivated by small farmers, the average holding being about 18 acres. The remainder (some 15,121 acres) is owned by the Crown, and consists mostly of small islands and marginal areas. Much of the arable land is on the islands of Tortola, Jost Van Dyke and Virgin Gorda. Crops currently produced include sugar cane, lime, bananas, coconuts and vegetables. By topography and climate, the Territory is most suited for stock-raising. The coastal waters abound with various species of fish. In recent years, efforts have been mainly directed towards increasing the output of fish and livestock, which are the Territory's most important exports. The administering Power reported in 1971, however, that owing to the increase in local consumption of meat, there had been a slight decrease in the export of livestock despite the larger production.

38. During the period under review, there was an increase in the production of fruits and vegetables. Farmers were becoming more aware of the need to produce more both for local consumption and for export. A study of the food crop potentialities of the area had been made by an agronomist from the University of the West Indies with the aim of starting a food crop production project at Paraquita Bay.

39. In his speech of 24 August 1972, the Governor said that the main problems affecting farmers were lack of adequate water supplies and of markets for their crops, the high cost of labour and materials and inadequate financing for their projects. Therefore, it was the intention of the Government to look into the possibility of constructing dams, if no adequate water supply could be found, and to provide better marketing arrangements. The Government would also continue to provide agricultural credit to the farmers within the limits of its resources, and, if necessary, it would seek to draw on the resources of the Caribbean Development Bank.

40. In the same speech, the Governor described the condition of the fishing industry. He stated that the Minister for Natural Resources and Public Health had held meetings with fishermen in order to determine what assistance they thought necessary to improve the industry. As in the case of farmers, inadequate marketing facilities and inadequate finance were cited as the main problems. The Government intended to seek to organize a local market and to export surpluses, if any, to St. Thomas (United States Virgin Islands) where, as in the case of agricultural produce, a ready market for fish was assured. Financial assistance to fishermen would continue to come from the Government and possibly from loans from the Caribbean Development Bank. Legislation to protect the fishing industry was in the course of being prepared.

Industry

41. Industry is extremely limited and consists of a rum distillery on Tortola, 15 plants making hollow concrete blocks, a mineral water factory, 3 stone-crushing plants, 1 paint factory, 2 printing shops and a joinery works. A plant for the bagging of cement in bulk was expected to be in operation in 1971. The Government's announced policy is to encourage the development of handicrafts, cottage-type industries and, where feasible, the light manufacturing of goods having a high import ratio.

Communications and other basic facilities

42. In 1971, there were 43 miles of motorable roads, of which a large part had been severely damaged by flooding during the previous year. Remedial works following the floods made all roads passable, and work on the worst sections of the roads and on replacing damaged bridges and culverts continued into 1971. With financial assistance from the United Kingdom, reconstruction of the worst part of

the West End Road from Road Town was started in August 1971, and by December four miles of road had been completed. The work on this four-mile section became the pattern for future road works.

43. The Governor stated in July 1971 that a feasibility study was being undertaken of the water resources, water schemes and sewage disposal facilities for Road Town and East End. g/ He also said that the Government intended to build a sewage disposal system for other areas.

44. There is a main airport on Beef Island, a smaller airport on Anegada and an airstrip on Virgin Gorda. Two scheduled air services, operated by Prinair and Leeward Islands Air Transport (LIAT), provide daily communications with Puerto Rico and the eastern Caribbean area.

45. In his speech to the Legislative Council on 24 August 1972, the Governor said that discussions with airlines would be taking place for the purpose of improving travel to and from the Territory, with particular reference to connexions between the schedules of major airlines and those of the Territory's feeder services.

46. The territorial Government began operating the Virgin Gorda airstrip in March 1965, after leasing from the British Virgin Islands and Little Dix Bay Hotel Corporation. On expiration of the lease in February 1972, the Government agreed to allow the company to operate the airstrip as a private airport, provided that public flights could continue to use it. Discussions on the completion of a partially constructed air terminal building were reportedly being held between government and company representatives.

47. After the opening of the new deep-water port at Port Purcell, on 17 August 1972, the Little Dix Bay Hotel Corporation relocated its freight services from St. Thomas to Tortola. Six shipping lines provide regular services to the Territory.

48. According to the administering Power electric power can now be provided with reasonable ease and cost to all locations on Tortola, Virgin Gorda and the Camanoes. During 1971, agreements were signed to provide a power service to the Biras Creek Hotel and Yachting Marina, a new housing and yachting marina at Leveric Bay, and to a yachting marina at The Port, Beef Island. Following the extension of electric power to Virgin Gorda, the Little Dix Bay Hotel and Yachting Marina became the largest consumer in the Territory. Provision of a power supply station on Anegada was under consideration.

49. Cable and Wireless (West Indies), Ltd. continued to operate the Territory's telephone and telegram communications. The external telephone service links Tortola with Bermuda and the rest of the world; world-wide cable communications are also available.

g/ Ibid., para. 33.

Anegada and Wickham's Cay agreements

50. Detailed information on this subject prior to September 1971 is contained in the report of the Special Committee to the General Assembly at its twenty-seventh session. ^{h/} It will be recalled that, in July 1971, the Government of the British Virgin Islands acquired for \$US 5.8 million (a sum advanced by the United Kingdom Government) the assets and interests of two foreign-owned companies, namely, the Development Corporation of Anegada, Ltd., and Wickham's Cay Company, Ltd.

51. Shankland Cox and Associates, of London, a firm of development planners and architects, and three other specialist firms were engaged (under United Kingdom technical assistance auspices) to prepare plans for the development of the properties formerly owned by the companies. The report on the development of Wickham's Cay was presented to the Government of the Territory in July 1972. It was divided into three parts: (a) a summary of the basic studies undertaken by the development consultants and an examination of the tourist potential in the British Virgin Islands; (b) alternative rates of growth in the tourist industry; and (c) a full development plan for Wickham's Cay with details of phasing, financial implications and terms for disposal of the land.

52. Among the recommendations made in the report, the following were reportedly the most important:

(a) To develop Wickham's Cay as the shopping, commercial and entertainment centre of Road Town, with the old part of Road Town integrated into the development;

(b) To develop the marina as a major yachting centre with berths for up to 300 yachts;

(c) To build two hotels, a cinema, bars, restaurants and night clubs;

(d) To provide parking for over 900 cars;

(e) To make land available in a variety of plot sizes in order to attract both large and small investors; and

(f) To spend a total sum of approximately \$US 2.5 million on engineering, a sea wall, storm and foul water drainage and removal of silt from the marina.

53. It was also recommended that a statutory development corporation be established with powers to secure the development of the cay. Finally, it was recommended that this development be ideally achieved over a 15-year period consisting of three 5-year phases.

54. Commenting on the report, the Chief Minister's Office issued a communiqué on 21 July in which it was stated that the Government accepted the report as a working document forming a sound basis for the planning and development of the cay.

^{h/} Ibid., paras. 39-42.

The Government was in broad agreement with much of the development plan in general and especially the suggested variety of sizes of plots. Some points would require further study, however, before firm decisions could be taken. Potential sources of funds would have to be investigated before the Government could accept all the recommendations on the extensive engineering works in the report, although it was hoped that certain urgent, remedial works would be undertaken very soon. Later, in his address to the Legislative Council of 24 August, the Governor said that the cost of financing essential remedial engineering works was estimated at \$US 1.8 million. The Government considered it important that Wickham's Cay be brought into operation at the earliest possible time; in the meantime, business activity would be encouraged there. To this end, the Government was considering the need to engage project management personnel in order to give immediate attention to the more urgent aspects of the project.

55. The Governor informed the Council that the consultants' report on Anegada was still being examined by the Government and that a statement would be issued shortly. It was believed that long-term prospects for development on Anegada were good because it offered excellent beaches and unrivalled, underwater reef exploration, as well as access to some of the best game fishing in the area. It was the Government's preliminary view, however, that priority should be given to bringing into service those facilities which were already developed. Thereafter, efforts should be made to bring about limited development of selected areas in such a way as not to unbalance the island's present restricted social and economic resources unduly, while at the same time taking into consideration the need to recoup as soon as possible the high cost of acquiring the Anegada assets.

56. At a meeting of the Legislative Council, held on 5 October, Chief Minister Wheatley tabled a paper containing the development plan for Anegada prepared by the consultants referred to earlier (see paragraph 51 above), and the Government's views thereon. In the paper, the Government stated that it was in broad agreement with the objectives of the plan and favoured a combination of the two ideas for the tourist industry: either development on a moderate scale initially, increasing to a larger scale in the long-term, or, alternatively, keeping tourist development small and leaving the remainder of the island untouched. Commenting on the conclusion of the consultants that the best opportunities for expanding the economy of Anegada lay in tourism, the Government said that it did not rule out the possibility that some other major industry might play a leading part in the development of the island. For the near future, negotiations were proceeding with private interests for operation of the hotel and use of the houses owned by the Government at Nutmeg Point; funds had been applied for improvement of the airstrip; and the provision of electric power was under consideration. Finally, the Government stated that it was basically in agreement with the consultants' recommendation that the Anegada Ordinance of 1961 should be repealed and new legislation enacted to provide a simple method of establishing title to any land actually occupied.

Public finance

57. In his recent speech, the Governor stated that the Territory's budget had been operating at a deficit, even in 1970, when the vigorous expansion of local revenue (derived mainly from import duties) had aroused hopes that budgetary aid from outside sources could be discontinued. The years 1970 and 1971 had, in fact, closed with deficits amounting to \$US 412,000 and \$US 659,000 respectively. As there was also a deficit carried forward from 1969, the Territory had received grants-in-aid totalling \$US 1.1 million in 1971 to cover the deficits incurred during the three-year period. Despite this budgetary aid, 1971 closed with a deficit balance.

58. During 1971, recurrent revenue amounted to \$US 3.0 million and recurrent expenditure to \$US 4.0 million, compared with \$US 3.1 million and \$US 3.4 million respectively in 1970. Import duties provided for approximately one third of the local revenue. The servicing of the public debt and the expansion of electric power were responsible for the main increases in local expenditure, as a result of the power programme, started in 1968 and drawing to a close, which was financed by local loans.

59. Revenue on capital account decreased from \$US 3.2 million in 1970 to \$US 2.0 million in 1971, and expenditure on capital account from \$US 3.3 million to \$US 2.3 million during the same period. Capital expenditure in 1971 was financed partly by United Kingdom development aid, amounting to \$US 1.2 million.

60. In his recent speech, the Governor described broadly the financial situation of the Territory for 1972. Revenues were still not keeping pace with forecasts. The Government would have to take vigorous action during the last four months of the year to gather in arrears of revenue and to curb expenditure in order to prevent the year-end deficit from exceeding the promised grant-in-aid (\$US 917,000). At the beginning of 1972, the public debt stood at approximately \$US 4.4 million, to which must be added \$US 5.8 million, the cost of acquiring the assets of Wickham's Cay and Anegada. The terms and conditions of the loan for this acquisition had still to be determined in the light of the feasibility of these projects and the Territory's over-all ability to carry them. In the meantime, the annual costs of servicing loans contracted earlier, e.g., the electric power extension scheme and the loan for the deep-water harbour, had risen sharply as repayments of capital began to fall due.

61. The Governor said that virtually all projects involving capital expenditure continued to be financed by development aid funds provided by the United Kingdom, which also provided technical assistance. Exploratory talks with a view to obtaining additional funds had been held with the Caribbean Development Bank and Canadian aid authorities. It was expected that funds would be received from the Bank for private farming and fisheries projects. Although direct government-to-government aid from Canada was not possible, the Territory expected to benefit from the Canadian Business Support Programme and from private Canadian contributions to non-governmental organizations.

62. Chief Minister Wheatley said in a radio broadcast during early December that the Government had an accumulated, inherited deficit of nearly \$US 1 million.

It was therefore faced with two courses of action: (a) to reduce expenditure to the level of revenue, which would mean cutting down on many services; or (b) to increase revenue while maintaining expenditure control. He said that the Government had decided on the second course.

63. Mr. Wheatley then announced plans for the development of the Territory. In the private sector, he said, discussions were taking place with many potential investors and the possibility of turning the Territory into a tax haven was being examined. In the field of tourism, he pointed out that hotel bookings were looking better than in 1971 and hoped that cruise ships would call at the Territory during the coming season. On the subject of Wickham's Cay, he said that a project manager had been appointed and would soon arrive to start work on plans for the development of the cay.

64. In regard to the public sector, the Chief Minister stated that it was mainly dependent on financial assistance from the United Kingdom. Among the projects proposed by the Government were the following: (a) a road development scheme to be carried out during the period 1973-1976 at an estimated cost of \$US 3 million; (b) construction of four new primary schools; (c) a hospital expansion programme expected to cost \$US 1 million; (d) further improvements in the disposal of garbage; (e) appointment of a livestock officer; and (f) erection of an abattoir. In addition, he said that a loan of \$US 100,000 had been negotiated with the Caribbean Development Bank, primarily for the development of agriculture and fishing. Of the total loan funds, \$US 20,000 were to be spent on the improvement of Anegada airfield. The airport building currently under construction on Beef Island was expected to be completed shortly.

4. SOCIAL CONDITIONS

Labour

65. As a result of the 1970 economic slowdown, the number of unemployed persons registered by the Labour Department increased from 141 in 1970 to 352 in 1971. This rise in unemployment resulted mainly from the decline in the construction industry which remained the major employer in the Territory. According to the 1970 census, the industry employed a total of 1,361 workers (44 per cent of whom were migrant workers from outside the Territory) or 36 per cent of the total labour force. This number dropped to 650 in 1971. The administering Power reports that although the Labour Department issued approximately 2,187 work permits during that year, a large number of the migrant workers were obliged to leave the Territory by the end of the year. Minimum wage rates for government daily paid workers are generally in conformity with those prevailing in the construction industry. The number of labour disputes recorded in 1971 was 50, compared with 70 in 1970.

66. In his recent speech, the Governor reiterated that the general principle remained in force, namely that work permits would be issued to expatriates only in respect of jobs for which no Virgin Islander was available. The present level of

unemployment and underemployment in the Territory was a matter of concern and the Government remained alert to the need to hold the level down and to encourage opportunities for employment in primary or secondary industries.

Public health

67. Medical services are mainly provided by the Government. There is a cottage hospital (with 38 beds) in Road Town and nine clinics. In 1971, the Medical and Health Department had five medical officers including a surgeon and an anaesthetist. Its staff also included 1 radiographer, 1 dentist, 1 pharmacist, 14 nurses and 20 assistant nurses.

68. In his recent speech, the Governor said that a site above the present hospital had been excavated in preparation for the future development of much needed hospital buildings. Although it was likely that several years might pass before the project itself could be completed, necessary funds would be sought from United Kingdom development aid funds. The Government had approved a mental health programme. An initial survey of mental illness in the Territory had recently been completed and appropriate treatment was being provided. It was hoped eventually to establish a day-care centre for the mentally ill, thus reducing substantially the need to seek hospital facilities in other Territories.

69. The Government planned to encourage improvements in the removal of refuse and would support strict enforcement of the regulations governing garbage disposal. Mosquito control measures were to be instituted as soon as possible and existing legislation would be enforced to this end.

70. Government expenditure on public health in 1971 totalled \$US 473,693, compared with \$US 444,894 in 1970.

5. EDUCATIONAL CONDITIONS

71. Education is assigned to the portfolio of the Chief Minister, who is advised by a Board of Education and two other organs dealing with primary and secondary education respectively. Education is free and compulsory up to the age of 15 years.

72. The Government maintains 11 primary schools and grants a small allowance to 3 private primary schools. There are also six private, unaided primary schools. The unaided private schools provide education below the normal age of entry to government primary schools. Enrolment in the private, unaided schools totalled 225 in 1971. Enrolment at the 14 primary schools totalled 2,658 in 1971, representing a further decrease from 1970 (2,723) and 1969 (2,900). The number of teachers increased slightly, however, to a total of 126. Several primary schools have secondary departments. In addition, the Government maintains a high school in Road Town (300 pupils and 45 teachers in 1971). A number of scholarships tenable at universities in Canada, Puerto Rico and the United States as well as at the University of the West Indies are awarded.

73. In his recent speech, the Governor reported on the progress achieved towards implementing the Government's educational development plans. Two new primary schools were completed and ready for use in September 1972, another would be completed in early 1973 and consideration was being given to building a third. Two schools had been renovated, and a third was to be similarly improved. Several rooms had been added to the high school and it was planned to provide additional play areas.

74. The Governor also said that a survey of the 14 government and aided primary schools and the 6 private primary schools had been completed in February 1972. The findings of the survey would provide valuable guidelines for improving the organization of the schools. A survey also had been made of the high school and the Government was actively considering how best the pre-vocational studies offered by the school might lead to the more intensive courses being given in technical institutions elsewhere. The courses offered included wood-work, metal-work, automobile mechanics, home economics and commercial studies.

75. On the subject of scholarships, the Governor announced that an enlarged scholarship committee had recently been set up and assigned the task of assessing and keeping under review the needs of the Territory and of the civil service, in particular, for trained personnel in all fields; it would also advise on the selection of candidates for training. The Government was also in the process of framing legislation for the establishment of a scholarship trust fund to raise and administer privately offered funds for qualified students wishing to follow courses of advanced education, especially in the technical and commercial fields.

76. Finally, the Governor stated that evening classes had been continued, with an increase in the variety of subjects and the numbers attending them. The classes were primarily organized at the request of those adults willing to take them.

77. In 1971, recurrent expenditure on education amounted to \$US 703,570, compared with \$US 615,411 in 1970.

B. CAYMAN ISLANDS*

CONTENTS

	<u>Paragraphs</u>
A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY	1 - 2
B. INFORMATION ON THE TERRITORY.	3 - 54
1. GENERAL	3 - 4
2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS	5 - 19
3. ECONOMIC CONDITIONS	20 - 45
4. SOCIAL CONDITIONS	46 - 49
5. EDUCATIONAL CONDITIONS	50 - 54

* Previously issued under the symbol A/AC.109/L.857.

A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE AND
THE GENERAL ASSEMBLY

1. The Territory of the Cayman Islands has been considered by the Special Committee since 1964 and by the General Assembly since 1965. The Special Committee's conclusions and recommendations concerning the Territory are set out in its report to the General Assembly at its nineteenth and twenty-first to twenty-seventh sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1972 in regard to the Territory and subsequently approved by the General Assembly at its twenty-seventh session, and the text of General Assembly resolution 2984 (XXVII) of 14 December 1972, which concerned 17 Territories, including the Cayman Islands, have been made available to the Committee.

B. INFORMATION ON THE TERRITORY b/

1. GENERAL

3. The Cayman Islands consist of Grand Cayman, Cayman Brac and Little Cayman (the latter two also being known as the lesser Caymans). The total area is about 100 square miles. Grand Cayman, the principal island, is located about 180 miles west north-west of the westernmost point of Jamaica and 150 miles south of Cuba. Cayman Brac lies 89 miles east north-east of Grand Cayman and Little Cayman lies five miles west of Cayman Brac.

4. At the time of the last census, in 1970, the population of the Territory totalled 10,249, as follows: Grand Cayman, 8,932; Cayman Brac, 1,297; and Little Cayman, 20. Sixty per cent of the population were of mixed origin, 20 per cent were African and 20 per cent were European. George Town, the capital, which is located on Grand Cayman, had some 4,000 inhabitants in 1970. Not included in the census figures were Caymanians who had emigrated to work abroad. According to the administering Power, since rapid economic development began in the late 1960s, Caymanians have tended to stay and work in the islands. In 1972, the total population was estimated at 11,000.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XVIII, para. 11; ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, para. 10; ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, para. 9.

b/ This section is based on published reports and on information transmitted to the Secretary-General by the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 10 July 1972 for the year ending 31 December 1971.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

New Constitution

5. As previously noted, c/ the Earl of Oxford and Asquith was sent to the Cayman Islands in January/February 1971 by the United Kingdom Secretary of State for Foreign and Commonwealth Affairs to serve as Constitutional Commissioner in the examination of the various paths of constitutional evolution open to the Territory. In a report published in October 1971, the Constitutional Commissioner presented a series of proposals, all of which were broadly acceptable to the United Kingdom Government. The representative of the United Kingdom informed the Fourth Committee of the General Assembly, at its 2005th meeting, on 27 November 1972, that the former Legislative Assembly had appointed a Select Committee, consisting of all the elected members of the Assembly, to examine these proposals and to make recommendations thereon; and that the Select Committee's recommendations, which had been unanimous, had been adopted by the Assembly in May 1972 and incorporated into a new constitution (as contained in the Cayman Islands (Constitution) Order of 22 August 1972). In consequence, he said, this Constitution provided for additional elected members on the Executive Council; the abolition of nominated members in both the Legislative Assembly and the Executive Council, thus ensuring that the two bodies had a majority of elected members; and the introduction of an embryonic cabinet system with the assignment of responsibility for subjects or departments of the Government to members of the Executive Council. The new constitutional arrangements are outlined below.

Governor

6. The Governor is appointed by the Queen and exercises executive authority on her behalf. Apart from his executive and legislative powers (see below), the Governor is empowered to constitute offices, make appointments and dismiss public officers. He also exercises the prerogative of mercy on behalf of the Queen. There is provision for a Deputy Governor.

Executive Council

7. The Executive Council consists of the Governor as its President, three official members appointed by him and four others selected by the elected members of the Legislative Assembly from among their number.

8. The Governor is to consult with the Executive Council in the formulation of policy and in the exercise of all powers conferred upon him except in the case of: (a) any power conferred upon him by the Constitution which he is empowered to exercise in his discretion; (b) any power conferred by any law which he is empowered

c/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, annex, sect. D., paras. 8-21.

or directed to exercise without consulting the Council; or (c) any power that relates to defence, external affairs, internal security, the police or the public service. He is not required to consult the Executive Council in any case in which, in his judgement: (a) the service of Her Majesty would sustain material prejudice thereby; (b) the matters to be decided are too unimportant to require such consultation; or (c) the urgency of the matter requires him to act before the Council can be consulted. However, in every case falling within (c) above, the Governor must, as soon as practicable, communicate to the Executive Council the measures which he has adopted and the reasons for those measures.

9. In any case in which the Governor is required to consult the Executive Council, he may act against the advice given to him by the Council, if he considers it expedient in the interests of public order, public faith or good government. But in such cases, he must report the matter to a United Kingdom Secretary of State with the reasons for his action.

10. The Governor is given discretion to charge any member of the Executive Council with responsibility for any subjects or departments of the Government (other than the subjects exclusively reserved to him). In the exercise of his responsibility, the member so charged is obliged to act in accordance with the policies of the Government as decided in the Council and with the principles of collective responsibility.

Legislative Assembly

11. The Legislative Assembly consists of: (a) the Governor, or when there is a person holding the office of Speaker, the Speaker; (b) three official members appointed by the Governor; and (c) 12 directly elected members. The Assembly lasts for four years unless dissolved earlier, and the Governor has the power to prorogue or dissolve it.

12. The Governor may establish committees of the Assembly. Each of the committees may consist of a chairman and other members chosen by the Governor, provided that a majority are elected members of the Assembly and that the Chairman is a member of the Executive Council. The committees are required to act in accordance with the policies of the Government and with the directives of the Governor.

13. Subject to the provisions of the Constitution, the Governor, with the advice and consent of the Assembly, may make laws for the peace, order and good government of the Territory. A bill passed by the Assembly does not become a law until the Governor has assented and signed it or the Queen has given her assent through a Secretary of State. A general power of disallowance of laws is reserved for the Crown. Except on the recommendation of the Governor, the Assembly is prohibited from proceeding with legislation affecting the finances of the Territory. If the Assembly fails to adopt any bill or motion which the Governor considers expedient in the interest of any of his responsibilities, he may declare that bill or motion as adopted. The Governor is required to report to a Secretary of State every case in which he makes any such declaration and the reasons therefor.

General elections

14. The first elections under the new Constitution for the 12 elected seats in the Legislative Assembly took place on 22 November 1972. They were contested by 27 candidates but no political parties emerged. Among the election issues were those relating to internal self-government and the curtailment of certain of the Governor's powers under the Constitution. Of the 12 members elected, 8 were former members of the Legislative Assembly.

15. Subsequently, four members of the Assembly were selected from among the elected members to serve as members of the Executive Council. Members of the Council were assigned responsibility for the following departments of the Government: communications and works; interisland co-ordination; education, health and social services; and tourism, natural resources and agriculture.

Future status of the Territory

16. Commenting on the recommendation concerning the Cayman Islands, as contained in the Special Committee's report to the General Assembly at its twenty-seventh session, the representative of the United Kingdom said in his recent statement to the Fourth Committee that the steps described in paragraph 5 above would bring about an important measure of constitutional advancement, and that the United Kingdom Government remained prepared to consider proposals for further constitutional advancement if and when such proposals were made by the Caymanians. He pointed out that independence had not been an issue in the last general elections, but he felt that elections provided an opportunity for the people of the Territory to give expression to their aspirations. Finally, he said that if they wished to proceed to self-determination and independence, the United Kingdom Government would not seek to oppose their freely expressed wishes.

17. In his speech at the opening of the new Legislative Assembly, on 6 February 1973, the Governor noted that the question of internal self-government had been raised during the last general elections, and that the United Kingdom Government would place no artificial obstacle in the way of any constitutional advancement endorsed by a majority of the people of the Territory.

Public service

18. At the end of 1971, the public service in the Cayman Islands was composed of 128 overseas officers (including 25 holding senior posts) and 296 local officers (including 24 holding senior posts). To reduce its dependence on the recruitment of expatriate staff, the Government has embarked on a programme of in-service training of civil servants and is pursuing a vigorous campaign for the recruitment of qualified students from the high schools. At the beginning of January 1972, a training section was created as part of the Establishments Division. This section is responsible for the administration of the in-service training, as well as the training of civil servants in professional and technical skills abroad.

19. In his budget speech, delivered to the new Legislative Assembly on 7 February 1973, the Financial Secretary stated that, taking into account an increase in the cost of living and the demand for labour in the private sector, salaries for government employees had been increased on 1 August 1972. Aware that lack of organization and the use of antiquated methods and systems often resulted in low output by civil servants, he said that the Government had already reorganized a number of departments with the assistance of experts from the United Kingdom and the United Nations.

3. ECONOMIC CONDITIONS

General

20. The Cayman Islands enjoyed a continued economic boom in 1972 when average per capita income reportedly advanced by 150 per cent, to £1,250, representing the largest gain in recent history. As a result, the Territory is now among the richest countries in the Caribbean.

21. The basic pattern of the economy has remained as described in the previous report of the Special Committee. d/ Briefly, the recent prosperity has been in a large measure dependent on the sectors of tourism, property development and international finance and, to a lesser extent, on the wages earned by Caymanians serving on foreign ships. Agriculture, fishing, forestry and manufacturing play a minor role in the economic life of the Cayman Islands. Although the Territory is an exporter of turtle products, it is markedly dependent on imports of food-stuffs and other goods. Exports were valued at £4,638 in 1970 and £3,262 in 1971; imports totalled £3,883,289 and £4,527,826 respectively. The United States provided the principal market and source of imports. The major economic problems for the Territory have been persistent inflation, a chronic trade deficit, the paucity of productive resources, the scarcity of local capital and the inadequacy of certain basic facilities.

22. In his recent budget speech (see paragraph 19 above), the Financial Secretary gave the following account of the general economic situation. During 1972, the economy as a whole was stronger than ever, with further increases in tourism and international finance. Recent indications were that they would grow at an even faster pace. Two other sectors, land development and earnings from Caymanian seamen, also made valuable contributions to the economy. Development of land proceeded at a brisk pace and there was every indication that the building boom would continue. The Cayman Islands currency was placed in circulation on 1 May 1972 (see paragraph 27 below).

23. In his speech, the Financial Secretary said that steps would be taken for further promotion of tourism and international finance which, however, could not be regarded as stable sources of income. From a long-term point of view, he

d/ Ibid., paras. 28-39.

considered that it might be in the best interests of the Territory to investigate possible means of diversifying the economy to provide other, more stable, sources of income which could serve as a basis for more definitive future planning. In this connexion, he suggested that the establishment of new light industries should be encouraged, including the manufacture of products for export, and that the industry should require a small labour force in the initial stage because of the present full employment situation; thereafter, they could be allowed to grow according to the availability of local labour resources. He further suggested that before these and other industries were set up, legislation should be enacted to impose an excise tax and an export duty, and to provide for duty-free imports of raw materials required for the manufacturing process.

Financial developments

Banking and finance

24. Because of its status as a tax haven, its accessibility and its stability, the Territory has recently become an important international finance centre. According to the Financial Secretary, the contribution of the finance sector to the gross domestic product is growing at an annual rate of 75 per cent and provides 30 to 40 per cent of government revenue.

25. At the beginning of 1973, there were more than 5,000 financial institutions (3,472 in 1971 and over 2,300 in 1970), mostly in George Town. These included approximately 80 banks, 600 trust companies and 4,400 international companies (most of them incorporated in the Cayman Islands with investments throughout the world).

26. Twenty-two major international banks and trust companies are now operating in the Cayman Islands, including the following: Barclays Bank International, Ltd.; the Bank of Montreal Trust Corporation (Cayman), Ltd.; the Canadian Imperial Bank of Commerce; the Canadian Imperial Bank of Commerce Trust Company (Cayman), Ltd.; the First National City Bank; Royal Bank Trust Company (Cayman), Ltd.; the Swiss Bank and Trust Corporation, Ltd.; the Bank of Nova Scotia; the Bank of Nova Scotia Trust Company (Cayman), Ltd.; the Royal Bank of Canada; and the World Banking and Trust Corporation (Cayman), Ltd., a subsidiary of the Bank of America. An increasing number of Caymanians are being employed in the finance sector, although the majority of the senior positions are still occupied by foreigners.

Control of foreign exchange

27. As noted above, a Cayman Islands currency was introduced on 1 May 1972. The backing for the currency in circulation is the pound sterling. The unit of currency is the Cayman Islands dollar with an exchange rate of \$CI 2 to the pound sterling. The Jamaican dollar, which was the legal tender until the introduction of the local currency, was withdrawn on 1 September.

28. On 23 June, the United Kingdom Government decided to free the pound sterling from its fixed rate and to introduce exchange control between the United Kingdom (including the Isle of Man and the Channel Islands) and the countries of the sterling area except the Republic of Ireland. Under the new exchange control regulations, United Kingdom residents are now required to obtain permission to make direct investments in these countries.

29. On the same day, following an announcement by the United Kingdom Government, the exchange rate of the Cayman Islands dollar with foreign currencies was suspended. The Government of the Cayman Islands also decided to float the new currency with the pound sterling until a return to a fixed parities of the exchange rates had been reached. Commenting on this decision, the Financial Secretary stated that, thus far, the Territory had not encountered any marked difficulty.

30. The recent action of the United Kingdom Government also resulted in the adoption by the Legislative Assembly at the end of June of an amendment to the Exchange Control Regulation Law of 1966 whereby the scheduled territories (i.e., the countries of the sterling area) are redefined as including the Cayman Islands only. Under the amendment, free trade is allowed to continue with the former sterling area countries except for outward capital movements in local currency which must be approved by the Exchange Control Authority.

Tourism

31. The average yearly growth rate of the tourist industry, as measured by the number of visitors (excluding cruise ship passengers), declined from more than 40 per cent to 12 per cent in 1971, although tourist spending showed a substantial increase of 30 per cent, to \$CI 3.5 million. In 1972, about 30,000 tourists visited the Territory and expended \$CI 4.7 million, representing increases of 20 and 34 per cent respectively over the previous year. An estimated 40,000 visitors are expected in 1973. This is chiefly attributed to the following factors: (a) the economic recovery in the United States, the origin of approximately 80 per cent of the tourists; (b) the expansion of promotion programmes for visitors (including the maintenance of representatives in Miami (Florida), New York and London; and (c) the accelerated development of tourist and other basic facilities.

32. With the opening of the 125-room Holiday Inn near George Town in July 1972, the number of hotels in the Territory increased to 18 (15 in 1970), not including guest houses and private rental cottages. The number of beds available (excluding cottages) was 1,759 (907 in 1970). The hotels have operated on low occupancy rates (40 per cent in 1970-1971 and 45 per cent in 1972). According to the Financial Secretary, hotel business becomes profitable only when the occupancy rate rises to a minimum average of 60 per cent. The industry has therefore pressed for increasing the number of airlines flying into George Town. Looking to the future, the industry will probably concentrate on filling the present number of available beds, since the Government has made it known that no more licences for large hotels will be issued for some time, and also because further expansion of

hotel accommodations would be seriously hampered by the shortage of skilled labour, unless the Government is willing to increase the already large number of foreign workers. The industry will also have to strengthen its competitive position through the development of a training programme for hotel employees and the reduction of high operating costs.

33. In his recent budget speech on 7 February 1973, the Financial Secretary said that during 1972, a study on tourism in the Cayman Islands had been conducted with the assistance of the United Kingdom Government. A report with recommendations had been received and efforts would be made to implement those that could produce the desired early improvements. In the budget for 1973, proposals were made for the conversion of the Tourist Board into a government department, to be headed by a Director of Tourism, and for a budgetary allocation of \$CI 260,000. It was estimated that, by 1975, 87,000 travellers would visit the Territory and tourist expenditure would amount to \$CI 10.5 million.

Property development

34. In recent years, the construction industry has made remarkable progress, with great emphasis on bank and office buildings and resort facilities. Subsequent to the passage of a comprehensive planning law in 1972 and with the assistance of an expert from the United Nations, the Central Planning Authority was established to guide property development. During the year, the Authority approved applications valued at nearly \$CI 8 million, the principal project being Governor's Harbour, a resort complex, to be erected by the Commonwealth Development Finance Corporation and Standard Dredging Corporation of New York at a cost of \$CI 5 million. Despite the continued building boom, there has been a shortage of housing.

35. All land is individually owned, with no restrictions imposed on alienation to foreigners. According to reports, land transactions are growing at about 42 per cent a year, with the result that land is becoming increasingly scarce and costly. In order to ensure an orderly growth of the real estate industry, the Government has set up a regional cadastral survey and registration project. In the course of a debate on the survey held in the Legislative Assembly on 6 February 1973, Mr. W. Conolly, a member of the Executive Council for Tourism, Natural Resources and Agriculture, stressed that land had to be developed to the best advantage of the entire population. He said that the most important aim of the survey was to enable landowners to obtain a clear title to land so that proof of title could easily be given to banks and other financial institutions if the land were to be used as a collateral. He urged members to consider the survey from the viewpoint of what it would bring to the Territory, regardless of any misunderstandings in the past. In explaining some apparent misconceptions, Mr. G. Waddington, an official member of the Executive Council, said that a vast amount of litigation centred around the question of title and that as soon as all land was registered, this question would be eliminated. Subsequently, the survey was reported to be proceeding satisfactorily.

Communications and other basic facilities

36. In 1971, there were some 80 miles of motorable roads on Grand Cayman and 25 miles on Cayman Brac, about half of which were black-topped. There is also a road on Little Cayman, circling ~~all~~ but the eastern end of the island. In his recent speech, the Governor said that efforts were being made to improve and expand the road systems. Among the first projects to be undertaken would be the construction of a road on the bluff of Cayman Brac. Dealing with the traffic problem in George Town, he stated that a system of one-way traffic would be established on 18 February 1973 and that serious consideration must be given to the creation of properly laid out parking areas.

37. The Territory is served by Owen Roberts Airport on Grand Cayman and airstrips on Cayman Brac and Little Cayman. With regard to the development of air transport facilities, the Governor said in his speech that the Government would consider erection of a new terminal building at Owen Roberts Airport. He added that plans were being prepared for a new terminal building at the airstrip on Cayman Brac, and that application for assistance in resurfacing its runway had been submitted to the United Kingdom Government.

38. Cayman Airways, Ltd. (a local airline in which the Government has 51 per cent interest) and Líneas Aéreas Costarricenses, S.A. (LACSA), link the Territory by scheduled flights daily with Miami and regularly with Costa Rica and Jamaica. Cayman Airways, Ltd. also provide an interisland service. In 1971, 35,220 passengers landed, compared with 31,749 in the previous year. A number of international carriers have applied for authorization of regular services mainly from Miami. Thus far, the Government has not made a decision on this matter.

39. At present, no passenger ships and few cruise ships call at George Town, the principal port, because it can only handle small vessels. Regular freight service is available from Miami and Tampa, Florida, and from Kingston. Feasibility studies on the provision of urgently needed new port and harbour facilities on Grand Cayman were completed and the possibilities of financing such a project are being evaluated. In 1972, over 40,000 tons of freight (26,333 tons in 1971) were expected to be landed in the Territory.

40. In telecommunications, the growth has been spectacular, the demands of the booming financial community providing a challenge for Cable and Wireless (West Indies), Ltd., which was granted the franchise in 1967. The company owns and operates an internal and overseas telephone and telex services, and a submarine cable connecting with a satellite earth station in Jamaica.

41. There are two public utilities. The Caribbean Utilities Company, Ltd. has recently extended its power lines to the eastern part of Grand Cayman and now supplies the entire island. The Cayman Brac Power and Light Company, Ltd. continues to provide electricity for the whole island. Present water sources consist mainly of wells and roof catchments.

Public finance

42. It is estimated that in 1973, local revenue would amount to \$CI 4.9 million (an increase of \$CI 430,000 over the revised figure for 1972) and recurrent and capital expenditure would total \$CI 5.2 million (an increase of \$CI 692,000 over the revised figure for 1972). These budgetary estimates indicate the continuation of an uptrend in recent years, especially since 1964.

43. Expenditures for 1973 to be financed from local revenue comprise: recurrent, \$CI 4.2 million; new services, \$CI 173,000; and capital, \$CI 894,000. Recurrent expenditure shows increases distributed over most departments, owing largely to recent upward adjustments in salaries for the civil servants. Expenditure for new services consists mainly of requests for additional staff and the upgrading of posts. Capital estimates are divided into three sections to be financed partly by local revenue (see above), partly by United Kingdom development aid (\$CI 1.5 million, an increase of \$CI 800,000 over 1972), and partly by loan funds (\$CI 2.1 million). The estimates include provisions for such projects as construction of public buildings and roads, airport and port development, expansion of educational and medical facilities and broadcasting.

44. In reviewing the Territory's financial position, the Financial Secretary said that 1972 could be regarded as being very successful financially. A new system of control on government spending, introduced at the beginning of the year, had proved invaluable and would be maintained in 1973. He pointed out that increases in revenue had been derived mainly from import duties, licences, the sale of stamps and company registration fees - areas directly associated with the present economic development. He also pointed out that expenditures had also increased, the largest single item being the construction of the building for the Legislative Assembly and the Court.

45. Turning to the 1973 budgetary estimates, he said that the Assembly had approved an increase in the licence fee paid by banks and trust companies as from January. Other tax measures would be recommended mainly to finance capital projects; this might require a fiscal study which could be arranged under United Kingdom technical assistance. Finally, he stated that, according to the estimates, the current year should end with a small budgetary surplus of \$CI 1,014.

4. SOCIAL CONDITIONS

Labour

46. According to the administering Power, the Territory does not have an administrative organization concerned with labour, and complete labour statistics are therefore not available. A condition of full employment exists in the Cayman Islands except for men awaiting sea duty. At present, there is a shortage of both skilled and unskilled labour, and wage rates are extremely high. All immigrant labour is controlled by the Caymanian Protection Law of 1971. e/

e/ Ibid., para. 22.

There are two registered trade unions: the Global Seamen's Union (5,500 members in 1971, of whom about one third were Caymanians), and the Cayman Islands Taxicab Association.

Public health

47. Government medical institutions comprise a central hospital (with 36 beds) on Grand Cayman, a dental clinic in George Town, a cottage hospital on Cayman Brac, and six health centres (four in outlying districts of Grand Cayman and two on Cayman Brac). There are six qualified medical practitioners in the Territory. The health of the islanders is generally good. Tropical diseases are virtually absent from the Cayman Islands.

48. The Mosquito Research and Control Unit, which was noted by the Special Committee, f/ has continued its work. In 1971, six years after the Unit had been established, the Aedes aegypti campaign of spraying with Abate resulted in complete eradication of this mosquito on Cayman Brac and Little Cayman. In the following year, Grand Cayman experienced island-wide mosquito control. Around the George Town area for instance, the average peak density of 34,000 mosquitoes per night in 1966 was reduced to 150 in 1972.

49. Expenditure on public health during 1971 was £146,242.

5. EDUCATIONAL CONDITIONS

50. Education is compulsory for all children between the ages of 5 and 15 years. It is provided free in nine government primary schools and a government comprehensive secondary school (which includes a junior high school on Cayman Brac). In addition, there are five church-sponsored private schools, two of which have secondary departments. Total enrolment in all schools in 1971 was 2,975 (including 1,923 in government schools): 930 students were receiving post-primary education.

51. The Territory is not able to meet the shortage of qualified teachers and some staff is therefore recruited from Canada, the United Kingdom and the Caribbean area. The majority of local teachers have been trained in educational colleges in Jamaica.

52. All education beyond the secondary level is pursued in institutions abroad. The Government contributes to the University of the West Indies and some Caymanians receive aid funds provided by the United Kingdom Government to undertake courses in the United Kingdom.

f/ Ibid., para. 41.

53. Government expenditure on education in 1971 amounted to £138,387.

54. In his recent speech, on 6 February 1973, the Governor stated that the phased construction of the government comprehensive secondary school had had to undergo some modifications. Temporary buildings had been erected, however, and the further needs of the school would be given priority. He pointed out that, in 1972, the Government had become a member of the Caribbean Examinations Council, which would eventually be responsible for the formulation of a system of secondary school examinations for the region. Noting that the Territory was developing rapidly, he stressed that if Caymanians were to play their part in this development, education would have to be given a high priority. He further stressed that the Government's aim was to ensure that the young Caymanians were properly equipped educationally to take their places in an increasingly fast-moving and technological society. In this connexion, he said that the Government was making every effort to convert the Cayman High School to a comprehensive system. He noted that scholarships were being granted to Caymanians to study engineering and medicine overseas, but considered that additional scholarships were needed.

C. MONTSERRAT*

CONTENTS

	<u>Paragraphs</u>
A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY	1 - 2
B. INFORMATION ON THE TERRITORY	3 - 47
1. GENERAL	3 - 4
2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS	5 - 9
3. ECONOMIC CONDITIONS	10 - 40
4. SOCIAL CONDITIONS	41 - 44
5. EDUCATIONAL CONDITIONS	45 - 47

* Previously issued under the symbol A/AC.109/L.851.

A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE
AND THE GENERAL ASSEMBLY

1. The Territory of Montserrat has been considered by the Special Committee since 1964 and by the General Assembly since 1965. The Special Committee's conclusions and recommendations concerning the Territory are set out in its reports to the General Assembly at its nineteenth and twenty-first to twenty-seventh sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1972 concerning this Territory and subsequently approved by the General Assembly at its twenty-seventh session, and the text of General Assembly resolution 2984 (XXVII) of 14 December 1972 which concerned 17 Territories, including Montserrat, have been made available to the Committee.

B. INFORMATION ON THE TERRITORY^{b/}

1. GENERAL

3. Montserrat forms part of the Leeward Islands group of the Lesser Antilles in the Eastern Caribbean and lies 27 miles south-west of Antigua. It is about 11 miles in length and, at its broadest parts, is seven miles wide. The land area of the Territory is 39.5 square miles.

4. The preliminary results of the census held in April 1970 indicate a population of 12,300 (mainly of African or mixed descent), showing a negligible increase over the 1960 census owing to large-scale emigration in the early 1960s. During the decade 1960-1970, the number of inhabitants in Plymouth, the capital, rose from 1,911 to more than 3,000 as a result of migration from rural areas. In 1971, the total population of the Territory was estimated at 13,076.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XVIII, para. 11; *ibid.*, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, para. 10; *ibid.*, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, para. 9.

b/ The information contained in this section has been derived from published reports and from information transmitted to the Secretary-General by the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 10 July 1972, for the year ending 31 December 1971.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

5. As previously noted,^{c/} a number of minor constitutional amendments were made in 1971. The amended Constitution provides for (a) a Governor appointed by the Queen; (b) an Executive Council consisting of the Governor, who presides, the Chief Minister, three other ministers and two ex officio members (the Principal Law Officer and the Financial Secretary); and (c) a Legislative Council presided over by the Governor and consisting of two ex officio members (the Principal Law Officer and the Financial Secretary), one nominated member and seven other members elected from single-member constituencies on the basis of universal adult suffrage. Ministers may be assigned responsibility for any government business except criminal proceedings, internal security, the public service and the audit of public accounts, a matter now handled by a newly established committee. The appointment, dismissal and disciplinary control of public officers is vested in the Governor in his discretion, acting after consultation with an advisory Public Service Commission. After having conducted a survey of administrative organization in the Territory during the same year, an expert from the United Kingdom recommended changes in the structure of the Commission, which would move from an advisory into an executive role. Details of the expert's recommendations have not yet been disclosed.

Government

6. It will be recalled^{d/} that, at the last general election, held on 15 December 1970, the Progressive Democratic Party (PDP) won all seven elective seats in the Legislative Council, thus defeating the Montserrat Labour Party (MLP), which had been in power for more than 15 years. Until the end of June 1972, the Executive Council had four unofficial members: Mr. P. Austin Bramble, Chief Minister and Minister of Finance, who is also head of PDP; Mr. E. A. Dyer, Minister of Communications and Works; Mrs. M. R. Tuitt, Minister of Social Services, Education and Health; and Mr. J. A. Osborne, Minister of Agriculture, Trade, Lands and Housing. During the same month, the Chief Minister was reported to have said that the last-named ministry had proved to be ineffective in tackling the problem of inflation, owing to Mr. Osborne's opposition to the introduction of price control. Subsequently, Mr. Osborne resigned from PDP, followed by Mr. John Dublin, an elected member of the Legislative Council. Mr. William Ryan, another elected member of the Council, took over the portfolio formerly held by Mr. Osborne.

^{c/} Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, annex, sect. E, para. 5.

^{d/} Ibid., para. 6.

Future status of the Territory

7. As previously noted,^{e/} Mr. Bramble, the Chief Minister, had stated in July and October 1971 that the officials responsible for the affairs of Montserrat should appreciate that aid to the Territory would only succeed in producing a self-sustaining source of adequate income if the people were suitably educated, trained and equipped to use the island's limited resources to the fullest and that there was unlikely to be any change in the Territory's constitutional status in the foreseeable future. His views were reported to have been presented to the United Kingdom Government during a visit to London in early November.

8. It was announced in Plymouth at the end of June 1972 that the Government of Montserrat was inviting public comment on the agreement recently concluded by the Governments of Grenada, St. Lucia and St. Vincent concerning steps towards unification of the three associated States. In August, Montserrat was reported to have expressed interest in joining the agreement. In October, however, when Mr. Bramble attended the seventh Caribbean Heads of Government Conference in Port-of-Spain, he stated that, although he envisaged a political federation of Commonwealth Caribbean countries as an ultimate goal, the establishment of such a federation was still some time off. In his view, the matter had to be studied, because there were a number of problems to be solved. In this connexion, he pointed out that Montserrat was a poor country which needed to be developed.

9. At the 2005th meeting of the Fourth Committee, held on 27 November, the representative of the United Kingdom made a statement on his Government's policy concerning the constitutional future of its dependent Territories. In that statement, he stressed a common guiding principle: the United Kingdom Government would respond to the wishes of the people concerned. He said that, if it was the people's wish to proceed to self-determination and independence in the exercise of their inalienable right to do so, the United Kingdom Government would help them on their way; but it had no intention of imposing independence on those who did not desire it. In that connexion, he pointed out that some Territories, mostly very small islands, did not feel that independence was necessarily the right course for them. He drew particular attention to the view expressed by the Chief Minister of Montserrat that economic and social development was of more importance than self-government.

3. ECONOMIC CONDITIONS

General

10. Tourism and construction have recently overtaken agriculture, once the principal sector of the economy. In 1960, agriculture contributed 41 per cent to the gross domestic product, but by 1970, its share had declined to 16 per cent. During this decade, the gross domestic product increased substantially from

^{e/} Ibid., paras. 8 and 10.

\$EC 3.5 million f/ to \$EC 11.5 million, or from approximately \$EC 295 to \$EC 985 per capita. National income statistics for 1971 are not available. As noted in paragraphs 7 and 8 above the Chief Minister considered the income of most of the local population to be inadequate.

11. The Territory specializes in the production of a few agricultural commodities for export, and depends heavily on imported goods (including certain food-stuffs) to satisfy local requirements. The value of imports usually exceeds that of exports, but the adverse balance is normally offset by aid from the United Kingdom, tourist spending, real property purchased by foreigners and remittances from emigrants. In 1968, the last year for which figures are available, imports were valued at \$EC 7.7 million. The main exports totalled \$EC 100,010 in 1969, \$EC 231,303 in 1970 and \$EC 124,904 in 1971. Most of the Territory's trade was conducted with the United Kingdom, the United States of America and other countries and Territories in the Caribbean area.

12. Reviewing the economic situation prevailing in the Territory, Chief Minister Bramble stated in a budget speech delivered to the Legislative Council on 8 March 1972 that the inadequacy of financial resources had made it difficult for the Government to stimulate the growth of the economy, especially in the sectors of tourism and light industry. He further stated that, despite this difficulty, the Government was determined to improve living standards, primarily through the revitalization of agriculture.

13. As noted in paragraph 6 above, Mr. Bramble had earlier expressed concern at the continued increase in the cost of living. It was announced in September 1972 that Montserrat would have a Prices Commission as soon as administrative and functional machinery could be created from proposals currently being considered by the Government. In making the announcement, a government spokesman said that the Commission would have authority to make recommendations covering the general price structure throughout the island. According to the proposals, the Chamber of Commerce and the Consumer's Association would be represented in the Commission.

14. Montserrat is a member of the Caribbean Free Trade Association (CARIFTA). At the seventh Commonwealth Caribbean Heads of Government Conference, held in Port-of-Spain between 9 and 14 October 1972, the heads of Government of the Bahamas and the 12 countries forming the Association, decided to transform CARIFTA into a Caribbean common market on 1 May 1973. At a press conference in Plymouth, on 13 January 1973, Mr. Bramble announced the Territory's decision not to join the proposed common market.

Land, real estate development and tourism

15. The Territory's total land area is 25,280 acres, of which 17,259 acres are classified as agricultural land, 3,170 acres as forest, 2,393 acres as under urban and real estate development and 2,458 acres as other land, ghauts and cliffs.

16. Under the Landholding Control Ordinance of 1970, it is obligatory for all non-Montserradians to obtain a licence from the Government before they acquire an interest in any land in the Territory. The Government is not prepared to alienate good agricultural land for real estate development.

f/ One pound sterling (£1) is equivalent to 4.80 East Caribbean dollars (\$EC). See also paragraph 27 below.

17. Montserrat's tourist industry is closely interrelated with real estate construction, mainly around the Belham River Valley Golf Course and Foxes Bay. During 1971, the Government made an undisclosed number of lots in one development area available for sale to the public and conducted a survey of another area, which was to be divided into 60 medium-density lots. Thirty-six houses (excluding non-residential buildings) were constructed in seven development areas. The British Development Division in the Caribbean allocated \$EC 250,000 for a low-income housing scheme, on which work was expected to start in early 1972.

18. Responsibility for the promotion of tourism rests with the Chief Minister, who is assisted by the Tourist Board. Between 1970 and 1971, the number of visitors decreased from 8,380 to 7,270. This decline was attributed partly to the less buoyant business trends in the United States and Canada, from which more than 50 per cent of the total visitors came, and partly to the weakening of the tourist industry's competitive position.

19. In June 1971, it was reported that, in response to a request from the Government of Montserrat, the United Kingdom Overseas Development Administration had commissioned Transport and Tourism Technicians, Ltd., a leading British firm of international tourism consultants, to carry out a study in the Territory and to draw up a plan for the development of its tourist industry.

20. In September 1972, the Government of Montserrat began a survey of public opinion on a provisional tourism development programme drafted by Mr. K. A. Cassill, Permanent Secretary to the Chief Minister. The programme contained a proposal for government support in the establishment of a large resort complex which would include about 100 hotel beds (in 1971, Montserrat had only 80 rooms at four small hotels), yachting facilities, a shopping area and necessary service facilities. It was also proposed to exploit any local resources that might have a direct bearing on tourism development, as well as to introduce suitable fiscal measures for accelerating the expansion of tourist facilities.

21. Among the developments affecting the tourist industry in 1972 were the formation of a company to operate a Montserrat-based airline and the holding of discussions with representatives of the Barbados Government and the Caribbean Travel Association concerning the promotion of tourism.

Agriculture and livestock

22. Most agriculture is in the hands of peasant farmers, whose main crop is West Indian sea island cotton. Although it is still the most important export crop, its importance is declining rapidly. Between 1968 and 1972, the crop decreased from a total of 113,063 pounds to 16,891 pounds. In April 1972, Mr. J. A. Osborne, then Minister of Agriculture, Trade, Lands and Housing, was reported to have held discussions with a sea island cotton promotion team, two of whose members were Mr. J. A. Lewando, Chairman of Carrington Viyella, Ltd. of the United Kingdom and Mr. A. C. Knight, representative of the West Indian Sea Island Cotton Association. After the discussions, Mr. Osborne told newsmen that profitability was the determining factor in the expansion of cotton cultivation. He also asked for

substantial assistance in the provision of fertilizer and the application of conservation measures to improve cotton yields. Responding favourably to this request, Mr. Lewando, whose company owns Barlow and Jones of Liverpool, said that good yields and a willing buyer would revive interest in cotton cultivation. He added that his company was a willing buyer and would do its utmost to assist cotton agronomy in Montserrat, particularly by providing fertilizer and furnishing technical aid. On the marketing side, Mr. Knight stated that there was a very great demand for West Indian sea island cotton, with the finest and longest staples as its distinctive quality.

23. During 1971, the value of the principal agricultural exports were: cotton lint, \$EC 21,465; tomatoes, \$EC 13,519; mangoes \$EC 12,196; bananas, limes and other vegetables (including carrots and peppers), \$EC 77,724. In his recent budget speech in March 1972, Chief Minister Bramble, stated that among the more important measures taken in 1971 for revitalizing agriculture was the enactment of legislation to set up two public bodies (the Development Finance and Marketing Corporation and the Land Development Authority). ^{g/} He further stated that the Caribbean Development Bank had already made an allocation of some \$EC 200,000 for the new Corporation; that a further \$EC 100,000 was expected from United Kingdom sources; and that, after its establishment, the Authority would reallocate Government lands to farmers with a view to facilitating more economic farming and ultimately granting effective security of tenure to farmers. Nevertheless, he stressed that effective agricultural planning would require the securing of funds for the purchase of estates, thus enabling the Government to exercise control over lands. He also said that the Government intended not only to intensify efforts to find outlets for local produce but to encourage farmers by conducting a "Buy Local" campaign. Finally, he drew attention to the following agricultural projects: (a) a scheme to achieve self-sufficiency in potatoes and onions; (b) a building to house an agricultural laboratory; (c) a fumigation unit; and (d) programmes for improving horticulture and livestock.

24. There was a steady increase in livestock production during the period under review. The figures for 1971 were reported to be as follows: cattle, 6,000; sheep and goats, 8,000; pigs, 4,500; and poultry, 25,000. Local fishermen received training from the United Nations Development Programme (UNDP) and Food and Agriculture Organization of the United Nations (FAO) through the UNDP/FAO Caribbean Fisheries Development project and were provided with assistance under a scheme financed by the Freedom from Hunger Campaign and the Colonial Development and Welfare Fund. Fishing was confined to off-shore operations with small boats. The catch for 1971 was 93,577 pounds, or some 13,000 pounds less than in 1970.

Industry

25. As previously noted, ^{h/} the Territory has a number of small firms producing mainly for the local market. In addition, the Government runs a cotton ginnery and

^{g/} See Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, annex, sect. E, para. 19.

^{h/} Ibid., para. 22.

a machine for the fabrication of cement blocks. In 1970, Texaco, Inc., of the United States, established facilities for the bulk shipping and distribution of liquid propane gas for Dominica, Nevis and St. Kitts. With the assistance of UNDP, a handicraft project was expected to be put into operation in late 1972.

Banking and currency

26. During 1971, there were three banks in the Territory: Barclays Bank International, Ltd., the Royal Bank of Canada and the Government Savings Bank, all situated in Plymouth. They have continued to expand their operations as indicated by the fact that during the period 1969-1971, their deposits increased from \$EC 9.4 million to \$EC 12.8 million, and loans rose from \$EC 5.0 million to \$EC 6.0 million. They were expected to be joined by the Chase Manhattan Bank of New York, whose premises in Plymouth were nearing completion at the end of 1971.

27. It will be recalled i/ that the East Caribbean Currency Authority was established under the East Caribbean Currency Agreement of 18 January 1965 between the Governments of Antigua, Barbados, Dominica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent. On 6 October 1965, the Authority issued new currency notes, which are in circulation in all the participating countries concerned. The Government of Grenada acceded to the Authority in July 1968. The unit of the monetary system is the East Caribbean dollar (\$EC), with a fixed exchange rate of \$EC 4.80 to the pound sterling.

28. On 23 June 1972, the United Kingdom Government decided to free the pound sterling from its fixed rate and to introduce exchange control between the United Kingdom (including the Isle of Man and the Channel Islands) and the countries of the sterling area except the Republic of Ireland. Under the new exchange control regulations, United Kingdom residents are now required to obtain permission to make direct investments in these countries.

29. The East Caribbean group and certain other Commonwealth Caribbean countries believed that the principal market for their agricultural products would remain in the United Kingdom for the near future; that they could not afford to weaken their position in the United Kingdom market by an appreciation of their currencies; and that they did not need to depreciate them in terms of the pound sterling. They therefore decided to allow their currencies to swing therewith.

30. Towards the end of August 1972, finance ministers from the Commonwealth Caribbean countries (including Montserrat) met in Kingston to consider financial and monetary affairs in the region. At the meeting, the recent decision of the United Kingdom Government to restrict the outflow of funds to the countries of the sterling area (including those in the region) was criticized. The intention was to take up the matter at the conference of Commonwealth finance ministers to be held later in the year. At this conference, which took place in

i/ Ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XVII, annex I.A, para. 12.

late September, Mr. Anthony Barber, the United Kingdom Chancellor of the Exchequer, explained the background against which the recent decision of his Government had been taken. The participants of the conference agreed on the need to reform the international monetary system. They considered that an early return to fixed but adjustable parities of the exchange rates should be achieved as soon as possible.

Communications and other basic facilities

31. During the period under review, there were 150 miles of roads open for traffic, of which some 90 miles were all-weather roads. The Government continued to maintain and improve the Territory's road system. Licensed vehicles numbered 1,031 in 1970 and 1,122 in 1971. Blackburne Airport, 9 miles from Plymouth, had a 3,400-foot surfaced runway, which was too short to take large aircraft. A feasibility study was completed in 1971 for a longer landing strip. The Government announced its intention to expand airport facilities through the construction of a control tower and the introduction of conditional night flying. Leeward Islands Air Transport (LIAT) maintained a twice daily service between Montserrat and Antigua and a five day a week service between Montserrat and Nevis, St. Kitts and St. Maarten. In June 1972, a local barrister and a foreign businessman were reportedly forming a company to operate a Montserrat-based airline. In 1971, there were 1,328 aircraft landings (1,645 in 1970); 15,985 arrivals (14,912 in 1970) and 16,181 departures (13,414 in 1970).

32. Plymouth is the only port: in 1971, 480 ships entered and cleared there, landing 24,815 tons of cargo and loading 469 tons. The corresponding figures for 1970 were 304 ships, 27,704 tons and 370 tons. The Crown Agents and the British Development Division recently completed an engineering and economic survey of a deep-water harbour and marina and improved warehousing for Plymouth. The Caribbean Development Bank was considering an application for this project, the first stage of which was expected to cost an estimated \$EC 1.7 million.

33. The total number of telephones installed in the Territory by Cable and Wireless (West Indies), Ltd., increased from 860 in 1970 to 1,022 in 1971. The company also provides international telephones, telegraph and telex services.

34. Electric power is furnished by Montserrat Electricity Services, Ltd., a company owned jointly by the Government and the Commonwealth Development Corporation (CDC). In May 1972, plans for improving existing services were announced. A company official said that a 15 kW generator, to cost \$EC 400,000, would be installed later in the year.

35. In August 1971, work was started on a water development programme for which the Canadian Government had provided a grant of \$1.8 million (Canadian).

Public finance

36. According to the budget estimates approved by the Legislative Council for 1972, recurrent revenue amounted to \$EC 4,142,867 (including a United Kingdom grant-in-aid of \$EC 921,172) and expenditure to \$EC 4,232,867. The corresponding

figures for 1971 were \$EC 5,001,324 for revenue (including a grant-in-aid of \$EC 1,008,000 and a special grant-in-aid of \$EC 818,779 from the United Kingdom) and \$EC 4,225,103 for expenditure. The principal items of local revenue were direct and indirect taxes, which, in 1972, totalled \$EC 2,252,500. Of the total estimated expenditure for the same year, social services accounted for \$EC 1,521,126; communications and works for \$EC 618,620; and agriculture, trade and lands and housing for \$EC 261,831. Capital expenditure in 1972 was estimated at \$EC 1,468,547 (\$EC 1,124,063 less than in 1971), of which \$EC 736,423 was to be provided by United Kingdom development aid, and \$EC 732,124 was to come from local resources. The bulk of the capital funds was spent on road projects (\$EC 733,431) and housing development (\$EC 251,209).

37. Introducing the budget estimates for 1972, Mr. Bramble, in his capacity as Chief Minister and Minister of Finance, said that, during the year, the Territory was again operating on a deficit budget. He pointed out that the recurrent grant-in-aid from the United Kingdom Government would be reduced by \$EC 86,828 to \$EC 921,172 reflecting its policy of gradually eliminating such aid, but considered that this reduction would be greater than had been expected. He stressed that the inadequacy of revenue continued to be a very serious constraint on development. He believed that progress in certain basic and important areas of education had been all too slow and that measures to promote the development of tourism and light industry had remained ineffective. He hoped that the United Kingdom Government would modify its strategies for eliminating grants-in-aid by allowing a little more local flexibility in order that the territorial Government could effectively grasp opportunities to increase gross domestic product and local revenue.

38. In drawing attention to the need for continued expansion of local revenue and public spending, Mr. Bramble stated that it would have to be achieved without any increases in tax or duty rates, but that vigorous efforts would be made to collect revenues promptly and to maintain rigid control over expenditure. He added that, in order to encourage investment in productive economic activity, exemption from income taxes on agricultural proceeds and property tax concessions for land farmed to the satisfaction of the territorial Government would be introduced.

39. Mr. Bramble also pointed out in his speech that the capital estimates could not be regarded as final until after the amount of development aid from the United Kingdom for the year starting 1 April 1972 had been made known. He gave an assurance that this amount would be adequate to finance the schemes prepared by the territorial Government. During the same month, he was reported to have led a government team in three hours of discussions with Mr. John Rednall, the new head of the British Development Division, who was visiting the Territory for the first time. The discussions reportedly covered a wide range of projects, including lands and funds for the development of agriculture, harbour facilities, towns and housing.

40. For the period 1969-1972, the Governing Council of UNDP had approved as a target for assistance to the Territory the equivalent of \$US 35,000 annually.

4. SOCIAL CONDITIONS

Labour

41. There was little in the way of alternative employment to agriculture until Montserrat was discovered by resort developers in the late 1960s. The greatest impetus for the economy has since come from the tourist and construction industries. The increased level of economic activity, notably in Plymouth, has encouraged a large number of persons to move there from farms rather than to emigrate for work abroad, as was the case in the early 1960s. Government undertakings have employed only a small proportion of the gainfully occupied. Workers in Government employ receive the same earnings as those in the private sector. The trade union movement remained at an early stage of development during the period under review.

42. In late 1972, UNDP and the International Labour Organisation (ILO) agreed to carry out a project in Montserrat aimed at creating the necessary environment for industrial stability. An expert was expected to be sent to the Territory to assist the Government in introducing and revising labour legislation and establishing and/or strengthening institutions and procedures relating to labour relations. A new technical college provided by the United Kingdom Government was expected to begin offering basic trade training as well as commercial, engineering and non-technical courses in September.

Public health

43. In 1971, the Territory had no non-governmental medical institutions, although there were two private general medical practitioners. The Government operated a 60-bed hospital, a 30-bed infirmary and 12 district clinics. Medical, public health and sanitary services were under the control of the Senior Medical Officer, who was assisted by two district medical officers and one surgeon specialist/hospital superintendent.

44. In his budget speech in March 1972, Mr. Bramble said that the Government would intensify its efforts to improve these services, would expand the programme for the eradication of the Aedes aegypti mosquito and would promote further development of medical facilities at both the rural and central hospital levels. He added that the Government intended to increase its recurrent expenditure on medical and health services for 1972 by \$EC 38,614 to \$EC 484,401. In August, the Governor announced that the United Kingdom Government would provide Montserrat with assistance totalling \$EC 2.4 million for the construction of a new hospital (67 beds), on which work was expected to start in 1973.

5. EDUCATIONAL CONDITIONS

45. Primary education is free in the government and government-aided primary schools throughout the Territory. In 1971, a total of 2,636 pupils (2,641 in 1970) attended 13 government, 1 aided, 1 unaided and 2 private primary schools. The Government also maintained a secondary school with an enrolment of 222 in 1970;

the corresponding figure for 1971 is not available. During this period, the number of students enrolled in the commercial school rose from 14 to 15. There was also an extramural centre.

46. In 1971, the primary schools were served by 120 teachers, of whom 50 were well qualified. Statistics of teachers employed in the other schools are not available. Ten Montserratians undertook courses at teacher-training institutions in Antigua, Barbados and the United Kingdom.

47. Mr. Bramble stated in his budget speech in March 1972 that the Government was seeking to accelerate educational development through the expansion and improvement of educational facilities, support for pre-school education, curriculum planning and development, extension of the teacher-training programme and the upgrading of physical education. He added that the Government had decided (a) to open a junior secondary school at Salem and a technical college in Plymouth during September 1972; (b) to construct an infant school at Long Ground and a primary school at Bethel; and (c) to expand the school building at Cork Hill. Finally, he said that the Government proposed to increase its recurrent expenditure on education to \$EC 722,505, an increase of \$EC 82,560 over the previous year.

D. TURKS AND CAICOS ISLANDS*

CONTENTS

	<u>Paragraphs</u>
A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY	1 - 2
B. INFORMATION ON THE TERRITORY	3 - 59
1. GENERAL	3 - 7
2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS	8 - 24
3. ECONOMIC CONDITIONS	25 - 52
4. SOCIAL CONDITIONS	53 - 56
5. EDUCATIONAL CONDITIONS	57 - 59

* Previously issued under the symbol A/AC.109/L.854.

A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE
AND THE GENERAL ASSEMBLY

1. The Territory of the Turks and Caicos Islands has been considered by the Special Committee since 1964 and by the General Assembly since 1965. The Special Committee's conclusions and recommendations concerning the Territory are set out in its report to the General Assembly at its nineteenth and twenty-first to twenty-seventh sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1972 in regard to the Territory and subsequently approved by the General Assembly at its twenty-seventh session, and the text of General Assembly resolution 2984 (XXVII) of 14 December 1972, which concerned 17 Territories, including the Turks and Caicos Islands, have been made available to the Committee.

B. INFORMATION ON THE TERRITORY^{b/}

1. GENERAL

3. The Turks and Caicos Islands lie to the south-east of the Bahama Islands and approximately 90 miles north of the Dominican Republic. They are geographically part of the Bahama Islands, and consist of two groups of islands separated by a deep-water channel about 22 miles wide, known as the Turks Islands Passage; the Turks Islands lie to the east of the passage and the Caicos Islands to the west. The Turks group consists of two inhabited islands, Grand Turk and Salt Cay, six uninhabited cays and a large number of rocks. Six large islands make up the Caicos group, namely South Caicos, East Caicos, Middle (or Grand) Caicos, North Caicos, Providenciales (the most advanced island touristically, known locally as Blue Hills) and West Caicos; East and West Caicos now have no settlements. The total land area, including the numerous small cays, is estimated to be 166 square miles; in addition there are large areas of lagoons and salinas which could be reclaimed.

4. At the 1960 census, the population of the Territory was 5,668, of whom 5,316 were of African descent, the remainder being of mixed or European origin.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XVIII, para. 11; *ibid.*, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, para. 10; *ibid.*, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, para. 9.

b/ The information contained in this section has been derived from published sources and from information transmitted to the Secretary-General by the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 17 August 1972, for the year ending 31 December 1971.

The number of inhabitants in the Turks and Caicos Islands has remained practically unchanged, because emigration and the relatively high child mortality-rate have offset the fairly rapid rate of natural increase. The total population of the Territory in 1970 was 5,675, with an additional 6,000 to 8,000 living overseas, including 3,185 in the Bahamas. The seat of government is located at Cockburn Town on Grand Turk which has a population of 2,300.

Future development of the Territory

5. As previously noted, in late 1969 the Government of the United Kingdom, following discussions with the Government of the Turks and Caicos Islands, appointed a working team headed by Sir Derek Jakeway, former Governor of Fiji, to inquire into the Territory's potential for future economic development. In preparation for the team's work, Transport and Tourism Technicians, Ltd. (TTT), a commercial firm, was commissioned by the Ministry of Overseas Development to examine and report on the development potential of the Territory. The summary report of TTT and the report of the working team, known as the Jakeway report, were published in February and March 1970, respectively. Both reports agreed that the future development of the Territory would have to be based on tourism and real estate activities. The recommendations of the Jakeway team were summarized in the last report of the Special Committee. c/

6. In February 1971, a firm of consultants, Shankland Cox and Associates, was commissioned by the United Kingdom Government to prepare a 10-year plan as a follow-up of the Jakeway report. The plan, which was published in December 1971, contained several recommendations on the future development of the Territory. The basic studies of the Outline Development Plan led to the same conclusions reached by both the Jakeway and the TTT missions, namely that the only clearly visible way to develop the economy was by promoting the growth of tourism. Nevertheless, while emphasizing development of the tourist industry, the plan also called for measures to promote other forms of economic growth so that the future economy would not be totally dependent on tourism. The United Kingdom Government emphasized that the Outline Development Plan was merely a guide and not a blue-print for future development of the Territory.

7. During a visit to the Turks and Caicos Islands in early 1970, Mr. Joseph Godber, United Kingdom Minister of State for Foreign and Commonwealth Affairs, said that his Government had "the general approach to dependent Territories that we want them to be able to stand on their own feet financially so that they can be given genuine independence in the future if they want it".

c/ See Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, annex, sect. F, paras. 5-41.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

8. An outline of the constitutional arrangements set out in the Turks and Caicos Islands (Constitution) Order, 1969, is contained in the report of the Special Committee to the General Assembly at its twenty-fifth session. d/ In early 1973, the Order was amended in the light of the forthcoming change in the status of the Bahamas (see chapter XXII above).
9. Prior to the amendment, the government structure consisted of a governor, an Administrator and a State Council. Responsibility for the administration of the Territory was exercised by the Governor of the Bahamas. When in the Turks and Caicos Islands, he had the right to perform any of the functions conferred on the Administrator, who was the Chief Administrative Officer of the Territory with headquarters at Grand Turk. Under the amendment, the former Administrator was appointed the Governor of the Territory as from 25 April 1973. However, there were no further significant changes in the system of government.
10. The Governor may enact laws with the advice and consent of the State Council, subject to the retention by the Crown of the power to disallow or refuse consent. Except in extraordinary cases, the Governor must consult with the State Council in the formulation of policy and exercise of functions conferred upon him, but he is empowered to act otherwise than in accordance with its advice at his discretion. The State Council consists of a Speaker, three official members, two or three nominated members and nine elected members.
11. The Constitution as amended in 1973 empowers the Governor to establish one or more committees of the State Council. He may charge these committees with responsibility for certain subjects, except those reserved subjects related to defence, external affairs, internal security, the police and public service, for which he retains responsibility. The Governor also has certain powers of financial control for the purpose of securing compliance with a condition attached to financial assistance provided by the United Kingdom Government or of balancing its annual budget or otherwise.

Political parties

12. The first political party of the Territory was established in January 1972 by two Turks and Caicos Islanders living in Nassau (Bahamas). The party, which was formed by Mr. Clarence Jolly and Mr. George Silver, Sr., is known as the Turks and Caicos Labour Party (TCLP).
13. The objectives of the party are: (a) to dedicate itself to the political well-being of the Territory; (b) to be a constructive element in the legislature

d/ Ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XVIII, annex I.F., paras. 7-14.

of the Turks and Caicos Islands; (c) to help establish good government in the islands; and (d) to encourage investors to come to the Territory. According to its head, Mr. Jolly, TCLP would help move the Turks and Caicos Islands towards modern development.

14. In a statement delivered at the 2005th meeting of the Fourth Committee of the General Assembly, on 27 November 1972, the representative of the United Kingdom said, inter alia, that in the case of the Turks and Caicos Islands, the sole political party (TCLP) did not have independence as one of its objectives.

General elections

15. The last general elections were held on 9 August 1972. The newly formed TCLP won four of the nine elected seats in the State Council (three in the capital of Grand Turk and one in the Kew district of North Caicos). Mr. Jolly was among those elected in Grand Turk. The remaining five seats were won by independent candidates. As a result of this election, the party system was introduced in the Territory's legislature.

16. On 26 September 1972, the Supreme Court of the Territory was presented with an application for a declaration on the validity of Mr. Jolly's qualification for election to the State Council. This application was based on the fact that Mr. Jolly, who was also the manager of Falcon Enterprise and Adjustment, Ltd. in Grand Turk, lived outside the Territory, in Nassau.

17. The question before the Court was whether Mr. Jolly qualified under section 10 (c) of the Turks and Caicos Islands (Constitution) Order, 1969, which provides that a person shall not be qualified for election to the State Council unless "either (he) has resided in the islands for a period of 12 months immediately preceding the date of his nomination for election, or is domiciled in the islands and is resident therein at that date". (It should be noted that, in 1971, the State Council had asked the United Kingdom Secretary of State for Foreign and Commonwealth Affairs to change the word "or" to "and" in the paragraph quoted above.)

18. A seven-man jury found that Mr. Jolly had always intended to return to his native land, and, on that basis, Judge Howard of the Supreme Court ruled that Mr. Jolly had never abandoned his domicile of birth and, as "a son of the soil", was qualified for election.

Status of Turks and Caicos Islanders residing in the Bahamas

19. According to the 1970 census in the Bahamas, 3,185 persons from the Turks and Caicos Islands were living in that Territory (see paragraph 4 above). Of this number, an estimated 2,000 were working principally on New Providence and Grand Bahama. The money earned by these workers is important to the economy of

the Turks and Caicos Islands, and their remittances are a significant source of income for their relatives at home.

20. As a result of a more restrictive immigration policy initiated by the Government of the Bahamas, Turks and Caicos Islanders who, in some cases, had been working in the Bahamas for as long as 20 years, were required to apply for work permits. As a consequence, the State Council adopted a resolution authorizing the Turks and Caicos Government to seek from the Bahamas Government exemption and concessions for its nationals and, on 23 February 1972, a delegation visited the Bahamas to initiate talks on the subject.

21. During the talks, the Turks and Caicos Islands delegation requested the Government of the Bahamas to amend its laws so as specifically to exempt their nationals from the provisions of the immigration laws of the Bahamas relating to rights of residence and employment.

22. On 26 February, an official communiqué was issued by the Government of the Bahamas on the subject of the talks. According to the communiqué, the Bahamas delegation had taken the position that any privileges resulting from an amendment of laws to accommodate Turks and Caicos Islanders would have to apply reciprocally to Bahamians, and that there should be no conflict between the constitution, laws, policies and procedures of either Territory relating to immigration. It was also stated that the Turks and Caicos Islands delegation had undertaken to obtain reciprocal treatment for Bahamians living in the Turks and Caicos Islands. In the communiqué, the Government of the Bahamas indicated that it welcomed closer ties with the people of the Turks and Caicos Islands, and that the granting of resident and work permits to their nationals would continue, subject to the overriding considerations of the interests of Bahamians and conditions prevailing at any given time. The communiqué also noted the assistance extended to the Turks and Caicos Islands by the Bahamas Government in specific areas of health and education. Mr. N. B. Saunders, a member of the State Council who attended the talks in the Bahamas, said that the delegation had hoped to win more concessions for nationals of the Territory residing and working in the Bahamas. In his view, Turks and Caicos Islanders would no longer be going to the Bahamas.

Immigration

23. It was reported on 25 April 1972 that the State Council had agreed that "non-belongers" whose wives were Turks and Caicos Islanders should be allowed to live and work in the Territory without the need for a work permit, and that the necessary amendments to the Immigration Ordinance were being prepared. According to the report, the number of persons affected by this concession was quite small. Among this group were persons from Haiti.

Military bases

24. The United States of America maintains a guided missile base and a naval facility on Grand Turk, encompassing 575 acres, and a United States Coast Guard Station on South Caicos. The two military establishments employed about 80 islanders in 1970. e/ Since 1967, as the Special Committee has previously noted, the agreement between the United Kingdom and the United States concerning the Turks and Caicos Islands, has been under review by representatives of the two countries. According to reports, it was agreed in 1971 that the airfield operated by the United States Air Force in the Territory would be opened to private and commercial aircraft.

3. ECONOMIC CONDITIONS

General

25. Owing to the general poverty of the soil, low rainfall and the risk of hurricane damage, the cultivable area in the Territory is limited, and most of the Territory's requirements of food and other agricultural products are imported. Consequently, the opportunities for expansion of agriculture and forestry in the Territory are restricted. On Grand Turk and South Caicos, where 60 per cent of the population lives, few of the islanders maintain subsistence crops. On North and Middle Caicos, however, where subsistence farming is the main form of crop cultivation, beans, corn and other food crops are grown. Livestock, mainly cattle, pigs and poultry, is raised in most settlements to supplement food supplies.

26. Fishing has continued to be of great economic importance and crayfish has become the major export industry of the Territory. At the end of 1971, there were three crayfish processing plants with a total production valued at \$J 195,908. f/ The industry was reported to be expanding and extensions and improvements to the three plants were being made. The shipment of dried conch to Haiti is the second largest export of the Territory, but this industry has continued to decline. In 1971, a small plant for processing fish began operations on Grand Turk, and a plant for processing conch was opened on Providenciales; its production is destined for export to the United States. Some salt is also exported (see paragraph 36 below).

27. Owing to its poor natural resources and lack of industry, the Territory relies mainly on imported goods. The principal imports are food, beverages and manufactured articles. The value of imports exceeds that of exports, but the adverse balance is normally offset by aid from the United Kingdom, land purchases by foreigners, spending by the personnel of the United States military bases and

e/ See also Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.F., paras. 14-16.

f/ The local currency is the Jamaican dollar. See also paragraphs 48-52 below.

remittances from emigrants. In 1969, the last year for which figures are available, exports amounted to £107,978; in the same year imports amounted to \$496,693 (£88,407 from the United Kingdom, £92,531 from other parts of the Commonwealth and £315,755 from other countries). According to reports, the upward trend of prices continued in 1971, with a greater increase in the cost of tinned goods.

28. Revenues, of which the main sources are import duties, totalled \$J 1.8 million in 1970, including a United Kingdom grant-in-aid. Expenditure amounted to \$J 1.8 million. In 1971, the United Kingdom grant-in-aid was estimated at \$J 585,307 and capital aid at \$J 322,350, making an estimated total of \$J 907,657. Local revenue was estimated at \$J 699,890. Figures for total revenue and expenditure in 1971 are not available. It was reported that the United Kingdom would spend about £400,000 in the form of development aid in the Territory during 1972.

29. During the period under review, the Government continued to direct its efforts mainly towards the expansion of tourism and real estate activities, the improvement of communications and other basic facilities and the promotion of industrial development. A significant development affecting the banking and monetary system of the Territory was the decision, made in June 1972 by the United Kingdom Government, to float the pound sterling and impose restrictions on capital movements. Information on these subjects is presented below.

Real estate development and tourism

30. On Grand Turk and South Caicos, most of the land is in private ownership, although some Crown land remains. On the other islands of the Caicos group and on Salt Cay most of the land is still Crown land. As previously reported, g/ the Government of the Territory has entered into agreements with private enterprises (mainly foreign-owned interests) for the development of 11,670 acres of Crown land. It may take further action in regard to the development of another 16,340 acres, thus bringing the total to 28,010 acres or 35 per cent of all Crown lands on eight islands.

31. In 1971, land adjudication of all the islands was completed, and it has become possible to ascertain the ownership of all land in the Territory. The purchase of private land is subject to personal negotiation and is not controlled. The present policy in respect to Crown land is not to part with freehold title until an agreed amount of permanent improvement has taken place. Such land would therefore be issued on a conditional purchase lease. The conditions are usually phased in five years. Some progress must be shown within two years. The Government

g/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXII, annex, sect. F, para. 23.

would bind itself to grant freehold title at the end of the lease, provided the agreed development has taken place. If this condition is not met within the stipulated period, the land reverts automatically to the Crown.

32. As mentioned in paragraph 6 above, Shankland Cox and Associates, like the Jakeway team and TTT, have recommended that the Government promote growth in tourism, in order to improve the economic base of the Territory. Under the Outline Development Plan, which is mainly for tourist development, a total of 1,800 resort beds have been proposed for the Territory by 1985. Of this number, 1,260 would be in hotels and guest houses and the remaining 540 would be in villas. The number of visitors is expected to rise to 55,000 annually by 1985 and, as a result of the expansion of the tourist industry, Cockburn Harbour is foreseen as the largest settlement in the Territory, with an estimated population of 4,100, thus making it the major regional distributive, industrial and commercial centre. It is envisaged that, by 1985, nearly half of the jobs in the Territory will be provided by the tourist industry, but the authors of the Plan maintain that other opportunities for economic growth should be sponsored to prevent the economy from becoming wholly dependent on tourism. In the first phase of the Plan, the national infrastructure is given priority; in the second phase, social and welfare services receive priority. The development of resorts is stressed in all phases of the Plan. Capital costs of development, which would be borne by the Government, are estimated at \$J 6.0 million from 1972 to 1975, \$J 6.0 million from 1976 to 1980 and \$J 6.4 million from 1981 to 1985. Other recommendations include the following:

(a) The Turks and Caicos Islands, in its promotion policy, should seek visitors from as many sources as possible;

(b) The Tourist Board should have over-all responsibility for promotion;

(c) The promotion of visitors to the Territory must be accompanied by an equally vigorous promotion of development and investment;

(d) Although the Government should take a more positive role in promoting development by providing the engineering infrastructure, it would have to rely on private developers for much of the proposed resort development.

33. In June 1971, the Tourist Board, established in March of that year, was allocated a budget of \$J 10,000 for its first year of operations. No figures are available for 1972.

34. In February 1972, Byrne and Robertson, an architectural firm based in Nassau, was named to design the Maridian Club for Cays Development Company, Ltd., a British firm developing Pine and Water Cay. According to a spokesman for the company, the firm would design members' villas, apartments, a restaurant and a cocktail lounge, a marina, an ocean-front pavilion, tennis courts and related facilities. The club would occupy half of the island's 850 acres. The northern part of the island would be commercially developed along the lines of a new town

concept. The spokesman stated that the firm was charged with the responsibility of planning and executing a major development that would enhance the natural beauty of the island and preserve its tranquillity.

Industries

35. In recent years, industrial development has been hampered by the Territory's dependence on imported raw materials, a small domestic market and a small trained labour force. It was reported in 1971 that the manufacturing of plastic house shells to serve the Eastern Caribbean market was expected to commence shortly on Providenciales, and would give employment to 15 persons initially.

36. Salt is produced on a small scale at Salt Cay by solar evaporation of sea water. Although the salt industry was the main source of export earnings and employment for many years, production has dropped steadily owing to declining markets and rising costs. It is now being subsidized as a non-viable but necessary industry. In 1971, the value of salt exported amounted to \$J 9,526. The number of workers employed by the salt industry in the same year was 53.

37. In March 1972, talks regarding the possibility of establishing an oil refinery on the uninhabited island of West Caicos were held in the Territory between the representatives of Esso Inter America, a high-ranking United Kingdom Foreign Office official and a consultant for the petroleum industry. Further talks were held in April with the State Council and the territorial Government concerning problems relating to housing and other facilities for the 450 employees of the company, who would be based on Providenciales in the first phase of the plan for the refinery. According to reports, the main factors conducive to the establishment of the refinery in the Turks and Caicos Islands were the absence of corporate and personal taxes and the availability of very deep water near the shore, which would facilitate the discharge of crude oil and the shipment of refined oil. It was subsequently reported that the Administrator, during a visit to London, had held discussions with the United Kingdom Government concerning possible sources of finance for the new community on Providenciales, which would come into existence if the plan were implemented.

Communications and basic facilities

38. All inhabited islands in the Territory have airstrips, and, in 1971, another airstrip was opened on Pine Cay. The only airstrips that are paved are on Grand Turk and South Caicos (see also paragraph 24 above). Air Caicos, Ltd., which alone provided frequent services around the islands and regular flights between the Territory and the United States, the Bahamas and Puerto Rico, went into liquidation on 27 January 1972. According to reports, the main reason for the liquidation and the termination of operations was the unavailability of British investment capital and the refusal of the United Kingdom Government to offer more financial aid to the airline. The airline had served the Turks and Caicos

Islands since 1968, and when the Bahamas Airlines collapsed in 1970, it also operated routes between Nassau and the Turks and Caicos Islands.

39. In March 1972, Mackey International Airlines, a United States carrier, was granted an exclusive license to operate direct passenger services between Miami (Florida) and the Territory. Despite these flights, it was reported that no direct flight services to the Bahamas were available to the Territory's businessmen.

40. It was also reported, that immediately after the collapse of Air Caicos, both Out Islands Airways (OIA) and Flamingo Airlines had applied to the Bahamas Air Transport Licensing Authority for permission to fly the Turks and Caicos-Nassau route.

41. In April, 222 residents of the Territory petitioned the Governor and the Prime Minister of the Bahamas for a direct scheduled air service between their islands and Nassau. In the open letter, the signatories stated that "they have been given to understand that provision of this service rests between the two Territories and not with the British Government".

42. There are three ports, Grand Turk, Salt Cay and Cockburn Harbour, where ships can anchor offshore. A thrice-weekly mail and freight service by motor vessel connects the Territory with Jamaica. Vessels of the Pacific Steam Navigation company, sailing from the United Kingdom, also call every two months. Boats are important means of transportation between the islands. The Government maintains a motor vessel for carrying commercial freight among the islands. It also has a 100-ton barge and self-propelled crane, which is available for hire for offloading and moving freight.

43. The main roads on Grand Turk are metal; local roads on Grand Turk, Salt Cay and Cockburn Harbour are surfaced with scale from salt ponds. Basic networks of roads exist on Providenciales and on North Caicos, and a similar system was provided for Middle Caicos in 1970. In 1971, there were 197 cars and 125 trucks registered in the Territory.

44. Grand Turk is connected with Salt Cay and the Caicos by a radio-telephone system which also provides service with Jamaica and the United States. The Government operates a public telephone service on Grand Turk. In 1971, Cable and Wireless (West Indies), Ltd. actively started work on implementing plans for an automatic telephone network linking the entire Territory with the rest of the world.

45. Demand for power has increased drastically on Grand Turk, and a threat of overloading the systems was averted when a 300 kW generator and a new switchboard were installed in 1971, bringing the total capacity to 600 kW. The Caicos Company, which runs the private electric power supply on South Caicos under licence, gave one-year's notice in 1971 that it would cease running the undertaking in 1972. Further information on the subject is not available.

46. In 1972, electricity was provided to about 400 consumers on Grand Turk and 120 on South Caicos. Electricity is not available on other islands. The potable water supply is obtained almost wholly from catchments. There are a number of government wells, more or less brackish, used by cattle but useless for irrigation or human consumption.

Banking and currency

47. There is a Government Savings Bank with three branches operating in the Territory. Barclays Bank International, Ltd., also has a branch in the Territory, on Grand Turk, and sub-branches on South Caicos and Providenciales. In April 1971, the Governor opened the new Barclays Bank building on Grand Turk.

48. The unit of the monetary system in the Territory is the Jamaican dollar (\$J). It will be recalled h/ that the East Caribbean Currency Authority was established under the East Caribbean Currency Agreement of 18 January 1965 between the Governments of Antigua, Barbados, Dominica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent. On 6 October 1965, the Authority issued new currency notes, which are in circulation in all the participating countries concerned. The Government of Grenada acceded to the Authority in July 1968. The unit of the monetary system is the East Caribbean dollar (\$EC) with a fixed exchange rate of \$EC 4.80 to the pound sterling.

49. On 23 June 1972, the United Kingdom Government decided to free the pound sterling from its fixed rate and to introduce exchange control between the United Kingdom (including the Isle of Man and the Channel Islands) and the countries of the sterling area except for the Republic of Ireland. Under the new exchange control regulations, United Kingdom residents are now required to obtain permission to make direct investments in these countries.

50. The East Caribbean group and certain other Commonwealth Caribbean countries, including Jamaica, believed that the principal market for their agricultural products would remain in the United Kingdom for the near future; that they could not afford to weaken their position in the United Kingdom market by an appreciation of their currencies; and that they did not need to depreciate them in terms of the pound sterling. They therefore decided to allow their currencies to swing with the pound sterling.

51. Towards the end of August 1972, finance ministers from Commonwealth Caribbean countries met in Kingston, Jamaica, to consider financial and monetary affairs in the region. At the meeting, the recent decision of the United Kingdom Government to restrict the outflow of funds to the countries of the sterling area (including those in the region) was criticized. The intention was to take up

h/ Ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XVII, annex I.A, para. 12.

the matter at the Commonwealth Finance Ministers meeting to be held later in the year.

52. On 16 January 1973, the Ministry of Finance of Jamaica, after a decision by the Cabinet, issued a press release in connexion with the re-establishment of fixed parity for the Jamaican dollar. The press release stated that the Government had decided to put into effect the second phase of its programme to promote economic growth. On that basis, it had decided: (a) that the Jamaican dollar would cease to float with the pound sterling; and (b) to fix a new par value for the Jamaican dollar of \$J 1.00 = \$US 1.10. It is not known what effect this devaluation will have on the Turks and Caicos Islands, where the local currency is the Jamaican dollar.

4. SOCIAL CONDITIONS

Labour

53. With the growth of tourism, there was virtually full employment on Grand Turk and South Caicos in 1972. According to reports, a few Turks and Caicos Islanders were returning from the Bahamas to take up work in the Territory (see paragraphs 4 and 19-22 above). Most of the population of the Territory are fishermen who engage in a limited amount of subsistence agriculture. Some employment is provided by the subsidized salt industry on Salt Cay. A number of local men are usually absent from the Territory working on merchant ships or in construction companies in the Bahamas. The military facilities operated by the United States also provide some regular employment on Grand Turk. In 1970, a total of 1,124 persons were employed. In the Outline Development Plan it is estimated that, by 1985, the labour force in the Territory will increase to 4,160 persons, the majority of whom will be employed in tourism.

54. In 1971, a Labour Adviser from the United Kingdom arrived in the Territory to advise the Government on the establishment of a labour office and the setting up of an employment exchange. According to reports, the State Council later approved creation of the post of labour officer, to which a Turks and Caicos Islander was appointed. Unemployment remained high in the Caicos Islands, but there was little unemployment on Grand Turk, where there was a notable increase in the number of Haitians to supplement the labour supply.

Public health

55. Medical facilities in 1972 comprised a 20-bed cottage hospital of modern design on Grand Turk, a clinic on South Caicos and an out-patient and ante-natal clinic on North Caicos. The public health of the Territory was generally considered to be good. In July 1971, the post of Medical Officer for the Caicos Islands became vacant, and it proved impossible to recruit a replacement. This put a very heavy load on the Chief Medical Officer who, in addition to his duties

on Grand Turk and Salt Cay, also had to undertake regular visits to the Caicos Islands. Estimated expenditure by the Government on medical services in 1971 was \$J 104,418.

Housing

56. Turks and Caicos Islanders continued to take advantage of government layouts at concessionary prices, and many new homes were completed in 1971. The Government built new staff quarters and a four-unit apartment block on Grand Turk. Owing to the increase in the number of expatriates, there was an acute housing shortage which was reflected in higher rents. For example, the cost of renting a two-bedroom house ranged from \$J 120 to \$J 160 during the period under review.

5. EDUCATIONAL CONDITIONS

57. Education is free and compulsory for children between the ages of 7 and 14 years. There is virtually no illiteracy. In 1971, there were 14 government and 2 independent primary schools, with 97 teachers and an enrolment of 1,705 pupils. In the two secondary schools (one government and one independent), teachers numbered 13 for an enrolment of 300 students.

58. The Institute of Education of the University of the West Indies initiated an in-service teacher-training course in the Territory in 1971. A teachers' training centre was established on Grand Turk, and the United Kingdom Government provided a teacher trainer under its Technical Assistance Scheme. Plans also were initiated for establishing a vocational training centre. There are no other local training facilities, and the Government and local firms send their staff abroad for training. Public service training abroad is financed under the West Indies Training Scheme of the United Kingdom Government or the United Nations Development Programme (UNDP).

59. In 1972, the United Kingdom Government awarded a grant of \$J 166,666 to the Territory for extensions to out-island primary schools; the grant which was made under the current British Development Aid Programme (BDAP) is for the erection of new classroom blocks at Kew and Bottle Creek on North Caicos, each of which is to be supplied with a 20,000 gallon water catchment tank. Similar facilities are also being added to the schools at Conch Bar and Salt Cay. It is reported that all four schools will be provided with diesel generators for pumping and electric lighting.

CHAPTER XXV

UNITED STATES VIRGIN ISLANDS

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 902nd meeting on 23 February 1973, the Special Committee, by approving the sixty-eighth report of the Working Group (A/AC.109/L.841), decided, inter alia, to refer the United States Virgin Islands to Sub-Committee II for consideration and report.
2. The Special Committee considered the Territory at its 942nd and 943rd meetings, on 22 and 23 August, respectively.
3. In its consideration of the Territory, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 2908 (XXVII) of 2 November 1972 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, paragraph 11 of which the Assembly requested the Special Committee "to continue to seek suitable means for the immediate and full implementation of General Assembly resolutions 1514 (XV) and 2621 (XXV) in all Territories which have not yet attained independence and, in particular, to formulate specific proposals for the elimination of the remaining manifestations of colonialism and report thereon to the General Assembly at its twenty-eighth session". The Committee also took into account other resolutions of the General Assembly, particularly resolution 2984 (XXVII) of 14 December 1972 concerning 17 Territories, including the United States Virgin Islands, by paragraph 11 of which the Assembly requested the Committee "to continue to give full consideration to this question, including in particular the dispatch of visiting missions to those Territories ...".
4. During its consideration of the Territory, the Special Committee had before it a working paper prepared by the Secretariat (see annex to the present chapter) containing information on action previously taken by the Committee as well as by the General Assembly, and on the latest developments concerning the Territory.
5. The representative of the United States of America, as the administering Power, participated in the work of the Special Committee during its consideration of the item.
6. At the 942nd meeting, on 22 August, the Rapporteur of Sub-Committee II, in a statement to the Special Committee (A/AC.109/PV.942 and Corr.1), introduced the report of that Sub-Committee (A/AC.109/L.911) containing an account of its consideration of the Territory (A/AC.109/SC.3/SR.180-182, 184, 185 and 188).
7. At the 943rd meeting, on 23 August, the Special Committee adopted the report without objection and endorsed the conclusions and recommendations contained therein (see paragraph 9 below).

8. On 27 August, the text of the conclusions and recommendations was transmitted to the Permanent Representative of the United States of America to the United Nations for the attention of his Government.

B. DECISION OF THE SPECIAL COMMITTEE

9. The text of the conclusions and recommendations adopted by the Special Committee at its 943rd meeting, on 23 August, to which reference is made in paragraph 7 above, is reproduced below.

(1) The Special Committee reaffirms the inalienable right of the people of the Territory to self-determination and independence in conformity with the Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in General Assembly resolution 1514 (XV) of 14 December 1960.

(2) Fully aware of the special circumstances of the Territory, owing to such factors as its size, geographical location, population and limited natural resources, the Special Committee reiterates the view that these circumstances should in no way delay the speedy implementation of the Declaration which applies fully to the Territory. In this connexion, the administering Power should seek, in consultation with the people of the Territory and the Special Committee, a constructive approach towards solving the problems of the United States Virgin Islands.

(3) The Special Committee takes note of the following three political developments: (a) the holding of the general election for the Tenth Legislature on 7 November 1972; (b) the election on the same day of the Territory's first non-voting delegate to the United States House of Representatives; and (c) the conduct of a Territory-wide referendum simultaneously with the last general election, during which the electorate was asked to approve the recent proposals of the Second Constitutional Convention.

(4) Although these proposals seem to represent further steps leading to self-government of the United States Virgin Islands, the Special Committee considers that there is a lack of significant constitutional progress towards the full implementation of the provisions of General Assembly resolution 1514 (XV) with regard to the Territory and it reiterates its view that the above proposals tend to perpetuate the Territory's association with the United States.

(5) The Special Committee notes the statement of the representative of the administering Power that in the referendum, 7,279 electors favoured the Convention's proposals, 5,518 opposed them and 3,804 did not cast a vote; and that the Convention adopted a resolution on future political status. Bearing in mind that the results of the referendum showed that the Virgin Islanders had given no decisive support to, and expressed insufficient interest in, the aforesaid proposals, the Committee considers that these proposals and the resolution do not fully reflect the views and wishes of the people in regard to their future status. Accordingly, it again urges the administering Power not to prejudge and prejudice the status question.

(6) The Special Committee also considers that an urgent need remains for the administering Power to take concrete measures in order to encourage the people to enter into full and free discussion of all alternatives available to them for the realization of their aspirations for the political future of their Territory, with the objective of a full, speedy and effective implementation of the Declaration. In this connexion, the Committee requests the administering Power to institute an efficient political education programme in the Territory.

(7) The Special Committee is of the opinion that due consideration should be given to the views of the non-voting delegate on the proposals of the Second Constitutional Convention of the United States Virgin Islands. It notes, however, that despite invitations extended to him, the non-voting delegate preferred not to appear before the Sub-Committee concerned; and hopes that, in future, he will be willing and able to participate in the pertinent proceedings of the Sub-Committee and the Special Committee.

(8) The Special Committee notes that the Governments of the United States Virgin Islands and the British Virgin Islands have been exploring the possibility of unification of the two Territories in accordance with the vital interests and free will of their peoples. It would welcome further information on this subject.

(9) The Special Committee regrets that for the second time, the administering Power has not transmitted in time information on the Territory for the year under review in accordance with Article 73 e of the Charter of the United Nations, thus impeding the work of the Committee. It therefore urges the administering Power to make every effort to transmit such information as early as possible and, at the latest, within a maximum period of six months following the expiration of the administrative year in the United States Virgin Islands. Noting with concern that the information supplied by the representative of the administering Power, particularly as concerns constitutional and political developments, is insufficient, the Committee hopes that further and more detailed information will be provided so as to enable it to formulate specific proposals for the speedy and full implementation of the Declaration with regard to the Territory.

(10) The Special Committee expresses its concern that the decline in tourism, until recently the Territory's most important industry, is aggravating the general downward trend in the economy begun in 1970. While noting that some steps have been taken or are contemplated to promote economic diversification, the Committee nevertheless considers that much remains to be done by the administering Power before the United States Virgin Islands will possess a sound economic structure. It recognizes that an important problem confronting the Territory is the inadequacy of planning for economic development, and is of the opinion that the advice of one of the specialized agencies accustomed to dealing with such a problem might prove valuable.

(11) Aware that rising unemployment in recent years has created economic and social problems for the Territory, the Special Committee expresses the opinion that there is an urgent need to take more stringent measures to ease this unemployment situation, to improve labour relations and to strengthen law enforcement operations.

(12) Bearing in mind the important role which the United Nations has to play, in co-operation with the administering Power, in ensuring that the peoples of small Territories are given the right to self-determination in conformity with the Declaration contained in resolution 1514 (XV), the Special Committee urges the administering Power to reconsider its previous negative position on the question of visiting missions to the Territories and to reply in a positive manner to its Chairman so as to allow the early access of such a mission to the United States Virgin Islands to enable the Committee to acquire first-hand information on the situation prevailing in the Territory and to ascertain the views and wishes of the people concerning their future.

ANNEX*

WORKING PAPER PREPARED BY THE SECRETARIAT

CONTENTS

	<u>Paragraphs</u>
A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY	1 - 2
B. INFORMATION ON THE TERRITORY	3 - 76
1. GENERAL	3 - 6
2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS	7 - 35
3. ECONOMIC CONDITIONS	36 - 64
4. SOCIAL CONDITIONS	65 - 69
5. EDUCATIONAL CONDITIONS	70 - 76

* Previously issued under the symbol A/AC.109/L.884.

A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE
AND THE GENERAL ASSEMBLY

1. The Territory of the United States Virgin Islands has been considered by the Special Committee since 1964 and by the General Assembly since 1965. The Special Committee's conclusions and recommendations concerning the Territory are set out in its reports to the General Assembly at its nineteenth and twenty-first to twenty-seventh sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1972 concerning this Territory and subsequently approved by the General Assembly at its twenty-seventh session, and the text of General Assembly resolution 2984 (XXVII) of 14 December 1972 which concerned 17 Territories, including the United States Virgin Islands, have been made available to the Special Committee.

B. INFORMATION ON THE TERRITORY b/

1. GENERAL

3. The United States Virgin Islands, which lie about 40 miles east of Puerto Rico, comprise about 50 islands and islets, the three largest of which are St. Croix (84 square miles), St. Thomas (28 square miles) and St. John (20 square miles).

4. As previously noted, c/ the Territory is in the middle of population explosion. The total population was estimated to have risen from 85,600 in 1970 to between 90,000 and 100,000 in early 1972. In drawing attention to these estimates, Mr. Melvin H. Evans, Governor of the Territory, stated in March 1972 that the islands were rapidly becoming one of the most densely populated areas in the world and that limits had to be set on their future growth, with particular emphasis on the control of immigration and economic expansion.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, para. 11; ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIII, para. 10; ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXIII, para. 9.

b/ The information contained in this section has been derived from published reports and from information transmitted to the Secretary-General by the United States of America under Article 73 e of the Charter of the United Nations on 7 June 1972 for the year ending 30 June 1971.

c/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXIII, annex, paras. 4-6.

5. On 2 December, about a month after his election as the Territory's first non-voting delegate to the United States House of Representatives (see paragraphs 16 and 17 below), Mr. Ronald de Lugo expressed concern over the problem created by the sharp increase in the alien population of the Virgin Islands to an estimated 25,000 (including 5,000 believed to be there illegally). He stated that aliens had become part of the community and were vital to the labour force and thus needed some "guarantees". Nevertheless, the illegal aliens were placing a strain on the Territory's educational and other facilities, and their presence could cause resentment against other aliens, particularly among unemployed Virgin Islanders. The only way to settle the problem was through decisive government action. The United States Congress might consider giving legal aliens some sort of permanent status in the Territory, but Mr. de Lugo thought that illegal aliens would have to be told to leave and that a procedure would have to be established to ensure that they would not return.

6. According to United States immigration authorities in the Territory, the total number of registered aliens was expected to increase from some 25,000 in January 1972 to nearly 30,000 in January 1973.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

7. The basis of the Territory's administrative, legislative and judicial system is the Revised Organic Act of the Virgin Islands, 1954, which has been amended several times by the United States Congress. The two most important amendments were enacted on 23 August 1968 and 10 April 1972. The first conferred on the people of the Territory the right to elect their own Governor and Lieutenant Governor. The second amendment authorized the Virgin Islands to send a non-voting delegate to the United States House of Representatives. The main features of the present constitutional arrangements are outlined below.

Administration

8. The Governor and the Lieutenant Governor are elected jointly by a majority of the votes cast in a single vote, applicable to both offices, for a period of four years. A candidate for the office of Governor or Lieutenant Governor must be an eligible voter and must have been a citizen of the United States as well as a bona fide resident of the Virgin Islands for five consecutive years immediately preceding the election; he must also be, at the time of taking office, at least 30 years of age. The first election for Governor was held on 3 November 1970 and was contested by the three political parties of the Territory: the Democratic Party of the Virgin Islands (DPVI), the Progressive Republican Party of the Virgin Islands (PRPVI) and the Independent Citizens Movement (ICM). As no candidate received a majority of votes cast, a run-off election took place on 17 November. As a result, Messrs. Melvin H. Evans and David G. Maas were elected Governor and Lieutenant Governor respectively, both running on the ticket of the Republican Party.

9. On 20 February 1973, following Mr. Maas' resignation for personal reasons, Governor Evans submitted the name of Senator Athniel Ottley (Democrat) to the Legislature for confirmation in accordance with the provisions of the Revised Organic Act of 1954 as amended. Senator Ottley first received no confirmation and was then renominated. With the approval of the Legislature, he was sworn in as the new Lieutenant Governor on 5 April, and will hold office for the unexpired term, ending on the first Monday of January 1975.

10. The Governor may be removed from office by a referendum election, if the number of votes cast in favour of his recall is at least two thirds of the number of votes cast for him at the last preceding general election, and if these are a majority of all those voting in the referendum election.

11. The Governor is responsible for the administration of all activities of the executive branch, the appointment and removal of all officers and employees of that branch, and the execution of federal and local laws (including the application in the Virgin Islands of the Constitution of the United States and all its amendments to the extent that this is not inconsistent with the status of the Territory as an incorporated Territory of the United States). The Governor may recommend bills to the Legislature and veto any legislation as provided in the Revised Organic Act. He has the power to issue executive orders and regulations not in conflict with any applicable law. He submits an annual report to the United States Secretary of the Interior on the state of the Territory for transmission to the United States Congress.

12. The Secretary of the Interior has the power to appoint a Government Comptroller for the Territory, who may not be a member of any executive department of its Government, and whose functions include improvement of the efficiency and economy of government programmes and the auditing and supervision of the use of federal funds.

Legislature

13. The legislative power in the Territory is vested in a unicameral Legislature, consisting of 15 senators elected by universal adult suffrage for a two-year term: 7 from St. Croix, 7 from St. Thomas and 1 who must be a resident of St. John, elected at large by the voters of all the islands. To be eligible for membership in the Legislature, a person must be a citizen of the United States, aged 25 years or over and a resident of the Territory for at least three years. The Governor is empowered to fill any vacancy in the office of a member of the Legislature by appointment. Regular sessions of the Legislature are held annually, commencing on the second Monday in January (unless a different date is fixed by law). The Governor may call special sessions of the Legislature at any time when, in his opinion, the public interest may require it.

14. To be eligible to register as a voter, a person must be a citizen of the United States, aged 18 years or over and a resident of the Territory for one year. The Legislature is empowered to prescribe other qualifications provided that no property, language or income qualifications are imposed and that no discrimination is made on the grounds of race, colour, sex or religious belief. The absentee voter's bill, which was signed into law on 26 July 1972, provides for the establishment of absentee voting procedures.

Judiciary

15. The judicial power of the Territory is vested in a District Court and in a Municipal Court established by local law. With the advice and consent of the Legislature, the President of the United States appoints the judge of the District Court (who holds office for an eight-year term) and the United States District Attorney (who holds office for a four-year term). The municipal court judges are appointed by the Governor and confirmed by the Legislature. The District Court of the Virgin Islands exercises appellate jurisdiction over the Municipal Court in civil and criminal cases. The United States Court of Appeals for the Third Circuit, Philadelphia, and the United States Supreme Court exercise appellate jurisdiction over the District Court of the Virgin Islands.

Non-voting delegate to the United States House of Representatives

16. As noted above, the Territory may send a non-voting delegate to the United States House of Representatives. The delegate is elected by a majority of the votes cast at a general election. To be eligible for this office, a candidate must: (a) be at least 25 years of age; (b) have been a citizen of the United States for at least seven years prior to the date of the election; (c) be an inhabitant of the Territory; and (d) not be, on the date of the election, a candidate for any other office. The delegate receives the same compensation, allowances and benefits as a member of the House of Representatives except for a reduced travel allowance and a 60 per cent staff allotment.

17. At the general election held on 7 November 1972, Mr. Ronald de Lugo of the Democratic Party, formerly a representative of the Virgin Islands in Washington, D.C., was elected the Territory's first non-voting delegate to the House of Representatives. Soon after he had been sworn into office on 4 January 1973, the House of Representatives adopted a resolution conferring on him full voting rights and privileges on committees to which he would be assigned. On 15 January, he was elected a member of the Committee on Interior and Insular Affairs of the House. On 26 February, he was named to the Sub-Committee on Territorial and Insular Affairs, which handles most legislation affecting the Territory, as well as to the sub-committees dealing with national parks and environment where, he said, his membership would help efforts to protect and preserve the air, beaches, parks and surrounding waters of the Virgin Islands.

Second Constitutional Convention

18. As previously noted,^{d/} the Second Constitutional Convention, which held its first meeting in September 1971, was called for the purpose of renaming and further amending the Revised Organic Act of 1954. Of the 33 delegates sent to the Convention, 15 were members of the Legislature and the others were equally divided

d/ Ibid., paras. 15-22.

among the three political parties. The territorial committee of each party chose its own delegates. The Convention drafted a federal relations act, outlining a framework for the relationship between the Territory and the United States, and a Constitution. Both proposals were approved, on 10 August and 11 September 1972 respectively. According to the unofficial figures released by the Supervisor of Elections, these proposals were approved by a vote of 7,279 to 5,518 in a referendum held on 7 November at the time of a new general election for the Legislature. The Convention adjourned on 21 November after it had established the nine-member Virgin Islands Constitutional Government Committee designated to present the proposals to the United States Congress. Prior to its adjournment, the Convention also adopted a resolution concerning the Territory's future status.

Proposed constitution

19. The Convention recommended that the draft constitution should be entitled "Constitution of the Territory of the United States Virgin Islands". The main differences between the proposed constitution and the Revised Organic Act are as follows:

20. To be eligible for the office of Governor or Lieutenant Governor, a person must have been born in the United States Virgin Islands or have been a bona fide resident of the Territory for 10 consecutive years (instead of 5, as at present) immediately preceding the election. The Governor, together with the Lieutenant Governor, would be elected by a plurality of not less than 40 per cent of the votes (instead of a majority of the votes). In the case of permanent vacancies in the offices of both Governor and Lieutenant Governor, the President of the Legislature would become Governor, unless the vacancies occurred more than one year before the next general election. In that case, a special election would be required. The Governor and Lieutenant Governor would be required to devote full time to their duties, and they would be specifically prohibited from practicing any trade or profession during their terms of office. The Legislature would have the power to initiate a referendum election for the removal of the Governor, following receipt of a petition for such a referendum from registered voters equal in number to at least 40 per cent (instead of 50 per cent) of the total number of votes cast for the Governor at the last general election. The Governor would be required to furnish members of the Legislature with copies of all executive orders within 10 days after their issuance. He would also be required to report annually to the Legislature (instead of to the United States Secretary of the Interior) on the state of the Territory. A comptroller, responsible only to the Government of the Virgin Islands, would be appointed for a five-year term by the Governor with the advice and consent of two thirds of the Legislature.

21. Provision would be made for the reapportionment of the unicameral Legislature at least every 10 years, beginning in 1980. To be eligible for membership in the Legislature, a person would have to be at least 21 years of age and a resident of the Territory for at least five years. Vacancies in the Legislature occurring 12 months prior to the next general election would be filled by a special election, and other vacancies would be filled by the President of the Legislature on the recommendation of the territorial committee of the political party of which the

previous office holders were candidates. The Governor would be obliged to convene a special session of the Legislature at the request of two thirds of its members. The Legislature would be empowered to impeach certain executive and judicial officers as well as to expel any senator for cause by a three-fourths vote.

22. Every citizen 18 years of age and over would have the right to vote subject to minimum residency requirements to be determined by the Legislature. Qualifications for voters would not be based on literacy or political belief. The Legislature would be given the responsibility of enacting laws to ensure secrecy in voting and to provide for the registration of voters and absentee voters, the administration of elections and the nomination of candidates.

23. The proposed constitution would provide for a unified judicial system with the Superior Court as the highest territorial court. Courts of lesser jurisdiction would be created by law. Judges would be appointed by the Governor with the advice and consent of the Legislature. Judges of the Superior Court would hold their offices for an initial term of seven years. If reappointed, a Superior Court judge would then hold office until the age of 70 years, unless the judge retired or was removed according to law. The judges of the lesser courts would hold their offices for such terms as provided by the Legislature.

24. The proposed constitution would contain provisions regarding municipalities, a bill of rights and the procedure for amending the constitution. The bill of rights would not depart greatly from that in the Revised Organic Act, and would include all the basic constitutional guarantees of the Constitution of the United States and those of most of its 50 states, as well as guarantees relating to newly evolving human rights, such as rights established by recent decisions of the Supreme Court.

Proposed federal relations act

25. Following approval by the Virgin Islanders, the proposed constitution and federal relations act would be submitted to the United States Congress. The latter would be asked to pass this act, which would take the place of the Revised Organic Act of 1954. The proposed act would recognize the right of the people of the Territory to adopt and amend a constitution of their own making, would provide for the establishment of procedures for the ratification and proclamation of such a constitution and would be in the nature of a compact, meaning that the consent of both parties concerned would be required before it could be changed. Furthermore, the proposed act would define the geographical scope of the Virgin Islands, and deal with legislative, judicial, economic and financial relations between the Government of the Territory and that of the United States.

Resolution on status

26. In its resolution of 11 September 1972, the Second Constitutional Convention reaffirmed the spirit of the declaration contained in the resolution adopted in 1965 by the First Constitutional Convention on this subject; expressed its

appreciation of the recent enactments of the United States Congress promoting constitutional advance in the Territory; expressed its confidence that the United States would continue to grant more autonomy to the Virgin Islands; and stated that it recognized and exercised the right to self-determination and independence. The Second Constitutional Convention, therefore, resolved that "the people of the Virgin Islands continue to be opposed to independence from the United States of America" and "desire to continue in the close association with the United States of America, and to remain a territory under the constitutional system of the United States with fullest measure of the internal self-government".

Views of Mr. Ronald de Lugo

27. On 30 November 1972, following his election (see paragraphs 16 and 17 above), Mr. de Lugo suggested that a new constitutional convention composed of popularly elected delegates should be called to redraft the proposed constitution of the Territory for presentation to its voters in a special referendum. He said that he did not oppose the proposed minor constitutional changes as such; nor was he seeking to thwart the will of the people. Rather, he expressed concern that the recently adopted constitutional proposals would meet with a cool reception in the United States Congress, because they had failed to receive an overwhelming endorsement from Virgin Islands voters, many of whom had ignored the constitutional question in the referendum at the time of the last general election (see below). He attributed this failure to the following factors: (a) the members of the Second Constitutional Convention were chosen by political parties rather than the public; (b) there was little discussion of the proposed constitutional changes among the people, who felt that "great strides" had been made in local autonomy and who were more concerned with improving day-to-day affairs; (c) the public might have been unwilling to get involved in what could have been interpreted as a "status issue"; (d) many voters might have been unable to handle so many ballot papers on 7 November; and (e) the legislation providing for the approval of the constitutional proposals by only a plurality rather than a majority might have doomed them from the start.

Political parties and elections

28. The general election for the 15 elected seats in the Tenth Legislature took place on 7 November 1972. It was mainly contested by three political parties: DPVI (by far the largest in terms of its numerical strength), which had held 6 of the 15 elected seats in the Ninth Legislature; ICM, which had also held 6 seats; and PRPVI, which had held 3 seats. In addition, two persons ran as independent candidates. In the final results, DPVI and ICM each secured 7 seats and the remaining seat went to PRPVI. The first meeting of the Tenth Legislature was held on 8 January 1973, when Mr. Claude Molloy (ICM) was elected its president. On 3 May, the Governor appointed Mr. Raymond Smith (Republican) to fill the seat vacated by Lieutenant Governor Ottley in the preceding month (see paragraph 9 above). The present state of the parties in the Tenth Legislature, is therefore as follows: ICM, 7 seats; DPVI, 6 seats; and PRPVI, 2 seats.

New legislation

29. Thus far, the United States House of Representatives has not acted on a bill passed by the Senate on 3 May 1973, which would reduce the minimum age for membership in the Territory's Legislature from 25 to 21 years. The President of the United States was scheduled to sign before 19 October another bill to provide for the establishment of a 450-man unit of the National Guard in the Virgin Islands. The unit would be under the direct control of the Governor. A similar bill passed by the Legislature was signed by the Governor on 9 February. Earlier, he had signed the absentee voter's bill (see paragraph 14 above), as well as several bills concerning the prevention of crime and juvenile delinquency. He also announced that he would submit to the Tenth Legislature a series of bills aimed at improving conditions in the Territory (see paragraph 32 below).

30. Also in February, the delegates of the United States Virgin Islands and Guam introduced two bills in the House of Representatives: one to give their Territories the right to vote in the election for the President and Vice President of the United States, and the second to abolish the electoral college system of the United States and to extend to the two Territories the right to vote in its national elections.

Report on the state of the Territory

31. In an annual report on the state of the Territory presented to the Tenth Legislature on 8 January 1973, Governor Evans noted that the United States had granted greater autonomy to the people of the Territory in 1972, when they had elected Mr. de Lugo as their first representative to the United States Congress. He considered that Mr. de Lugo's presence should go a long way towards securing better representation for the United States Virgin Islands and reducing the numerous occasions on which the Territory was omitted from consideration by the United States Government.

32. In reviewing the state of the Territory, the Governor said that it was "basically sound" and had to be measured in terms of the people's aspirations: a safe and progressive society in which to live and work. In this connexion, he noted that the Territory was being threatened by "lawlessness, violence and terrorism" (apparently a reference to the situation which has prevailed since eight persons, including four terrorists from the United States, were murdered at the Fountain Valley Golf Club on St. Croix in September 1972), and that for the first time in the history of the Virgin Islands, there existed fear, ethnic tensions, outspoken intolerance, disregard for authority and law on an unprecedented scale and threats posed by groups of terrorists. He believed that among the causes of those problems were uncontrolled growth of tourism leading to uncontrolled importation of workers and the slackening of the economic boom of the 1960s, resulting in rising unemployment especially among the 18-25 age group, and a breakdown in family and social structures. Despite efforts to cope with these problems, he stated, much remained to be done. He therefore announced that he would submit a series of bills to the Legislature for action on these matters. Two of the bills would provide for the creation of "a first-rate insular police capability" and the expansion of the jurisdiction of the Municipal Court to include juvenile and family courts, plus the transfer of the civil cases

normally handled by the District Court to the Municipal Court. In order to improve human relationships, the Governor considered it necessary to return to tolerance, trust, understanding and respect for human dignity. Other information and proposed legislation contained in the Governor's report are summarized below.

Military activities

33. On 27 January 1973, Mr. Melvin R. Laird, then United States Secretary of Defense, announced that the military draft had been brought to an end. In late February, Colonel J. A. Christmas, Director of Selective Services for the Virgin Islands, said that although draft calls had ended, the Military Selective Service Act of 1967, as amended, would still require men in the Territory to register for the draft when they reached the age of 18, and that the local selective service boards would continue to process some of those men in order to have a "readily available pool in the event of a national emergency".

34. Early in 1967, the United States transferred its former naval base on St. Thomas to the territorial Government but retained the right to reoccupy the facilities at the base. e/ On 1 March 1973, Mr. Jerome Saul, Executive Director of the United Services Organization (USO) which acts as liaison with the United States Navy for ships visiting the Territory, was said to have denied reports that an order had been issued closing St. Thomas to naval visits. He added that, owing to a cutback in appropriations for the United States Department of Defense, fewer naval ships had visited the island during the year than in the recent past for the purpose of carrying out training and exercise manoeuvres in the Caribbean.

Relations with the British Virgin Islands

35. Information on this subject appears in the latest report of the Special Committee on the British Virgin Islands (see chap. XXIV, annex, sect. A, paras. 14-19 above). Briefly, Mr. N. D. Matthews, Acting Governor of the British Virgin Islands, and Governor Evans together with political leaders, government officials and representatives of various organizations of the two Territories, met on 21 October 1972 to celebrate the first officially proclaimed Friendship Day in Road Town, the capital of the British Virgin Islands. The aim of this celebration was reportedly to establish lasting ties between the two Territories which, at one point, are separated by only 300 yards of sea. Some of the legislators looked forward to the absorption of the British Virgin Islands into the United States Virgin Islands possibly within 5 to 10 years. According to Mr. A. D. Scott, Assistant Under-Secretary in the United Kingdom Foreign and Commonwealth Office, "Her Majesty's Government in London would have no objections to the two groups of islands getting together". As a first step, arrangements were being made for the elimination of red tape governing travel between the two Territories. It was reported that the next celebration of Friendship Day would take place during 1973 in the United States Virgin Islands.

e/ Ibid., para. 29.

3. ECONOMIC CONDITIONS

General

36. During the 1960s, the Territory's economy made substantial progress, particularly in the sectors of tourism and manufacturing. f/ Under the impact of the recession in the United States, however, the upsurge in total economic activity was followed by a downward trend in 1970 and 1971. This was primarily attributed to a decline in the tourist industry which continued into 1972, when average per capita income was reported to be \$2,800 g/ (\$3,880 in 1970).

37. The leading industrial concerns in the Territory are engaged in oil refining, aluminium production, the assembly of watches, the processing of foreign-made wool fabrics and the distillation of rum. They export all their products except for a small part of the rum production. Agriculture, fishing and stock breeding play a minor role in the economic life of the Virgin Islands. Apart from some building materials produced for the local market, there are no minerals of commercial significance.

38. Nearly all the Territory's requirements are imported. Imports were valued at \$551.6 million in 1971 and \$605.2 million in 1972; exports for the same years amounted to \$325.8 million and \$371.8 million. Although the Territory's unfavourable balance of trade widened in 1972, it was offset by the inflow of foreign capital and tourist spending.

39. The weakness of the Territory's trade position lies in the fact that its productive resources are insufficient to satisfy local requirements. The inadequacy of such resources also causes inflation to accelerate. In March 1973, under a bill recently passed by the Legislature, a seven-member Cost of Living Commission was established to curb inflation through the introduction of price controls. Earlier, the Governor had announced that he would propose legislation to provide greater consumer protection. He also estimated unemployment at about 4 per cent of the labour force (nearly twice the rate of the previous year).

40. According to the Governor's report on the state of the Territory, little economic progress was made during 1972. Certain basic facilities and building activity had been expanded and hotel business had shown a slight improvement but manufacturing had declined. The economy as a whole therefore remained sluggish. Despite its poor performance, there were signs that an upturn might be at hand.

41. The deterioration of the economic situation was also reflected in the decline in total bank deposits by \$52.7 million, to \$750.9 million in 1971/72. During the year, an eighth bank, the People's Bank of the Virgin Islands, was established, which

f/ Ibid., paras. 30-33.

g/ The local currency is the United States dollar.

has close relationships with three United States financial institutions, including the Morgan Guaranty Trust Company of New York. In January 1973, Mr. Victor Schneider, Director of the Small Business Development Agency (formed in 1969 to encourage increased participation by Virgin Islanders in the economic and commercial development of the Territory), said that he was preparing legislation to set up a government development bank to serve as the fiscal agent of the Government, a lending institution to industry and as economic adviser to the executive and legislative branches of the Government.

42. During the same month, Mr. Claude Molloy, President of the Tenth Legislature, who is also a member of ICM (see paragraph 28 above) said in a speech to the Virgin Island Businessmen's Association in St. Croix that "the greatest emergency in the Virgin Islands community is the high and rising unemployment" and that "the only way out of the situation is to continue to rely on outside investment... at least for the next decade", while at the same time increasing local savings, which had not been done in the past.

Tourism

43. Statistics published by the territorial Government in February 1973 show that the earnings of the tourist industry, until recently the mainstay of the economy, grew at an average rate of about 35 per cent a year between 1964/65 and 1968/69. They reached a record \$122.3 million at the end of this period, subsequently decreasing to \$100.5 million in 1969/70 and \$91.1 million in 1970/71. In 1971/72, however, a total of 1.1 million tourists (including 364,645 cruise ship passengers) visited the Territory, spending an estimated \$108.7 million, a 20 per cent gain over the previous year. Between 1964 and 1972, the number of hotel beds increased by about 15 per cent annually, from 3,911 to 8,932.

44. Although noting that the hotel business had shown a slight improvement in 1972, the Governor pointed out that the industry faced many problems including the following: (a) more and more tourists were using cruise ships and spent much less than air travellers; (b) the industry's competitive position was being weakened by high labour costs and low air fares for certain European destinations; and (c) there was an urgent need to intensify law enforcement (see paragraph 32 above).

45. Among the measures being taken or contemplated as a means of coping with these problems were: (a) an expansion of the promotion programme for visitors; (b) the provision of more opportunities for young people in tourist-related businesses; (c) the adoption of policies aimed at tackling social ills, including the strengthening of the Department of Public Safety and the appointment of a new Public Safety Commissioner; and (d) further development of basic facilities, including those for tourists, a major project being extensions to the Caribbean Reef Club at an estimated cost of \$6 million.

Water Island

46. In 1944, Water Island, the fourth largest of the United States Virgin Islands (500 acres), had been acquired by the United States Government from the original owner for \$10,000. In December 1952, the Department of the Interior leased the island to a private firm, Water Island, Inc., for 20 years with a 20-year renewal option at a base rent of \$3,000 annually; all lessees and sublessees were exempt from real estate taxes. The lease provided that the firm "shall develop Water Island as a resort area, comprising a hotel, private homes, recreational and ancillary service facilities". In December 1965, the firm, with the consent of the Department, assigned its lease to Water Isle Hotel and Beach Club, Inc. (WIHBC).

47. In April 1972, the Acting Comptroller completed, but did not publish, a report on conditions on Water Island. During the same month, the Legislature passed a bill requesting the Governor to conduct a comprehensive study of the legal, social economic and physical conditions on the island under the above-mentioned lease. It also adopted a resolution requesting the United States Government to transfer control of the island to the territorial Government. On 3 May, the Governor signed the bill into law and appointed a five-member commission to carry out the study.

48. On 19 June, WIHBC announced that it had submitted to the Department of the Interior an application for a 20-year renewal of the lease in question. On 2 March 1973, the Department confirmed that it had approved the application in January. As a consequence, Mr. de Lugo introduced a bill in the United States House of Representatives which would authorize the Department of the Interior to acquire the company's leasehold and subsequently transfer Water Island to the territorial Government. It would also require the United States Government to pay back any property tax assessment. In introducing the bill, he said that the original intent of the lease had not been fulfilled; WIHBC had made no effort to offer its subleased parcels of land to the Virgin Islands public; and the island appeared to be operated on a "restrictive, discriminatory" basis, producing "social tension and misunderstanding". At his request, the reports prepared by the Acting Comptroller and the Water Island Commission were made public. They expressed views similar to those of Mr. de Lugo. On 19 April, Mr. de Lugo was reported to have been joined by 16 members of the House of Representatives in reintroducing the proposed legislation.

New investment incentive programme

49. In recent years, the Governments of the United States and the Virgin Islands have sought to stimulate economic development in the Territory through the provision of fiscal incentives and trade concessions for private investors. Until July 1972, private enterprises had obtained tax exemptions and the return of federal levies under an industrial incentive programme. On 20 July, a new investment incentive programme came into effect which enables more industries to take advantage of tax incentives. Industries must make a minimum investment before being considered for benefits. The amounts to be invested are specified under the programme; they range from \$25,000 for a non-polluting light industry to \$1.5 million for builders and operators of 18-hole golf courses.

50. Benefits include both tax exemptions and subsidies, but the period is shorter than that under the old programme. A period of no more than 10 years, including the initial and operational renewal periods, is granted for most incentives, with a period of not more than 6 years for real property exemptions. At the same time, regulations are stricter; an individual investor must be a United States citizen or a permanent resident who has lived in the Virgin Islands for at least three years; and a company must be incorporated in the Territory. Strict ecological standards must be met and, with very few exceptions, both workers and firms from whom goods or services are purchased must be of local origin. Programmes for training local workers must be established. Provision is also made for the creation of an eight-member Investment Incentive Commission appointed by the Governor.

51. In his latest report on the state of the Territory, the Governor announced that he would submit to the Legislature proposals for the revision of the investment incentive programme, after an analysis of the incentives offered by competing areas had been completed. Meanwhile, the implementation of the programme was being delayed. Nevertheless, the search for the type of industries the Territory needed had been continued. The Governor also said that the Government would assist industrial concerns in carrying out training programmes aimed at producing more qualified Virgin Islanders to fill posts at all levels and at maintaining strong and healthy industries in the Territory.

Industry

52. Governmental policy to encourage industrial investments has given strong stimulus to manufacturing, notably oil refining, on which the economy is now mainly based. The first refinery (whose capacity in 1972 was increased by 20 per cent to 60,000 barrels a day) was established on St. Croix in 1965 by the Hess Oil Corporation, a subsidiary of Amerada Hess Corporation of the United States. Under the existing arrangements, which went into effect on 1 January 1968, the corporation has the right to export to the United States a quota of 15,000 barrels of oil per day, and is obliged to pay the territorial Government 50 cents a barrel per year on this quota, but not on any additional amount. The corporation is entitled to 100 per cent exemption of the customs duties paid to the United States on oil exports from the Territory and a rebate of 75 per cent of corporate income taxes payable to the territorial Government for a period of 16 years. The corporation is required to build petrochemical facilities designed to widen employment opportunities in the Territory as well as to maintain an 80 per cent indigenous labour force. In late 1971, the Department of the Interior notified the corporation of the proposed revocation of its quota because of its failure to fulfil these requirements. The corporation claimed that the loss of its right to export oil to the United States would jeopardize its \$250 million investment in the United States Virgin Islands. In June 1972, the Department decided that the corporation should not be deprived of that right and that further consideration would be given to the possibility of starting revocation proceedings. After having been permitted to export some 2 million barrels of heating oil to the United States in the period 1 January to 30 April 1972, the corporation announced a voluntary commitment to pay 50 cents a barrel on exports in excess of the quota. In March, the corporation began to explore the possibility of constructing a \$30 million petrochemical plant on St. Croix.

53. A further important development was the enactment on 10 January 1973 of a bill permitting the establishment of a refinery by the Virgin Islands Refinery Corporation (VIRCO), owned by United States interests. Under the bill, VIRCO would be exempt from nearly all taxes and duties and would receive a 65 per cent income tax subsidy for a period of 16 years. In return, VIRCO would be required: (a) to pay the territorial Government a royalty of 5 cents per barrel on shipments out of the Virgin Islands during the first 5 years and 10 cents thereafter; (b) to approve a \$2-million loan for improvements of the Frederiksted harbour facilities on St. Croix; (c) to make contributions totalling at least \$2.6 million to the Virgin Islands Scholarship Fund; (d) to meet strict ecological standards; and (e) to maintain a 75 per cent local labour force.

54. Following the passage of the bill, VIRCO announced that, in mid-1973, it would begin constructing the refinery on St. Croix at a total cost of over \$150 million. The refinery would be designed to utilize and desulphurize 100,000 barrels of crude oil per day. Of the daily output, 80 per cent would be low sulphur-content residual fuel and the remainder naphtha. The major customers for the products of the refinery would be the leading utilities on the Atlantic coast of the United States, where no oil import quotas were set on residual fuel. No application would be made for a quota. On the commencement of the construction work, the company would begin a training programme in pollution control for its personnel. Seventy-five per cent of the construction workers would be recruited in the United States Virgin Islands.

55. After signing the bill, the Governor said that he had based his action on the economic benefits which the Territory would derive from the establishment of a second refinery. He stressed the importance of widening employment opportunities in the Territory and reducing its dependence on tourism, the growth rate of which was declining. He pointed out that oil refining had recently become the principal source of public revenue. From 1969 to 1971, the Hess Oil Corporation and its affiliates had paid \$22.6 million in taxes, while all hotels and tourist-related businesses had paid about \$17 million. He also said that in another 10 years when the tax incentives ran out, the United States Virgin Islands would receive all of the corporation's taxes, (some \$24 million annually), even if it did not expand its operations. In conclusion, the Governor expressed his belief that the refinery would create no pollution problem, and that "the benefits far outweigh any possible disadvantages".

Communications and other basic facilities

56. From 1971 to 1973, the Territory received \$2 million annually in federal highway funds. In April 1973, the Governor was informed that the United States Congress would soon give final approval to a bill, whereby \$2.5 million annually would be made available to the Virgin Islands for the years 1974-1976.

57. Ocean-going ships use Charlotte Amalie harbour on St. Thomas or Frederiksted harbour on St. Croix. A third seaport, also located on St. Croix, takes smaller vessels. In July 1972, it was announced that the Government was considering the proposal of the Hess Oil Corporation to build a container port on St. Croix at an estimated cost of \$8 million. Under the proposal, the port would be jointly owned

by the Government, which would reap all profits, and by the corporation, which would control the port's operation on a non-profit basis. At present, 12 shipping lines provide regular services to the Territory.

58. There are two main airports: Harry S. Truman Airport on St. Thomas and Alexander Hamilton Airport on St. Croix. The Territory is served by 6 air carriers, 2 scheduled air taxis, and 14 non-scheduled air taxis and charters. In 1971/72, a total of 742,850 passengers (657,058 in 1970/71) arrived by air. In his latest report on the state of the Territory, the Governor stated that efforts were being made to improve airport facilities. The instrument landing system at Hamilton Airport had been almost completed, and all work needed to maintain present air services at Truman Airport would be completed on 20 May 1973. A new 7,200-foot runway would also be constructed at the latter airport.

59. The Virgin Islands Telephone Corporation, a subsidiary of International Telephone and Telegraph Corporation (ITT) of the United States, provides all three main islands with an automatic dial system. In 1972, there were 30,855 telephones in use, compared with 26,820 in the previous year. ITT and Cable and Wireless/Western Union International together operate external telecommunications services.

60. The Virgin Islands Water and Power Authority, a public body set up in 1965, has sought to expand supplies of water and power. In September 1972, it awarded a \$6.5-million contract to build two sea-water distillation plants, each capable of producing 2.3 million gallons of fresh water daily. Upon their completion in 1974, the Authority will operate six such plants (four on St. Thomas and two on St. Croix), with a total capacity of 9.3 million gallons of fresh water daily. St. John continues to depend on rainfall and catchment areas and water brought in barges from St. Thomas. Water consumption increased from 1,166 million gallons in 1970/71 to 1,296 million gallons in 1971/72; gross power output rose from 305,314 million kWh to 347,953 million kWh during this period.

61. In August 1972, the Government established a sewage disposal plant on St. Croix. Another was expected to be put into operation on St. Thomas in early 1973. The Governor has also requested an increase in charges for water and sewer services to stop the drain on public revenue.

62. In November 1972, the Authority called for bids for an \$18-million bond issue for extension of the electric power system.

Public finance

63. In his latest report on the state of the Territory, the Governor said that there was a clear need for additional revenues, and he stressed the necessity of re-examining the tax structure with a view to obtaining maximum revenues, reducing the cost of collection and closing tax loop-holes.

64. On 11 February 1973, he presented to the Legislature a record budget of \$151.9 million for the fiscal year 1974, representing an increase of \$27.4 million over the previous year, attributed mainly to inflation, population growth and expanded public services. The Governor proposed to double gross receipts taxes in order to finance the 1974 budget. The principal source of revenue would still be income taxes, however, which were expected to total \$61.3 million. The main items of recurrent expenditure in the proposed budget would be as follows: education, \$30.6 million; health, \$19.8 million; public works, \$13.9 million; public safety, \$9.1 million; social welfare, \$6.7 million; finance and commerce, \$4.2 million each; the College of the Virgin Islands, \$4.0 million; and conservation and cultural affairs, \$3.1 million. The Matching Fund would be maintained, into which the United States would pay federal taxes on rum imports from the Territory. The receipts of the Fund in 1973/74 were estimated to be \$20.2 million. It was proposed that \$4.0 million of this sum should be used for covering recurrent expenditure and the remainder for debt servicing (\$3.4 million) and investment projects, principally road construction (\$4.7 million). The law establishing the Fund stipulates that federal taxes returned to the Territory should be spent only on capital development.

4. SOCIAL CONDITIONS

Labour

65. The labour force in 1972 was estimated at about 38,000. The unemployment problem has remained unresolved since 1970, when the economic slowdown began. In order to cope with this problem, two laws were enacted in April 1971 and September 1972. One provides for unemployment compensation and the other establishes a Full Employment Administration to carry out programmes for job training, development and placement. The territorial Government estimated the unemployment rate at 4.1 per cent in March 1973; during the month, unemployment benefits paid out amounted to \$187,575. Workers in the construction and service industries were most heavily affected.

66. According to a report published by the United States Department of Labor in February 1973, 11,600 alien workers were granted labour certificates during 1972 (11,569 in the previous year). Employment by major industrial groups was as follows: construction industry, 35.5 per cent; commercial services (including hotels and restaurants), 17.2 per cent; and private households, 15.1 per cent. (See also paragraphs 4-6 above and paragraphs 75-76 below.)

Housing

67. In his report on the state of the Territory, the Governor referred to the Government's vigorous efforts to overcome the long-standing housing shortage. In 1972, 816 housing units had been erected. At present, 1,772 new units were under construction and another 1,094 were in an advanced planning stage. In its annual

report for 1972, the Department of Housing and Community Renewal stated that at the current rate of production, it would take 10 years to build sufficient housing to satisfy the 7,500 applications on file with the Virgin Islands Housing Authority and that, based on population projections, 3,000 units of new housing would be needed annually for the next 10 years.

Public health

68. In his report on the state of the Territory, the Governor said that the two general hospitals (one on St. Thomas and the other on St. Croix) were being enlarged by the addition of 50 beds each. Work on their extensions was expected to be completed in early 1973, when they would have 207 beds and 170 beds respectively. Noting that the Virgin Islanders were generally healthy, the Governor nevertheless pointed out that the Territory was being threatened by drug abuse. He therefore proposed legislative measures that would make mandatory the tests available to detect drug users and the treatment of drug addicts, and would impose even stiffer penalties on drug importers, dealers and pushers. In the budget for the fiscal year 1974, he proposed to spend \$19.8 million on public health, an increase of \$1.9 million over the previous year.

69. Expenditure on public health in 1972/73 was \$17.9 million, compared with \$17.1 million in 1971/72. Health programmes and services continued to be expanded to meet the additional demands of a steadily increasing population.

5. EDUCATIONAL CONDITIONS

70. Education is compulsory between the ages of 5 1/2 and 16 years. Public and non-public (private and parochial) schools provide primary, junior, secondary and vocational education; there are also kindergartens on St. Thomas and St. Croix. On St. John, the Government operates only kindergartens and primary and junior schools. The majority of pupils (about 80 per cent) are enrolled in the public schools.

71. In his report on the state of the Territory, the Governor made the following observations concerning educational development in the Territory. Between 1969 and 1972, the total enrolment of the public schools rose from about 10,000 to over 20,000. To meet demands, the Government acquired or constructed six new schools, a seventh school was nearing completion and three more were planned. The classes in the public schools were now limited to between 30 and 35 students instead of about 70 students. Moreover, there had been a considerable increase in the number of teachers employed in the schools and also in their salaries. As a result, government expenditure on education rose by about 200 per cent.

72. Emphasizing the importance of making education more relevant to the needs of the Territory, the Government had implemented a comprehensive vocational education programme. At present, 5,211 students in grades 3 through 8 were receiving pre-vocational training and 1,186 others in grades 9 through 12 were

receiving vocational training. The total of 6,397 pupils represented a 20 per cent gain over the previous year. Other measures taken included: (a) the introduction of career education programmes in five schools, with immediate plans for all other schools; (b) an increase in co-operation between private enterprises and the school system, including the conversion of the vocational school run by the Hess Oil Corporation on St. Croix to a vocational training centre and the construction of another centre on St. Thomas, work on which was expected to be started in February 1973; and (c) the carrying out of seven smaller projects such as an individual referral scheme, under which 20 Virgin Islanders were sent to the United States to undertake technical courses. Moreover, efforts were being made to expand the adult basic training programme leading to a high school diploma. In 1972, over 1,000 students (460 in 1971) were enrolled in this programme.

73. A United States law enacted in June 1972 gave land grant status to the College of the Virgin Islands on St. Thomas, with authorization for an initial endowment of \$3 million and annual grants of \$450,000. The College continued to provide higher education and degree courses. In 1972/73, it had 576 full-time (508 in 1971/72) and 1,200 part-time (1,184 in 1971/72) students. In September 1972, the College started a programme to assist entering freshmen and transfer students in need of additional preparation in basic learning skills. In November, computer-aided instruction schemes were initiated at the College and at its extension centre on St. Croix with a grant from the United States Government. The schemes have been developed in a wide variety of subjects ranging from primary school to university levels.

74. The Governor emphasized the need for increased investment in the educational system, and proposed that \$34.6 million (including a contribution of \$4.0 million to the College of the Virgin Islands) should be spent on education in the fiscal year 1974. This figure represented the largest single appropriation in the budget.

75. On 27 March 1973, the Virgin Islands Department of Education was reported to have forwarded to the President of the United States an appeal for \$6 million in emergency aid, together with a covering letter from Governor Evans. In proposing this aid, Mr. Harold Haizlip, the Education Commissioner, recalled that, in 1970, following a relaxation of the immigration law, the District Court of the Virgin Islands had ruled that all non-citizen children legally living in the Territory were eligible to attend the public schools. He claimed that, as a result of this ruling, over 7,500 students out of the nearly 21,000 in the schools were in that category, a major reason for the nearly 100 per cent increase in the school population since 1968. He noted that educational expenditure by the territorial Government had risen from \$9.6 million in 1967/68 to \$30.4 million in 1972/73, although the federal contribution had remained at \$1.6 million. Further, he pointed out that a large number of alien children lacked previous education and had to be placed in classes where they were several years older than the average student. He said that this created an "impossible" teaching situation.

76. In urging immediate action on his request for emergency aid, the Commissioner stated that this aid would be used to set up a series of basic learning centres staffed by teachers trained to meet the special needs of non-citizen and bilingual

students. An enriched remedial curriculum with emphasis on career education and basic reading and arithmetic skills would be geared to bringing such students up to their proper grade, thus enabling them to enter their regular classes. He hoped that the programme would be instituted in January 1974 and would be in full operation in September. Finally, he said that the appeal for federal aid had been made after he had learned that the United States Government would sharply reduce funds for the Territory in the fiscal year 1974.

CHAPTER XXVI

ANTIGUA, DOMINICA, GRENADA, ST. KITTS-NEVIS-ANGUILLA ST. LUCIA AND ST. VINCENT

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. The Special Committee considered the question of Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent at its 936th and 937th meetings on 14 and 15 August 1973, respectively.
2. In its consideration of the item, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 2908 (XXVII) of 2 November 1972 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, by paragraph 11 of which the Assembly requested the Special Committee "to continue to seek suitable means for the immediate and full implementation of General Assembly resolutions 1514 (XV) and 2621 (XXV) in all Territories which have not yet attained independence and, in particular, to formulate specific proposals for the elimination of the remaining manifestations of colonialism and report thereon to the General Assembly at its twenty-eighth session". The Committee also took into account the provisions of General Assembly resolution 2987 (XXVII) of 14 December 1972 concerning Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent.
3. During its consideration of the item, the Special Committee had before it a working paper prepared by the Secretariat (see annex to the present chapter) containing information on action previously taken by the Committee as well as by the General Assembly, and on the latest developments concerning the Territories. In addition, the Committee had before it a written petition dated 17 November 1972 from Miss A. Noreen Phillips, Secretary, St. Vincent Workers' Union, concerning St. Vincent (A/AC.109/PET.1235).
4. The administering Power did not participate in the work of the Special Committee during its consideration of the item.
5. At the 936th meeting, on 14 August, the representative of Trinidad and Tobago made a statement concerning the item (A/AC.109/PV.936).
6. At the 937th meeting, on 15 August, statements were made by the Chairman and by the representatives of Tunisia, Sweden and Australia (A/AC.109/PV.937 and Corr.1). The Special Committee then adopted by consensus the text of a decision on the item prepared by the Chairman (see paragraph 8 below), it being understood that the reservations expressed by the representatives of Sweden and Australia would be reflected in the record of the meeting.
7. On 17 August, the text of the decision was transmitted to the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations for the attention of his Government.

B. DECISION OF THE SPECIAL COMMITTEE

8. The text of the decision adopted by the Special Committee at its 937th meeting, on 15 August, to which reference is made in paragraph 6 above, is reproduced below.

(1) The Special Committee notes with satisfaction that Grenada will attain in early 1974 the goals set forth in the Declaration on the Granting of Independence to Colonial Countries and Peoples and the Charter of the United Nations. The Special Committee extends to the people of Grenada its best wishes for their happiness and prosperity and looks forward to their active collaboration in the work of the world community.

(2) The Special Committee deeply regrets the failure of the administering Power, the Government of the United Kingdom of Great Britain and Northern Ireland, to co-operate with the United Nations in the implementation of relevant decisions of the United Nations with respect to Antigua, Dominica, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent. It expresses the hope that the administering Power will change its attitude and comply with these decisions, thus assisting in the speedy achievement by the peoples of these Territories of the objectives of the Declaration contained in General Assembly resolution 1514 (XV) of 14 December 1960.

(3) Subject to any directives which the General Assembly might give in that regard at its twenty-eighth session, the Special Committee will give further consideration to these Territories at its next session. Meanwhile, in order to facilitate consideration of the item by the Fourth Committee, the Committee decides to transmit to the General Assembly the relevant documentation on the item.

ANNEX*

WORKING PAPER PREPARED BY THE SECRETARIAT

CONTENTS

	<u>Paragraphs</u>
A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY	1 - 3
B. INFORMATION ON THE TERRITORIES	4 - 259
1. ASSOCIATED STATES IN GENERAL	4 - 40
Political developments	4 - 32
Economic developments	33 - 40
2. ANTIGUA	41 - 82
General	41 - 42
Political developments	43 - 59
Economic conditions	60 - 78
Social conditions	79 - 81
Educational conditions	82
3. DOMINICA	83 - 121
General	83 - 84
Political developments	85 - 86
Economic conditions	87 - 113
Social conditions	114 - 116
Educational conditions	117 - 121
4. GRENADA	122 - 175
General	122 - 123
Political developments	124 - 145
Economic conditions	146 - 168
Social conditions	169 - 172
Educational conditions	173 - 175

*Previously issued under the symbol A/AC.109/L.892.

CONTENTS (continued)

		<u>Paragraphs</u>
5.	ST. KITTS-NEVIS-ANGUILLA	176 - 204
	General	176 - 177
	Constitutional and political developments	178 - 186
	Economic conditions	187 - 201
	Social conditions	202 - 203
	Educational conditions	204
6.	ST. LUCIA	205 - 236
	General	205 - 206
	Constitutional and political developments	207 - 213
	Economic conditions	214 - 232
	Social conditions	233 - 235
	Educational conditions	236
7.	ST. VINCENT	237 - 259
	General	237 - 238
	Political developments	239 - 242
	Economic conditions	243 - 255
	Social conditions	256 - 258
	Educational conditions	259

A. ACTION PREVIOUSLY TAKEN BY THE SPECIAL
COMMITTEE AND THE GENERAL ASSEMBLY

1. The Territories of Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent have been considered by the Special Committee since 1964 and by the General Assembly since 1965. The Special Committee's conclusions and recommendations concerning the Territories are set out in its reports to the General Assembly at its nineteenth and twenty-first to twenty-seventh sessions. a/
2. At its 887th meeting, on 25 August 1972, following statements by the representative of Trinidad and Tobago and by the Chairman, the Special Committee decided to transmit to the General Assembly the working papers on the Territories of Antigua, Dominica, Grenada, St. Kitts-Nevis, Anguilla, St. Lucia and St. Vincent, with a view to facilitating consideration of the item by the Fourth Committee, and giving it consideration at the Special Committee's session in 1973, subject to any directives which the General Assembly might give in that connexion.
3. The text of General Assembly resolution 2987 (XXVII) of 14 December 1972 concerning the Territories of Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent has been made available to the Special Committee.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVII, para. 7; *ibid.*, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXII, para. 6; *ibid.*, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXIV, para. 6.

B. INFORMATION ON THE TERRITORIES^{b/}

1. ASSOCIATED STATES IN GENERAL

Political developments

Introduction

4. Following the dissolution of The Federation of the West Indies in 1962 and subsequent negotiations about the status of the individual Caribbean Territories, the Government of the United Kingdom of Great Britain and Northern Ireland proposed in 1965 a new constitutional status for six Territories, namely Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent. Under the proposals which were subsequently materialized in 1967 (in the case of Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla and St. Lucia) and in 1969 (in the case of St. Vincent) each Territory became a "State in association with the United Kingdom", with control of its internal affairs and with the right to amend its own Constitution, including the power to terminate this association with the United Kingdom and eventually to declare itself independent; the Government of the United Kingdom retained powers relating to the external affairs and defence of the Territories.

5. The United Kingdom maintains that the associated status of the Territories incorporates as one of its substantive features what is termed in the Charter of the United Nations "a full measure of self-government". It follows that the Government of the United Kingdom considers its responsibilities under Chapter XI of the Charter as "fully and finally discharged" and the transmission of information to the Secretary-General under Article 73 e of the Charter has been discontinued.

6. In resolution 2701 (XXV) of 14 December 1970, the General Assembly considered that "in the absence of a decision by the General Assembly itself that the Territories of Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent have attained a full measure of self-government in terms of Chapter XI of the Charter, the Government of the United Kingdom of Great Britain and Northern Ireland should continue to transmit information under Article 73 e of the Charter with respect to those Territories".

Grenada Declaration of 1971

7. It will be recalled^{c/} that at a special meeting held at Great Anse, Grenada, on 25 July 1971, the premiers of five of the Associated States, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent, as well as the Prime Minister

^{b/} The information contained in this section has been derived from published reports.

^{c/} Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXIV, annex, paras. 8-17.

of Guyana signed an agreement, known as the Grenada Declaration, outlining a plan for establishing by 22 April 1973 a new State to be formed by the political union of their Territories.

8. The publication of the Declaration was withheld until 1 November 1971 so as to enable other Commonwealth countries in the Caribbean, notably the six other members of the Caribbean Free Trade Association (CARIFTA), d/ to consider their attitude towards it. When the Declaration was published, it was immediately apparent that efforts to convince those members to subscribe to it had so far not succeeded. Two days later, the premiers of Grenada and St. Lucia, two of the signatories of the Declaration, issued statements, indicating that they would reconsider their position.

9. In the light of these developments, a meeting of the heads of Government of the States signatory to the Declaration was held at Georgetown, Guyana, from 8 to 10 November. St. Lucia did not send a representative, however, and Grenada was represented by an observer. A communiqué issued at the conclusion of the meeting reported that the four Governments (Dominica, Guyana, St. Kitts-Nevis-Anguilla and St. Vincent) had agreed to go ahead with the plan outlined in the Declaration, subject to extensions in the time-table, in order to provide an opportunity for consultations with other Commonwealth Governments in the Caribbean.

10. From 12 to 14 November, leaders of six opposition parties from five of the Associated States whose Governments had signed the Declaration met at Roseau, to discuss its implications. (Antigua was not represented). In a joint statement issued at the conclusion of the meeting (A/AC.109/PET.1196), the representatives of the six parties expressed their disapproval at the absence of prior consultations with and the exclusion of the opposition parties from the discussions resulting in the signing of the Declaration. They said, however, that they favoured the eventual creation of an independent and viable nation embracing the entire Caribbean. Their statement contained a number of recommendations aimed at achieving this goal. Among these were the following: (a) the question of a wider political union in the Caribbean should be explored only after serious consideration had been given to the results of a study, to be carried out by Caribbean experts on the political integration of the five Associated States represented at the meeting; and (b) measures should be taken further to strengthen regional economic co-operation as well as to revise the immigration laws of the Associated States to allow their nationals freedom of movement throughout the States.

11. At the last general election, held in St. Vincent on 9 March 1972, the Labour Party (LP), led by Mr. R. Milton Cato, the Premier in the previous Government, and the People's Political Party (PPP), led by Mr. Ebenezer Joshua, each won six seats in the House of Assembly. The thirteenth seat was won by Mr. J. F. Mitchell standing as an independent candidate. On 13 April, after having reached an agreement with PPP, Mr. Mitchell was invited by the Governor to form a new

d/ Antigua, Barbados, Belize, Jamaica, Montserrat and Trinidad and Tobago.

Government. e/ The new Government made no official statement on its position vis-à-vis the Grenada Declaration. Nevertheless, the Premier was given principal credit for the agreement concluded on 17 June between Grenada, St. Lucia and St. Vincent concerning steps towards unification of the three States (see below).

12. During a visit to Trinidad and Tobago in August the Premier of St. Kitts-Nevis-Anguilla, a signatory of the Grenada Declaration, re-emphasized the need for a regional political entity. He said that the Declaration had set the framework within which some form of political integration could be worked out, but that it had not been given a chance.

Agreement between Grenada, St. Lucia and St. Vincent

13. It will be recalled f/ that, on 17 June 1972, at a meeting held on the island of Petit St. Vincent, the premiers of the Governments of Grenada, St. Lucia and St. Vincent entered into an agreement on steps towards the unification of their Territories. The agreement, which came into effect on 1 August, establishes freedom of movement throughout the three Territories for their nationals, permanent residents and visitors. Moreover, their nationals are permitted to work and to own land without restriction in any of the Territories.

14. Mr. J. F. Mitchell, Premier of St. Vincent, stated at a press conference held in Kingstown on the eve of the entry into force of the agreement, that "the longest chain began with the first link and continued by bringing separate links together," and that "St. Vincent, as I know it, cannot go into independence by herself; we need to do this in conjunction with others".

15. Subsequently, four leading labour unions from the three Associated States met at Kingstown to consider the consequences of the agreement. The unions, whose views were shared by two organizations in St. Lucia (the Forum, an opposition political group, and the National Youth Council), pointed out that they had always supported the idea of West Indian unity. They regretted, however, that such an important issue had not been put to the people before approval of the final agreement. They urged therefore that implementation of the agreement be deferred until after all parties had had an opportunity to express their opinion and had accepted the general principle.

16. Mr. John Compton, Premier of St. Lucia, criticized opponents of the agreement for offering no alternatives. Premier Mitchell of St. Vincent received a letter from the Employers' Federation of the Territory, stating that the agreement represented a concrete step in the right direction. Mr. Eric Gairy, Premier of Grenada, stated that the steps towards unification taken by the three Associated States marked the commencement of greater things for the area, and that he was

e/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXIV, annex, paras. 138-142.

f/ Ibid., para. 18.

looking forward to a political integration which would eventually involve a number of other Territories in the region. At the same time, he reiterated his intention to seek independence for Grenada, the chief point of his party's platform; in his view, the accord did not preclude the fulfilment of Grenada's aspirations to independence (see also paragraphs 139-144 below).

17. On 13 August, it was reported that Dominica and Montserrat had expressed interest in joining the Petit St. Vincent agreement. During late September, the premiers of Grenada, St. Lucia and St. Vincent met once again at St. George's to review the progress achieved since the coming into operation of the Petit St. Vincent agreement and to consider what further steps should be taken to improve relations among their Territories. At the end of the meeting, the representatives of the three Territories announced their decision to discontinue immediately the use of immigration cards for the nationals and permanent residents of the three States.

18. In October, when the Chief Minister of Montserrat attended the seventh Commonwealth Caribbean Heads of Government Conference at Port of Spain he stated in an interview that he viewed the political federation of the Commonwealth Caribbean countries as an ultimate goal, but considered that its attainment was still some time off, because a number of problems had to be solved. In this connexion, he pointed out that Montserrat was a poor country in need of development.

Caribbean community

19. In a publication released on 5 July 1972, the Commonwealth Caribbean Regional Secretariat, the administrative agency of CARIFTA based in Georgetown, recommended the creation of a Caribbean community. According to the proposal, the membership of the community would initially embrace all 12 member States of CARIFTA and the Bahamas, but would later be extended to non-English speaking Territories in the region. The governing body should be the heads of Government of member States and the community should be set up by an inter-governmental treaty. Its main functions would be economic integration and the co-ordination of foreign policy, as well as miscellaneous functional operations. The modification of the existing CARIFTA Agreement to provide for a Caribbean common market was also recommended.

20. These recommendations were first considered at the tenth meeting of the CARIFTA Council of Ministers, held from 11 to 14 July at Roseau, and subsequently at the seventh Commonwealth Caribbean Heads of Government Conference, held from 9 to 14 October at Port of Spain. The Conference was attended by the heads of Government and other officials of the 12 members of CARIFTA and the Bahamas.

21. In the light of the decisions taken by the CARIFTA Council of Ministers, the Conference reached a series of agreements which would have a significant impact in economic and even political terms on the movement towards regional integration. Those agreements relating to the transformation of CARIFTA into a Caribbean common market are described later in this paper (see paragraphs 38-40 below). Others are summarized below.

22. According to the communiqué issued at the closing of the Conference, it was agreed to create a Caribbean community. In furtherance of this goal, a committee of attorneys-general of the 13 participating countries was appointed to examine the legal implications of establishing the community and to prepare a draft treaty. On 18 November 1972, the draft treaty was reported to have been drawn up and circulated among the attorneys-general concerned who were expected to study it at a meeting to be held from 22 to 23 November.
23. Having considered the question of expanding the activities of CARIFTA, the Conference agreed that an in-depth study should be undertaken of the possibilities of extending the integration movement to include all the Caribbean islands and Surinam.
24. The Conference further agreed that, as an integral part of the proposed community, a standing committee of ministers should be set up to deal with matters of common interest in foreign policy, and that all participating countries should be members of the committee.
25. Among the important decisions taken in regard to certain areas of functional co-operation were the following: (a) establishing or strengthening regional bodies responsible for matters relating to the movement of nationals of Commonwealth Caribbean countries within the region, civil aviation, labour administration, security measures, health, education and mass communications; (b) retaining the regional character of the University of the West Indies and expanding its co-operation with the University of Guyana, particularly in the fields of scientific and technological research; (c) appointing a technical committee composed of representatives of the two universities to assess the requirements for training manpower at the administrative, managerial, professional and subprofessional levels in the region; (d) directing the Commonwealth Caribbean Regional Secretariat to pursue an in-depth study on the position of women in the region, with a view to removing any existing discrimination and intensifying women's involvement in Caribbean affairs; and (e) formulating a common approach on relations with the European Economic Community (EEC) and on the question of the law of the sea at the forthcoming United Nations conference on this subject. Finally, it was agreed to hold the eighth Commonwealth Caribbean Heads of Government Conference in Guyana in early 1973.
26. This Conference was held from 9 to 12 April at Georgetown and was attended by the heads of Government or representatives of the 12 CARIFTA member States. According to the communiqué issued at the conclusion of the Conference, it was decided to establish a Caribbean community (including a Caribbean common market) on 1 August 1973. The community was to be made up of the four independent States (Barbados, Guyana, Jamaica and Trinidad and Tobago) with six other members (Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent and Belize g/) becoming participants on 1 May 1974.
27. The points of agreement, on which this decision was based, are embodied in the Georgetown Accord, signed on 12 April 1973 by the heads of Government or delegation leaders of all the members of CARIFTA except Antigua and Montserrat.

g/ On 1 June 1973, by an Order-in-Council of the United Kingdom Government, the name of British Honduras was officially changed to Belize. See also chap. XXVIII of the present report, annex, paras. 10-11.

Antigua gave no reason for not signing. The signatory Governments welcomed the declared intention of the Government of Montserrat to give urgent consideration to the signing of the Accord. They also looked forward to the participation of the Bahamas.

28. In their communiqué, the participants outlined certain measures on which they had agreed to take action (see also paragraphs 38-40 below).

29. It was agreed that the establishment of the community would formalize and strengthen existing areas of functional co-operation. In particular, the participants approved a budget for a manpower survey of the CARIFTA countries, to be conducted by a technical committee. The survey is intended to provide a firm basis for determining the extent of expansion of university and general post-secondary facilities. It was also agreed that a regional conference should be held in July 1973 to discuss and formulate an over-all plan for "search and rescue operations". Also approved was a project to raise the level of mass communications in the less-developed countries of the Leeward and Windward Islands. The project, which would cost about \$US 1.3 million, to be met by the United Nations Development Programme (UNDP), would up-grade and expand mass communications facilities and would provide for the training of personnel in those countries.

30. The Conference reaffirmed the decision taken at the seventh Commonwealth Caribbean Heads of Government Conference that members of CARIFTA should seek to achieve a group relationship with EEC, without prejudice to the right of non-independent countries to choose their own form of relationship with EEC.

31. It was also decided to seek an early opportunity for discussions with Canada on the West Indies/Canada Agreement of 1925 and to ask for assistance from the Economic Commission for Latin America (ECLA) in the formulation of an inter-regional project for economic co-operation in trade, industry and transport.

32. Finally, the delegations of the four independent States adopted a resolution on the need for a régime of mutual assistance against external aggression directed against any member of the community. In the resolution, they referred to the standing committee of foreign ministers to be created under the community treaty, the preparation of a scheme of mutual assistance designed to secure the political independence and territorial integrity of members of the community and the safety and well-being of their peoples. The delegates of seven other countries (including those of the five Associated States) wished to be identified with the spirit expressed in the resolution.

Economic developments

Money and credit

33. As previously noted, h/ the East Caribbean Currency Authority (ECCA) was established in 1965 under the East Caribbean Currency Agreement between

h/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVII, annex A, para. 12.

the Governments of Antigua, Barbados, Dominica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent. The Government of Grenada acceded to ECCA in 1968. On 6 October 1965, ECCA issued new currency notes, which are in circulation in all the participating countries. The unit of the monetary system is the East Caribbean dollar (\$EC), with a fixed exchange rate of \$EC 4.80 to the pound sterling.

34. On 23 June 1972, the United Kingdom Government decided to free the pound sterling from the fixed rate and to introduce exchange control between the United Kingdom (including the Isle of Man and the Channel Islands) and the countries of the sterling area except the Republic of Ireland. Under the new exchange control regulations, United Kingdom residents now require authorization to make direct investments in these countries.

35. The East Caribbean group and certain other Commonwealth Caribbean countries believed that the principal market for their agricultural products would remain in the United Kingdom for the foreseeable future; that they could not afford to weaken their position in the United Kingdom market by an appreciation of their currencies; and that they did not need to depreciate them in terms of the pound sterling. They therefore decided to allow their currencies to swing therewith.

36. Towards the end of August, finance ministers from the Commonwealth Caribbean countries (including the six Associated States) met at Kingston to consider financial and monetary affairs in the region. At the meeting, the recent decision of the United Kingdom Government to restrict the outflow of funds to the countries of the sterling area (including those in the region) was criticized and it was decided to take up the matter at the Conference of Commonwealth Finance Ministers to be held later in the year. At that Conference, which took place in late September, Mr. Anthony Barber, the United Kingdom Chancellor of the Exchequer, explained the background leading to the decision of his Government. The participants at the Conference agreed on the need to reform the international monetary system and considered that an early return to fixed but adjustable parities of the exchange rates should be achieved as soon as possible.

37. On 16 January 1973, Mr. David Coore, the Minister of Finance of Jamaica, announced that a new foreign exchange rate had been set, representing a devaluation of 6.5 per cent in the value of the Jamaican currency against the pound sterling and the United States dollar. Immediately following this announcement, Mr. Errol Barrow, Prime Minister and Minister of Finance of Barbados, declared that the East Caribbean dollar would not be devalued. He added that he did not view Jamaica's action as a trend in the Caribbean or as having adverse effects on CARIFTA or the future Caribbean common market.

Caribbean common market

38. At the seventh Commonwealth Caribbean Heads of Government Conference it was agreed to take the following action to convert CARIFTA into a Caribbean common market on 1 May 1973:

(a) Introduction on the same date of a common external tariff, a common protective policy and a scheme for the harmonization of fiscal incentives to industry;

(b) Fiscal, financial and monetary co-operation, including a framework for the negotiation of double taxation agreements between CARIFTA countries and developed metropolitan countries and also among CARIFTA countries themselves; the establishment of a standing committee of ministers of finance of the 13 participating countries; the upgrading and strengthening of the currency authorities in the Eastern Caribbean and British Honduras (see foot-note g/ above); a greater intra-regional flow of public, institutional and private funds, particularly in the establishment of joint industrial ventures in the less developed countries of CARIFTA; and a joint approach on the question of representation in international economic forums;

(c) Formation of a standing committee of ministers of agriculture to give over-all guidance to the agricultural rationalization programme, with special reference to the needs of the less-developed countries;

(d) Adoption of amendments to the CARIFTA Agreement aimed at strengthening the trading positions of the less-developed countries and at accelerating their economic development by enabling them to take greater advantage of their combined markets as a base for establishing industries;

(e) Creation of a Caribbean multinational investment company (to which CARIFTA countries were reported to have made an initial contribution of \$EC 1.45 million in early November 1972) to participate in the equity of industrial ventures in the less-developed countries;

(f) Operation by the Caribbean Development Bank of an export credit insurance scheme which would provide export credit to manufacturers and exporters in the less-developed countries; i/

(g) Provision of technical assistance and the opening of industrial and technical research facilities by the more developed countries of C.A.R.T.A. to the less-developed countries;

(h) Preparation of a comprehensive, long-term regional perspective plan (with special attention to the opportunities for development in the less-developed countries), under which natural resources would be identified and projections would

i/ On 23 October 1972, the President of the Bank announced that it could lend public and private enterprises in the less-developed countries a total of about \$EC 36 million annually (including \$EC 10 million for agriculture and \$EC 5 million for manufacturing). At the end of November, the Bank had before it the recommendations of the Economist Intelligence Unit (EIU) based on a survey of manufacturing possibilities in the six Associated States and Belize. Sixteen types of goods with potential for export to the CARIFTA market and beyond were identified by EIU.

be made of direct and indirect demand for agricultural, industrial, mineral and tourist products within the framework of close consultation among individual national planning agencies; and

(i) Integration of production by creating linkages between agricultural and industrial enterprises in the various countries and Territories and the development of joint projects for full utilization of the natural resources of the region.

39. Under the terms of the Georgetown Accord, the Caribbean common market will be launched by the four independent States of the group on 1 August. Provision is made for six other members (including the five Associated States) to be phased into the market by 1 May 1974, when it will supersede CARIFTA.^{j/} The signatories have expressed the hope that the Bahamas and Montserrat also will join the market. The Accord also provides for: (a) the establishment on 1 June 1973 of the Caribbean Investment Corporation with supporting programmes of investment in the less-developed countries based on an agreed list of industries; (b) the bringing into effect on the same day of an intra-regional double taxation agreement with the objective of encouraging a greater flow of investment capital within the region in general and the less-developed countries in particular; (c) the institution of a scheme for the harmonization of fiscal incentives to industry with particular attention to the needs of the less-developed countries; (d) the introduction on 1 July 1975 of a programme for the rationalization of agriculture which will contain special provisions for the benefit of the less-developed countries; and (e) the immediate adoption of measures to commence the technical work on a regional perspective plan with emphasis on the achievement of specific development targets in all countries of the region.

40. At the eighth Commonwealth Caribbean Heads of Government Conference, it was decided to give special attention to the training of banking personnel at all levels in the region. It was also decided to create no later than 1 May 1974, under the Caribbean common market arrangements, a commission on standards and prices of goods with a view to safeguarding the interests of consumers throughout the region.

^{j/} CARIFTA represents 4.5 million inhabitants of the Caribbean area with an annual gross domestic product of \$US 2.25 thousand million.

2. ANTIGUA

General

41. The Territory of Antigua lies in the northern group of the Leeward Islands chain in the Eastern Caribbean, approximately 40 miles north of Guadeloupe. The Territory comprises the islands of Antigua and its dependencies, Barbuda, which lies 25 miles to the north, and the uninhabited island of Redonda, which lies 25 miles to the south-west of the main island. The total area of the Territory is 171 square miles. Antigua has an area of 108 square miles, Barbuda 62 square miles and Redonda 0.5 square miles. The islands lie in the hurricane zone and are subject to severe droughts.

42. At the last census, taken in April 1970, the population of the Territory was 70,000, almost all of whom were of African or mixed descent.

Political developments

Political parties and elections

43. There are three political parties in the Territory: the ruling Progressive Labour Movement (PLM), led by the Premier, Mr. George Walter; the opposition Antigua Labour Party (ALP), led by Mr. V. L. Bird; and the Antigua People's Party (APP), led by Mr. Rowan Henry. The PLM has the active support of the Antigua Worker's Union (AWU), while ALP is backed by the Antigua Trades and Labour Union (ATLU). The APP is the only political group without trade union support.

44. At the last general elections held in February 1971, PLM won 13 of the 17 seats in the House of Representatives, the remaining 4 being won by ALP. The former Premier and head of ALP, Mr. Bird, was defeated in his own district. The APP failed to win any of the seats which it contested.

45. Following the elections, Mr. Walter was appointed Premier and Mr. Ernest Williams (ALP) was appointed Leader of the Opposition. The Cabinet, as constituted at present, consists of eight ministers and three parliamentary secretaries. The PLM reportedly favours "Antigua for the Antiguans", a policy which apparently won the support of a majority of the electors.

Future status of the Territory

46. At the sixth annual convention of AWU, held in St. John's during September 1972, Premier Walter said that Antigua would not take part in any move towards or discussion on a political federation in the Caribbean. He felt that "each territory was now too concerned with its unemployment and poverty at home to go out and talk about a West Indian federation". At the same time, he announced that his party would seek a mandate at the next general elections (to be held not later than February 1976) to lead Antigua into full independence within the Commonwealth.

Freedom of the press

47. On 15 October 1971, the House of Representatives passed two bills to amend the Newspaper Registration Act and the Newspaper Surety Ordinance. The amended legislation, which came into operation on 1 January 1972, required cabinet approval before any newspaper could begin publishing in Antigua. It also required each newspaper to pay an annual licence fee of \$EC 600, and to deposit with the Treasury the sum of \$EC 10,000 as a surety against damages for libel or slander or to secure a guarantee from a bank or insurance company for that amount. As a result, two newspapers, the Workers' Voice and the Antigua Times, supporters of ALP and APP respectively, closed down, and only the Antigua Star, an organ of the ruling PLM, continued publication.

48. Subsequently, the Antigua Times contested the legality of the newly amended legislation. The Workers' Voice also filed an action against the Government claiming that the legislation was unconstitutional, but the hearing was reserved pending a decision on the earlier suit. On 19 February, the Antigua Times was republished without charge and thus did not fall within the definition of a newspaper as laid down in the legislation.

49. On 15 June, Justice Allan Louisy of Antigua's High Court declared in a judgement that the right of the Cabinet to decide which person should or should not publish a newspaper was unconstitutional. He added that the exaction of a tax as a condition for publishing was a hindrance to freedom of expression, and that the payment of a licence fee and a deposit was unconstitutional. Finally, he ruled that the above-mentioned legislation was void, because it was repugnant to the Antigua Constitution which guarantees the fundamental right of freedom of opinion and expression.

50. On 17 June, following the Court's decision, both opposition newspapers reappeared in Antigua. On 20 July, Premier Walter announced that his Government would appeal the decision.

Question of restoring peace in Antigua

51. At the recent convention of AWU in September 1972, Premier Walter stated that he was concerned with the deterioration of the political situation in the Territory. He further stated that his Government was capable of handling the present situation, and "would now act firmly with persons attempting to disrupt the peace of the State". Given below is an account of the political unrest that occurred during the year and the measures taken by the Government for securing peace in the Territory.

52. In early May, Mr. Henry, of APP, announced at a public meeting that "his party would join with the ALP or any other forces to remove the present Government from power." At another public meeting, held on 12 May, Mr. Bird, of ALP

responded to this announcement by calling on Premier Walter to hold new general elections in Antigua. He alleged that the present Government had failed to move the Territory forward and believed that the time had come for reappraising the prevailing situation. In an editorial published on 21 May, the Antigua Star pleaded for "a period of reasonable calm" so that a new chapter in the Territory's history could be written.

53. Despite this plea, a series of bomb scares took place between 7 June and 19 September, culminating in two explosions at St. John's: one in the General Post Office, injuring at least six persons, and the other damaging the Antigua Police Communications Centre. An underground movement, known as the Antigua Freedom Fighters, was reported to have claimed responsibility for the planting of bombs and to have threatened continued bombings and harassments until after the Government resigned.

54. On 19 July, 13 cane farmers were arrested during a demonstration in St. John's and charged with obstruction and disorderly conduct. Mr. D. A. S. Halstead, Minister of Home Affairs and Labour, described this demonstration as "purely another political move by the Opposition to harass the Government". About a month later, approximately 80 per cent of the customs officers refused to work and marched through St. John's in protest against the arrest of two of their members on charges of fraud. The walkout was followed by a 42-day sympathy strike involving about 25 per cent of the civil servants. The Public Service Association had originally called the strike during a dispute in the Customs Department and later in support of the Association's demands for bargaining rights from the Government. The strikers returned to work on 18 September so that negotiations between the Association and the Government could begin.

55. On 21 September, the Ministry of Education suspended all classes in the fourth and fifth forms of the Antigua Grammar School following a wave of demonstrations by pupils in St. John's calling for the reinstatement of their former headmaster who had been transferred to the Ministry. Meanwhile, two other government secondary schools involved in demonstrations resumed classes, at the request of the pupils. After conducting an investigation into student unrest, Mr. Halstead claimed that the Government possessed information indicating that a group of people had incited the children to disobey the authorities and to disregard the instructions of the police during their marches. On 11 November, after the Acting Headmaster of the Grammar School had brought the situation under control, more than 100 fourth and fifth form pupils resumed their classes.

56. Against the background of continuing political agitation described above, the House of Representatives passed the Public Order bill on 7 November after a day of debate marked by an opposition walkout and noisy demonstrations outside Parliament. While the bill was being debated, several hundred members and supporters of ALP and APP marched through St. John's.

57. The bill, which would strengthen official control over public meetings, demonstrations, marches and the use of loudspeakers was strongly condemned by the two opposition parties as a threat to civil liberties. Mr. Halstead denied this allegation, saying that it was intended to control political unrest brought on by the Opposition.

58. Two additional legislative measures proposed were the Firearms bill, giving authorities tighter control over all firearms and ammunition and providing for heavy fines for illegal possession of arms; and an amendment to the Small Charges Act, aimed at protecting private property against intruders and making it an offence to deceive a public officer or to give false information to any person employed in the public service.

59. As in the case of the Public Order bill, Opposition members decided not to participate in any discussions on the latest legislation, claiming that it would give the police too much power and would turn Antigua into a police state.

Economic conditions

General

60. The Territory enjoyed a rapid economic expansion between 1953 and 1967, based mainly on tourism and related construction activities. k/ As a result of the recession in certain developed countries, however, Antigua's gross domestic product dropped to \$EC 38.9 million in 1971. The contribution of agriculture and industry was comparatively small in 1971; tourism accounted for 80 per cent of the gross domestic product. The main exports were sugar, cotton, oil and rum.

61. In 1972, the economy as a whole recovered from the 1971 depressed level, largely because of the strengthening of the tourist industry's competitive position. The Government found it necessary, however, to close down the sugar industry which had experienced difficulties for many years (see below).

62. The economic outlook for 1973 appears promising, mainly because of the implementation of a plan for agricultural diversification and the promotion of expanded tourist activities and related construction. The Government reportedly considers that these measures should have a favourable effect on the future economy but the Territory still faces the problems of high unemployment, persistent inflation, growing public debts and a chronic trade deficit.

Tourism

63. During 1971, a total of 67,637 persons (excluding cruise ship passengers) visited the Territory (66,067 travelled by air), representing a gain of about 3 per cent over the previous year.

k/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXIV, annex, para. 28.

64. Efforts to expand tourism have been directed mainly towards enlarging the promotion programmes for visitors, accelerating the development of hotel accommodations and establishing a training scheme for the hotel industry. With the opening of Antigua's Tourist Office in New York in February 1972, tourist arrivals in the Territory increased by 30,000 during the year. The Office predicted that air travel would rise by 34 per cent in 1973. In order to reduce the tourist industry's dependence on the United States (the origin of approximately 75 per cent of the tourists) the Government was planning to direct its appeals to Canada, the United Kingdom and other European countries.

65. In June 1972, Court Line, Ltd. a British shipping, airline and travel group, was reported to have initiated a \$EC 8.9 million construction project aimed at enlarging its newly acquired hotel in St. John's from 32 to 104 rooms and also to have made plans for the addition of another 200 rooms.

66. In September, Premier Walter announced that two companies based in the Federal Republic of Germany would invest more than \$US 100 million in a tourism development programme on Antigua's Caribbean coast. The ultimate objective was to build 12,000 rooms in a complex of condominiums, cottages and resort hotels. The Premier also announced that work on a smaller resort complex was expected to start in early December. This project would cost \$US 25.5 million, of which \$US 3.5 million would be furnished by the Antigua Government and the rest by a company based in the Federal Republic of Germany. It would contain a 375-room hotel, an 18-hole golf course and condominiums on a 250-acre site on Antigua's Atlantic coast. He pointed out that the expanded hotel industry would eventually provide 13,847 rooms. In 1972, Antigua had 1,200 rooms at 30 hotels and 8 guest houses.

67. Referring to the impact of hotels on the Territory's economy, the Premier said that a 50-room hotel spent nearly \$EC 30,000 weekly on food, electricity, water, wages and taxes. He added that a Government marketing board would assist Antiguan farmers to provide the food required by the tourists.

68. In order to meet the hotel industry's training needs, the Premier said that resort developers were setting up a scholarship scheme, under which 52 students from the Territory would be sent to the Federal Republic of Germany to study all aspects of hotel work and 12 others to the United Kingdom to undertake agricultural courses. Subsequently, Mr. S. A. Walter, Minister of Trade, Industry, Commerce and Tourism, stated that the Government had provided opportunities for six Antiguan students to receive training in hotel administration at universities in North America.

Agriculture and fisheries

69. Farmlands occupy more than 18,000 acres (or 28 per cent of the Territory's total land area). Prior to the closure of the sugar industry in December 1972, about 12,000 acres had been devoted to sugar cane. Antigua also produces sea island cotton for export. Food crops, fruits and vegetables are also grown. Although the Government encourages farmers to increase food production, the

Territory has yet to become self-supporting in food-stuffs. Vegetables are now plentiful and a considerable quantity of sweet potatoes and onions have been exported. There is a fair supply of locally produced beef and an increasing output of eggs and poultry. In late 1972, the Government began setting up a scheme, whereby 25 farmers would each be allocated 100 acres for raising cattle.

70. Both the sugar and cotton industries have encountered difficulties in recent years owing largely to rising costs, drought and low prices. Compared with an average annual output during the 1950s of 30,000 tons of sugar and more than one million pounds of cotton lint, production in 1970 amounted to only 10,000 tons of sugar and 11,000 pounds of lint. In 1966, the Government assumed ownership of the sugar estates, and attempts to rehabilitate the industry resulted in a gradual increase in production to some 15,000 tons in 1972.

71. In October 1972, the opposition ALP learned that the Government might accept a report submitted in July by a group of experts from the United Kingdom following a study of the sugar industry. According to the report, a total of \$EC 40 million would be required to revive the industry and even then, a crop would not be possible before 1976. The phasing out of sugar cultivation in Antigua had therefore been recommended. Aware that the industry was the largest single private employer of labour in the Territory, ALP requested the Government to maintain and revive sugar cultivation. Replying, Premier Walter stated that the Government did not necessarily agree with everything in the report and had not decided on the future of the industry. He further stated that he would lead a delegation (including the opposition leader) to London to discuss this matter.

72. On 17 December, four days after his return from London, the Premier announced that the sugar industry would be terminated because the United Kingdom Government was unwilling to provide funds for its revitalization and the Antigua Government was unable to do so. He added, however, that the United Kingdom Government had agreed to provide \$EC 3 million for the establishment of a new agricultural development programme aimed at agricultural diversification principally through expanding the production of food crops and sea island cotton. Finally, he announced that his Government would take steps to compensate the Territory's small cane farmers.

73. There is inshore fishing in the waters between Antigua and Barbuda; the deep-sea fishing areas are west and south of the Territory. Catches are largely consumed locally, but there is a small export of lobsters. Over the period 1963-1972, the Government made loans amounting to \$EC 750,000 for the development of the fishing industry. More recently, the Government decided to embark on a pilot scheme, at an estimated cost of \$US 70,000, to introduce modern techniques and fishing gear. In November 1972, the United Kingdom Government provided development aid, totalling \$EC 14,500, to meet the cost of a new fish market in St. John's. Funds previously made available for this purpose amounted to approximately \$EC 150,000.

Transport and communications

74. It was announced in July 1972 that the United Kingdom Government had approved a grant of \$US 65,000 to finance temporary improvements to Coolidge International Airport, some six miles north-east of St. John's, pending a final report on long-range plans to accommodate jumbo jets.

75. Earlier, Premier Walter announced that Air Antigua, Ltd. would inaugurate flights direct from Luxembourg to Antigua on 16 April. During the year, five other commercial airlines operated international flights: Caribair, Air Canada, British Overseas Airways Corporation (BOAC), Leeward Islands Air Transport (LIAT), and Pan American Airways (PAA).

76. On 24 October, LIAT was reported to have withdrawn its service pending a decision to be made by the Governments of Antigua, Grenada and St. Lucia on the airline's application to raise its fares. At a meeting of the Eastern Caribbean Tourist Association, held on the same day, Antigua's Minister of Trade, Industry, Commerce and Tourism said that air fares to the Caribbean were too high in comparison with those to the Mediterranean area. He considered that representatives of the Caribbean tourist boards should recommend that their Governments request the airlines concerned to reduce their fares.

Water supplies

77. The Territory's water development plans are financed by grants from the United Kingdom Government. Between 1966 and 1972, the United Kingdom provided a total of \$EC 2.9 million for the development of water supplies on Antigua. Most of the funds have been used for the drilling and equipping of boreholes and the construction of dams. The water from the dams has been used primarily for agricultural purposes, but domestic water supplies have also been increased by some 2,000 million gallons.

78. Since 1967, emphasis has been placed on the development of domestic supplies by the continued sinking of boreholes and by the construction of additional dams suitable for connexion to the domestic supplies. These include the Potworks dam, with a capacity of approximately 1,000 million gallons, which was built with the help of a \$EC 1 million grant. In August 1972, a further grant of \$EC 3.24 million was reported to have been made for the Potworks water distribution project, which was expected to be completed in 1975.

Social conditions

79. The unemployment rate in the Territory is one of the highest in the Caribbean and in July 1971 was officially estimated at 40 per cent of a labour force of about 22,000. As noted above, the sugar industry ceased its operations in December 1972. The industry had employed 4,500 older workers, who are expected to encounter difficulties in securing alternative employment. Owing to limited opportunities for wage-earning in the Territory, many Antiguan migrate abroad to work. During 1972, approximately 2,680 persons from the Territory were employed in the United States Virgin Islands alone. On the other hand, the influx of foreign investment capital in recent years has led to an inflow of workers, particularly skilled workers from overseas.

80. In 1971, the House of Representatives passed The Work Permit Act, which was noted by the Special Committee in its previous report. ^{1/} The Immigration and Passport Act was also amended, making it a requirement that a \$EC 10 fee be paid by foreigners for an extension of their stay in Antigua.

81. In 1972, legislation establishing a social security scheme was approved. Under this scheme, which was expected to be initiated on 1 January 1973, contributions amounting to 8 per cent of workers' salaries (5 per cent from employers and 3 per cent from employees) are to be paid into a fund, which will provide benefits to workers between the ages of 16 and 60 years who qualify.

Educational conditions

82. Education is free and compulsory for all children between the ages of 5 and 14 years. In October 1972, the Government announced the completion of a new primary school, to accommodate 1,000 pupils, and the forthcoming construction of a secondary school with a capacity of 1,500 students. Teacher-training scholarships at the Leeward Islands Teachers' Training College were more than doubled during the year and qualified students continued to be afforded opportunities for free education at universities abroad. Investors from the Federal Republic of Germany granted an additional 64 scholarships to Antiguan for three-year courses in that country and the United Kingdom (see paragraph 68 above).

^{1/} Ibid., para. 42. —

3. DOMINICA

General

83. Dominica is the largest of the Windward Island group, with a total land area of 289.8 square miles. It is located approximately 220 miles north-west of Barbados and 950 miles north of Trinidad. The island is very mountainous with a maximum elevation of 4,747 feet in the north.

84. According to the last census, taken in 1970, the population of the Territory was 70,302, most of whom were of African or mixed descent. Roseau, the capital, had a population of about 16,800.

Political developments

85. It will be recalled m/ that soon after the last general elections, held on 26 October 1970, the two factions of the Dominica Labour Party (DLP), unanimously re-elected Mr. Edward Oliver LeBlanc its leader. This change is reflected in the present state of the parties in the House of Assembly: the DLP holds 9 seats and the Dominica Freedom Party (DFP) holds two seats. Mr. LeBlanc is the Premier, and Mr. Anthony Moise is Leader of the Opposition.

86. On 13 August 1972, about two weeks after the coming into operation of the Petit St. Vincent agreement concerning steps towards unification of Grenada, St. Lucia and St. Vincent, Dominica was reported to have expressed an interest in joining the agreement (see paragraphs 13-18 above). To date, this report has not been confirmed by the Government of Dominica.

Economic conditions

General

87. The Territory's economy is based mainly on agricultural production, and to a lesser extent on the sectors of construction and tourism. Manufacturing and mining are other important economic activities. The largest industrial concerns, all controlled and managed by foreigners, are engaged in processing local raw materials for export. Among these are a timber company owned by the Roywest Banking Corporation; the L. Rose company, which produces lime juice; and the Dominica Mining Company, Ltd., which mines and processes pumice, the only known mineral in the Territory. Also produced are cigarettes, cigars, coconut meal, coir fibre, handicrafts, oils and fats, laundry and toilet soaps and rum, some of which are exported. The fishing and livestock industries remain relatively under-developed.

m/ Ibid., Twenty-sixth session, Supplement No. 23 (A/8423/Rev.1), chap. XXII, annex, paras. 36-42.

The export sector is dominated by bananas, which are purchased and marketed by Guest Industries, Ltd. of the United Kingdom. The Territory is beset with an increasing trade deficit owing to its heavy dependence on imports of food-stuffs and other goods. It also faces problems of inflation, unemployment and an inadequate economic and social infrastructure.

88. In a budget address delivered to the House of Assembly on 11 February 1972, Mr. R. O. P. Armour, Deputy Premier and Minister of Finance, Trade and Industry, gave the following account of the general economic situation in Dominica. Total imports for 1971 were estimated at \$EC 34.0 million and exports at \$EC 10.6 million, compared with \$EC 31.7 million and \$EC 12.3 million respectively in the previous year. The deterioration in export performance was brought about mainly by the depression in the banana industry. Owing to adverse weather conditions, banana exports decreased from \$EC 7.8 million in 1969 to \$EC 5.2 million in 1970 and to an estimated \$EC 4.6 million in 1971. Although the Territory's unfavourable trade balance has always been met by financial assistance from external sources, the Government is stressing the need for an increase in the production and consumption of local products. During the period 1970/71, the sectors of construction and tourism continued to expand steadily, while those of manufacturing and mining experienced some setbacks. The output of coconut meal, oils and fats, toilet soap and pumice declined further, although lime juice and laundry soap production showed an appreciable increase. Aware that the timber industry was all but shut down in February 1972, the Government was giving serious consideration to the revitalization of the industry.

Development plan

89. Dominica has a five-year development plan for the period ending 1975. In the plan, priority is accorded to the following: (a) expansion and diversification of farming; (b) development of the Territory's economic and social infrastructure; (c) development of an agro-industrial segment in the economy; (d) enlargement of export-oriented manufacturing; (e) promotion of tourism; (f) promotion of local and participating foreign investment; (g) provision of full employment for the growing labour force; and (h) concentration of efforts to raise the real incomes of the local population.

90. The total development outlay planned for the period 1971-1975 amounts to \$EC 60.9 million (\$EC 20.0 million between 1966 and 1970). Of this total, \$EC 19.6 million is to be spent on communications and transport and most of the remainder on agriculture. Specific proposals set forth in the plan are summarized in succeeding sections of the present paper under the different headings to which they refer. With the implementation of these proposals, the gross domestic product of Dominica is expected to increase from \$EC 37.1 million in 1970 to \$EC 55.0 million in 1975.

Land

91. Freehold is the predominant form of land tenure. In 1972, about 25 per cent (50 per cent in 1967) of all land was reported to be owned by the Crown. Alienated

Crown lands have been sold to residents without any preconditions for many years. In a speech delivered at the opening of the House of Assembly on 9 December 1971, the Governor outlined a new land policy being pursued by the Government. Under the policy, land in the Territory would be owned primarily by the Dominicans, and the ownership of land by aliens and non-Dominicans would be restricted and controlled.

92. In July 1972, the Ministry of Agriculture, Land and Co-operatives issued a statement further explaining this policy. The Ministry said that land should be owned primarily by the Dominicans and that "as far as possible an equitable distribution of available land consistent with efficient use of this resource is a prime consideration". In this statement, it was also said that aliens or non-Dominicans would be barred from purchasing land without a licence and would not be granted licences to buy land held by nationals if such land had been obtained through a Crown grant of less than 20 years. For the purposes of agricultural, industrial and hotel enterprises or tourism development, licences would only be granted to foreigners on the basis of leasehold tenure of varying duration: a maximum of 50 years for hotels and other tourist facilities and 25 years for a manufacturing or industrial concern. Leases for agricultural enterprises would only be considered "if the applicant has special skills in this field". In all such cases, the Government would "reserve the right to opt for a majority interest holding in the enterprise". Finally, the Ministry stated that the Government's policy was not inconsistent with the need to attract foreign investment to the Territory, and that "adequate provision is made to enable foreign enterprises to obtain sufficient land for industrial and other development projects". According to press reports, land in the Territory is believed to be among the cheapest in the Caribbean region.

Agriculture and livestock

93. It is estimated that farmlands occupy about 200,000 acres, of which 16,000 acres are devoted to bananas. Other crops include coconuts, cocoa, grapefruit, limes, oranges, vanilla, beans, mangoes, avacados and vegetables. The majority of farmers have properties averaging less than five acres. There is a limited amount of livestock production.

94. As noted above, bananas dominate the agricultural economy but exports of the fruit (going mainly to the United Kingdom) were expected to decline by 13 per cent to \$EC 4.6 million in 1971. Since the beginning of January 1973, the price of bananas on the United Kingdom market has risen steadily, a trend which augurs well for the industry.

95. In 1971, at the request of the Dominica Government, the Canadian International Development Agency (CIDA) engaged Resources Management Consultants, Ltd. to examine the functions and administration of the Dominica Banana Growers' Association (DBGA), a statutory body. The report of the consultants was published in October and was later accepted by the Government and the board of management of DBGA. In the report, the consultants stated that the financial condition of DBGA could be improved by reducing operating costs over the next two years by \$EC 1.4 million.

The savings could be effected by reorganizing field operations, the buying organization, warehousing and inventory control and transport, as well as by up-grading the boxing plants to increase their productivity. Some of the recommendations of the consultants were being implemented. In October 1972, the Government dissolved the Board of Management of DBGA and appointed the Deputy Financial Secretary to carry out the functions of the former board.

96. Other measures taken in late 1972 and early 1973 to strengthen the position of the banana industry included the following: (a) establishment of a banana replanting incentive scheme (covering 1,000 acres and costing \$EC 363,000, to be financed by the United Kingdom); (b) provision of United Kingdom financial assistance totalling \$EC 875,000; (c) negotiations with the Caribbean Development Bank concerning loans, including one for \$EC 1 million to be used for helping small growers; (d) \$EC 250,000 to be invested by the Government in the Windward Islands Packing Company, which is converting its plant for the production of cartons for the shipment of the fruit; (e) a study of marketing arrangements conducted by experts from the United Kingdom; and (f) participation by Dominica in a newly formed Commonwealth Banana Exporters Association.

97. During 1972, the Government took measures to stimulate local interest in the raising of livestock, particularly cattle, pigs and poultry. These measures included the reduction of the rising cost of animal feed through the repairing of a derelict mill in the Territory, and the establishment of a quota system to control the importation of chickens from abroad.

98. Two basic objectives of the development plan for the period 1971-1975 are to expand and diversify farming and to develop an agro-industrial segment. In pursuance of these objectives, the Government intends: (a) to convert the small farmer into an agricultural entrepreneur; (b) to implement programmes of agricultural education and extension; (c) to provide low-interest loans to farmers through the establishment in early 1972 of the Dominica Agricultural and Industrial Bank (to which the Caribbean Development Bank granted three loans, including \$EC 500,000 for farm improvement credit); and (d) to expand both the domestic and international marketing arrangements for key commodities. As part of its diversification programme, the Government proposes: (a) to establish new coconut groves (covering 8,000 acres); (b) to distribute to small farmers 20 farms of 15 acres each; and (c) to set up livestock farms (covering 300 acres). It is anticipated that the agricultural industry will grow at an average annual rate of over 4 per cent during the period of the plan.

Forestry

99. The forest area in the Territory is estimated at approximately 140 square miles (or nearly half of Dominica's total area), of which 110 acres are owned by the Crown and 30 are in private ownership. It will be recalled n/ that in December 1971, the

n/ Ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXIV, annex, paras. 55-56.

Roywest Banking Corporation took over Dam-Can Timbers, formerly Canadian-owned, which had exploited the Territory's forest resources under an agreement concluded by the Government in 1968, and that an expert from the United Kingdom visited Dominica to study and advise the Government on matters relating to forestry development. As noted above, the Government had been considering the revitalization of the timber industry, which had almost ceased its operations. Assistance had been sought from the Commonwealth Fund for Technical Co-operation and other sources, and an adviser had recently visited the Territory in this connexion. However, the Government decided not to take the final step until after being satisfied that the industry could become viable. In mid-August 1973, a team of businessmen and government officials was expected to represent the Territory at the second meeting of the Venezuela-Dominica commission to be held in Venezuela. The commission would review progress in Venezuelan aid to the Territory's timber industry and discuss other matters of mutual interest.

Industry

100. Although Dominica produces pumice, industrial activity is, in the main, centred around the processing of local agricultural products. In a budget address delivered to the House of Assembly on 11 February 1972, Mr. Armour, Deputy Premier and Minister of Finance, Trade and Industry, stated that the Government's policy was to encourage industrialization. This was necessary, if the Territory was not to remain a producer of primary commodities, which were usually exposed to unstable world market conditions. Moreover, there was a need to improve Dominica's trade position. After negotiations, the Caribbean Development Bank approved three loans to the Dominica Agricultural and Industrial Bank, including \$EC 300,000 for small industry credit and \$EC 221,000 for the establishment of an industrial estate (see also para. 98 above). Subsequently, the Caribbean Development Bank granted two additional loans: \$EC 854,700 for the construction of a citrus packing plant and \$EC 100,000 for the establishment of a second industrial estate.

101. Other industrial projects undertaken or contemplated during the year included the following: (a) a bayberry oil distillery plant erected at a cost of \$EC 77,000 at Petite Savanne; (b) the construction of factories for producing brooms, brushes and cement with assistance from the Venezuelan Government; (c) the exploration by a visiting Puerto Rican trade mission of the possibility of building a canning factory; and (d) the formation of Parry W. Bellot and Company, Ltd. to erect at a cost of \$EC 1.2 million a grapefruit packing and processing plant capable of handling 130,000 pounds daily. Dominicans would hold a majority of the shares of the company.

Tourism

102. In recent years, the tourist industry has continued to make steady progress. The number of visitors (excluding cruise ship passengers) was 14,429 in 1971, compared with 12,450 in 1970. During this period, cruise ship passengers remained roughly constant at 1,200. Total tourist spending in 1971 was estimated at \$EC 2.1 million (a 40 per cent increase over 1970) and its impact on the economy at

\$EC 4.6 million. There has also been a substantial expansion of tourist facilities in the Territory. The number of hotel beds increased from 220 in 1970 to 280 in 1971 and an estimated 372 in 1972. With more beds expected to become available, the Territory was believed to be able to draw more than 16,000 tourists (excluding cruise ship passengers) in 1972.

103. In his recent budget address, Mr. Armour stated that tourism as an industry remained complementary to agricultural and industrial development. He added that the Government would base its tourism development strategy on the expansion of the infrastructure and the basic support services required by the industry.

104. This conclusion was the same as that contained in a recently published report of Shankland Cox and Associates, a firm of consultants which the British Overseas Development Association (BODA) had engaged at the request of the territorial Government to examine tourism development in the Territory. It was believed that, in the public sector, Dominica's financial resources, aided by funds from the United Kingdom Government, should be more than adequate to solve the problems of infrastructure, and that, in the private sector, local funds by 1980 should be able to provide half the investment requirements, which by 1990 would probably have reached \$EC 69 million. It was also believed that the establishment of hotel and technical training courses would be immediately essential. It was estimated that by 1995 there would be 6,000 hotel beds to cater for some 300,000 visitors. In response to a further request from the territorial Government, BODA engaged Shankland and Cox in 1972 to provide the newly formed Dominica Development and Planning Corporation with advice on the implementation and management of the Territory's tourism development programme.

105. On 1 November 1972, Mr. Ericson Watty, the Permanent Secretary in the Department of Planning and Development, announced that the territorial Government had invited Canadian businessmen to participate jointly in Dominica's multi-million-dollar Cabritts tourist development project near Portsmouth, about 30 miles north of Roseau. This project formed part of Dominica's development plan for the period 1971-1975 with which, Mr. Watty stated, Canadian government officials were very much impressed.

Communications and other basic facilities

106. In June and July 1972, the Government received two grants from the United Kingdom: \$EC 200,000 to be spent on the expansion and improvement of the main roads, bringing to \$EC 812,000 the total amount for the purpose; and \$EC 300,000 to be used for building feeder roads, particularly in the Geneva-Mopo area.

107. In August, the Caribbean Development Bank was reported to have approved a loan of \$EC 2.16 million to meet part of the cost of the construction of the Woodridge Bay deep-water harbour at Roseau, the largest single project to be undertaken under the current development plan.

108. Two other schemes set forth in the plan are the further development of the facilities at Melville Hall Airport, situated about 34 miles from Roseau, and the

erection of a new jet airport nearer to the capital. In late 1972, the first scheme was started and feasibility studies of the second were completed. At that time, Dominica Airways, a company run by Dominicans, inaugurated a local air freight service with the aim of transporting cargo to and from Puerto Rico, the United States Virgin Islands and other Caribbean points. A scheduled air service operated by LIAT continued to provide daily communication with Antigua and Barbados. As noted below, the Council of Ministers of the six Associated States decided to ask the Governments concerned to make a joint approach on the request from LIAT for an increase in its fares.

109. During the year, the Caribbean Development Bank approved a loan of \$EC 1.8 million, which will be used by the Government to improve water supplies. An expert from the United Nations also visited the Territory to advise the Government on electric power development.

110. Cable and Wireless (West Indies), Ltd. operates a fully automatic telephone system with a capacity of over 1,700 lines. In early February 1973, the company announced an increase of tariffs which, it said, would help to place the system on a more realistic economic basis. It also provides international telecommunications services in telegraphy, telephony and telex. Since 1968, it has invested more than \$EC 13 million in plant and equipment in Dominica.

Public finance

111. The budget estimates for 1972 envisaged an expenditure of \$EC 25.4 million, an increase of 17.7 per cent over the revised figure for 1971. During this period, recurrent expenditure was estimated to have risen by 13.4 per cent to \$EC 15.0 million (including a United Kingdom grant-in-aid of \$EC 800,000). The principal items of recurrent revenue are import and consumption duties and income tax, which would make up some 60 per cent of the total in 1972. Of the total estimated recurrent expenditure for the year, social services would account for \$EC 5.3 million; administration for \$EC 4.5 million; construction for \$EC 1.2 million; and agriculture for \$EC 981,000.

112. Capital expenditure during 1972 was estimated at \$EC 10.4 million, the highest total in history. The revised figure for the previous year was \$EC 7.3 million. The 1972 estimates were expected to be financed partly by local revenue (\$EC 109,350); partly by loan funds (\$EC 1.6 million); and partly by development aid from external sources (\$EC 8.7 million), particularly the United Kingdom (\$EC 8.6 million). The estimates would include provisions for such schemes as the construction of public buildings, the development of agriculture, forestry and livestock, the establishment of industrial estates, the implementation of airport, road and harbour projects, the expansion of educational and medical facilities and broadcasting.

113. In presenting his estimates to the House of Assembly, Mr. Armour stated that the upsurge in total expenditure reflected the Government's determination to break the chains of poverty and to emerge into the era of modernity and improved living standards. The Government had endeavoured as far as possible within its limited

resources to allocate funds in such a manner as to maintain services at a reasonable level and to inject into the economy a fair amount of capital revenue. It was anticipated that the Government's capital expenditure programme would serve as a catalyst to increase the rate of private investment and economic growth. Mr. Armour also said that steps would be taken to improve the tax system, including the granting of income tax relief to Dominicans with large families. As from the year of assessment 1973, nine tenths of the earned income of married women up to a maximum of \$EC 480 would be exempt from income tax, and the allowance for children would be increased by \$EC 150 to \$EC 350.

Social conditions

Labour

114. According to Premier LeBlanc, agriculture absorbed more than half of the total labour force of 22,500 in 1960, and the figure showed considerable increase during the ensuing decade. Many believe that the relative position of the Government and the tourist industry as employers of labour has recently been strengthened. Unemployment remains a major problem confronting the Territory and local people are still looking for employment abroad, notably in the United States Virgin Islands, where a total of 1,127 Dominicans found work in 1972. One of the major objectives of the current development plan is to overcome the unemployment problem. On completion of the plan in 1975, it is expected that 96 per cent of the estimated total labour force of 33,385 will find jobs directly or indirectly connected with the agricultural industry. The Government is also pursuing a policy aimed at the provision of adequate and improved industrial training for local workers (see below).

Public health

115. In his recent budget address, Mr. Armour stated that the largest portion of recurrent revenue in 1972 was allocated to social services, a trend which was expected to continue for some years to come. During the year under review, it was proposed to spend a total of \$EC 2.2 million on public health, an increase of \$EC 308,260 over the 1971 estimates. Provisions would be made for more drugs and surgical appliances, more and better trained staff and an improved organization capable of looking after the welfare of the population of Dominica more efficiently. Mr. Armour also said that the capital estimates for the year provided for the installation of a standby lighting plant at Princess Margaret Hospital, the principal medical institution; for the continued expansion of the hospital with \$EC 368,900 in United Kingdom development aid; and the construction of three health centres, as well as communal toilets and baths in villages, at a total cost of \$EC 115,000.

116. Three important developments in the field of public health occurred between late 1972 and early 1973: (a) four experts from the Pan-American Health Organization visited Dominica to assist its Government in formulating plans for the maternal and child health programme; (b) the Oxford Committee for Famine Relief (OXFAM) made available to the Territory funds totalling £30,000 for financing the

establishment of 12 health centres during the period 1972-1974; and (c) the United Kingdom Government approved a grant to the Dominica Government of \$EC 30,720 to complete the furnishing and equipping of the new psychiatric wards at St. Luke's Hospital in Roseau.

Educational conditions

General

117. In his recent budget address, Mr. Armour announced the creation of a separate Youth Development Division under the Ministry of Home Affairs. o/

118. He drew particular attention to the completion of two new institutions in 1971: a secondary school in Portsmouth and the Dominica Technical College, which provides full-time courses in building construction, agro-industry, commerce and electrical and mechanical engineering and was expected to graduate a total of 760 students by 1974. Construction of a teachers training college would soon be started in the Bath Estate development area, p/ with the objective of training 60 teachers in its first year and 30 per annum thereafter. The Government hoped to reduce considerably the number of untrained teachers in the primary schools over a period of three years, and to achieve an ideal teacher-to-pupil ratio of 1 to 30 within the next 10 years. Grants to educational institutions (including private secondary schools) would be increased by \$EC 40,900 to \$EC 251,500 in 1972. Mr. Armour also said that an important capital project being undertaken was the erection of six duplex houses for essential expatriate staff, who were being recruited for the Dominica Technical College.

119. Later in 1972, the Government obtained \$EC 200,000 from the Caribbean Development Bank for loans to students. The current development plan provides for the expansion of facilities for primary and secondary education through the addition of 10,980 places. Recurrent expenditure on education in 1972 amounted to \$EC 2.8 million, compared to \$EC 2.3 million in the previous year.

Problem confronting the secondary schools

120. In March 1972, the principal of St. Mary's Academy, a 430-student Roman Catholic boys' secondary school in Roseau, decided to send a student home to have his long hair trimmed in accordance with the Academy's regulations. Some 85 fellow students staged a protest as a result of his decision. Towards the end of May, the Bishop of Roseau announced the closure of the Academy, stating that the present conditions were due to a refusal of students to accept authority, a breakdown in discipline, lack of parental care and the inability of many secondary school leavers to find suitable employment. Subsequently, the unrest spread to the other three secondary schools in Dominica.

o/ In July 1972, the United Kingdom Government was reported to have provided a grant of \$EC 390,000 to help expand facilities at a regional youth camp, being administered by the Dominica Government for the Windward and Leeward Islands.

p/ In March of that year, it was reported that the United Kingdom Government had authorized a grant of \$EC 71,323 for the construction of this college, which was scheduled for completion by May 1973.

121. A five-member commission of inquiry, appointed by the Government to investigate the matter, made the following recommendations, all of which were accepted by the Government: (a) a government-led effort to introduce reforms into the socio-economic system of the Territory as a matter of urgency; (b) the establishment of a student council; (c) the adoption of positive and definite measures to encourage respect for all persons, regardless of race or colour; (d) the creation of a parent-teachers association; and (e) recognition of the need to have the Academy reopened as quickly as possible.

4. GRENADA

General

122. Grenada is the most southerly of the Windward Islands in the Eastern Caribbean. It lies approximately 90 miles north of Trinidad and 68 miles south-south-west of St. Vincent. The total area of the Territory is 133 square miles, including certain of the islets known as the Grenadines, the largest of which is Carriacou, with an area of 13 square miles.

123. At the last census, taken in April 1970, the population of the Territory was 94,821, almost all of whom were of African or mixed descent. St. George's, the capital, has an estimated population of 8,866. The other towns are Gouyave, Victoria, Grenville, Santeurs and Hillsborough.

Political developments

Political parties and elections

124. There are two main political parties in the Territory: the Grenada United Labour Party (GULP), led by the Premier Mr. Eric Gairy; and the Grenada National Party (GNP), led by Mr. Herbert Blaize.

125. Prior to the last general elections, held on 28 February 1972, the overriding issue in the electoral campaign was the question of the Territory's future status. Mr. Gairy made it clear that if GULP won the elections, it would seek full independence for Grenada. The GNP, on the other hand, took the position that political independence would be meaningless unless it was accompanied by economic independence; it stressed the need to strengthen the economy and to improve the public service. The GULP won 13 of the 15 elected seats in the House of Representatives and GNP won the remaining 2. On 27 September, GULP won another seat as the result of a by-election.

126. On 23 November, two members of GNP (Messrs. R. L. Friday and L. Seon) resigned from the party following a split over its leadership.

127. In April 1973, an organization called the New Jewel Political Movement (NJPM) was reported to have been established by a group of young people (Grenada calls itself Jewel of the Caribbean). In early May, NJPM drew up a programme calling for the postponement of independence until constitutional reforms had been introduced and the economic situation had improved.

Ministerial changes

128. On 4 August 1972, Premier Gairy announced a number of ministerial changes in the Government. Mr. O. Raeburn, former Minister of Social Affairs, was named

Minister of Agriculture, Forestry and Fisheries to succeed Senator J. Thorne. The latter was transferred to the Ministry of Finance, Trade and Industry as Minister of State. Mrs. C. Gairy, the Minister of Education and Culture, also assumed responsibility for the Ministry of Social Affairs. Mrs. N. Benjamin was appointed Parliamentary Secretary in Mrs. Gairy's ministry. Mr. Franklin Dolland, former Minister of State in the Ministry of Finance, Trade and Industry, was asked to fill a similar post in the Premier's ministry with special responsibility for planning, development and training. In February 1973, Mr. G. E. D. Clyne, Speaker of the House, and Senator Thorne tendered their resignations on grounds of ill health.

Future status of the Territory

129. After the results of the last general elections, Mr. Gairy announced that: "full independence within the British Commonwealth, the chief point of our platform, will be sought at the earliest opportunity". On the basis of that statement, Mr. Gairy led a Grenada delegation to London, to open talks on 24 October 1972 with the United Kingdom Government on the question of independence for the Territory. The members of the Grenada delegation consisted of three ministers and the leader of the Opposition GNP. The United Kingdom delegation was headed by Mr. Joseph Godber, Minister of State for Foreign and Commonwealth Affairs.

130. During the discussions, Mr. Gairy explained that independence had been a prominent issue in the Territory's last general elections, and that after GULP had won the elections, his Government had asked for the meeting with the United Kingdom Government to discuss the way in which Grenada could achieve independence. Mr. Blaize, on the other hand, expressed the opposition viewpoint, namely, that he was not opposed to the principle of independence but had reservations about methods and timing. The United Kingdom Government took the position that independence was not to be withheld when it was desired by a majority of the people concerned.

131. Mr. Gairy and Mr. Blaize also presented their opposing views on the procedure for the termination of the association of Grenada with the United Kingdom. It will be recalled q/ that, under the present Constitution of the Territory which came into force on 3 March 1967, this procedure requires the approval of a two-thirds majority in the House of Representatives and a two-thirds majority of the votes cast in a referendum.

132. Mr. Gairy contended that such a referendum was unnecessary because his party had won all except two of the 15 elected seats in the House at the last general election. Mr. Blaize maintained that GULP had not received a mandate because its election platform did not contain detailed information on the question of independence, and that the deteriorating economic situation in the Territory did

q/ Official Records of the General Assembly, Twenty-second Session, Annexes, addendum to agenda item 23 (A/6700/Rev.1), chap. XXIII, para. 138.

not justify an advance to independence at this time (a view similar to that recently expressed by the business community). He felt that, in those circumstances, Grenada should proceed to independence with the other Associated States. If it was considered that the Territory should go it alone, the people should be asked to decide on this matter.

133. According to a communiqué issued on 25 October, it was agreed that "the aim should be to hold a constitutional conference in early May 1973 at which the provisions of a possible independence constitution would be fully reviewed with particular reference to the entrenchment of suitable safeguards". The communiqué also stated that, on the basis of agreements reached at the conference, a final decision could then be taken by the United Kingdom Government on the most suitable procedure whereby Grenada might advance to independence.

134. In a radio broadcast on 30 October, after his return from London, Premier Gairy stated that the United Kingdom Government was satisfied that GULP's victory at the last general elections had given him a mandate to lead Grenada into independence.

135. On 10 November, soon after returning to the Territory, Mr. Blaize stated that the question of an independence referendum had been raised during the preliminary talks held recently in London. He added that the methods by which Grenada might proceed to independence, and which were to be examined at the proposed constitutional conference to be held in May 1973, had not been resolved. The United Kingdom Government, he continued, had decided that nothing would be done until it was satisfied that minimum attributes for independence would be met and that all minority interests were protected. He again stressed that the Grenada Government should not seek independence for the Territory without consulting its people.

136. On 13 November, after reiterating his views on the question of an independence referendum, Mr. Gairy said that his Government would take steps to provide the framework of a constitution that would take into account the safeguards for the people's rights suggested by the United Kingdom Government. Two weeks later, GULP organized a rally in support of the attainment of independence by Grenada in the quickest possible time. At the rally, Mr. Gairy stated that, once independence had been achieved, Grenada would seek membership in international organizations and could obtain financial and technical assistance for further development of the country.

137. In a speech delivered to the legislature on 28 December, Dame Hilda Bynoe, the Governor, stated that committees were being created to report on all aspects of the question of independence, and that the Government had already taken steps to ensure that expenditure on the establishment of diplomatic missions abroad would be minimum. In the following month, a seven-member committee was set up to publicize plans for Grenada's independence. Another significant development were the discussions held between Mr. Gairy and the Government of Trinidad and Tobago concerning the use of its overseas missions for Grenada's representation in at least seven countries. Subsequently, the Grenada Government agreed on the appointment of a chargé d'affaires responsible for Caribbean affairs. His area

would include Barbados, Guyana, Jamaica and Trinidad and Tobago. Negotiations were being conducted on the recruitment of another officer to represent Grenada both in New York and at the United Nations.

138. Mr. Gairy reportedly campaigned actively for popular support of his plans for independence in 1974. He viewed associated statehood as an obstacle to rapid development and continued to preach the advantages of independence as qualifying Grenada for international assistance and investment. The Opposition GNP rejected Mr. Gairy's arguments and time-table for independence, stating that a development programme was needed to strengthen the economic position of the Territory before it became independent. Similar views were expressed by NJPM, several hundred of whose members had recently clashed with police during a demonstration at Pearls International Airport near St. George's. The demonstration had been staged in protest against the slaying of a man, allegedly by police, on 20 April 1973. As a result, Mr. Gairy appointed an expert from a neighbouring country to investigate the case. On 13 May, both GNP and GULP announced the decisions to send their respective delegations to London to participate in the forthcoming constitutional conference. On the same day, Mr. Gairy also announced the formation of a volunteer force to help police maintain law and order, and called on young people to prepare themselves to take their part in independence.

Grenada Constitutional Conference

139. The Grenada Constitutional Conference was held in London from 14 to 18 May 1973 to discuss the provisions of a possible independence constitution. It was presided over by Lord Balneil, United Kingdom Minister of State for Foreign and Commonwealth Affairs, and was attended by a Grenada Government delegation led by Premier Gairy and an opposition delegation led by Mr. Blaize. Statements made at the opening session of the Conference indicated no change in the position of the major parties with regard to the question of independence. Mr. Blaize also said that he had a petition signed by 19,000 Grenadians opposing independence under the Premier's proposals.

140. When the Conference was opened in London, about 300 dockers at St. George's harbour, the Territory's main port, went on strike in protest against Grenada becoming independent under the present political and economic conditions. Two days later, the strike reportedly spread to all sectors of the economy shutting down 80 per cent of the business sector, thus bringing it to a virtual standstill. By 18 May, there were still shortages of electricity, although telecommunications services had been restored, and only a few food stores were open. A government spokesman said that, despite the strike, no major incidents had been reported, and St. George's remained quiet.

141. According to a communiqué issued at the conclusion of the Constitutional Conference, the two delegations from Grenada "reached substantial agreement on the terms of a possible independence Constitution". The opposition delegation made it plain, however, that "in view of developments in Grenada they could not agree to any constitution going forth from the Conference as an agreed constitution". They did not agree with the Grenada Government delegation that independence should be

granted under the existing constitution, the substance of which would be suitable as an independence constitution. Lord Balneil told the delegates that the United Kingdom Government would consider the matter further in the light of the arguments advanced at the Conference and other relevant information and would pass on these views to the Grenada Government and the opposition party as soon as possible.

142. On 25 May, six days after the end of the strike, the United Kingdom Government was reported to have sent officials to St. George's, to assess the political and economic situation. In a message delivered to Premier Gairy and Opposition Leader Blaize on 31 May, Lord Balneil reiterated the opinion of the United Kingdom that independence could legally be conferred on Grenada by an order-in-council under section 10 (2) of the West Indies Act 1967, r/ provided that the United Kingdom Government was satisfied that this was a justifiable course. Having considered all the arguments and information presented to it, the United Kingdom Government had decided that it would be right and proper to confer independence on Grenada in accordance with that procedure. Subject, therefore, to the approval of Parliament, his Government would be prepared in due course to recommend to the Queen that such an order-in-council should be made to terminate the status of association of Grenada with the United Kingdom as from a date to be specified in the order. The United Kingdom Government would also be prepared, on receiving the request and consent of Grenada, to recommend to the Queen that legislation should be enacted to make appropriate constitutional arrangements for independence to take effect on the termination of this status. Finally, Lord Balneil stated that the introduction into the Grenada Legislature of the necessary resolution to signify the request and consent referred to above would provide an opportunity for the expression of public opinion on the form of the proposed independence constitution, as discussed at the recent Constitutional Conference.

143. On 1 June, a spokesman for the Foreign and Commonwealth Office said that the Governments of the United Kingdom and Grenada would hold talks in due course on questions arising from the latest decision of the United Kingdom as contained in the message referred to above. It was reported that the message had left open the date for an end of the associated status of Grenada, although Premier Gairy had announced that the Territory would attain full independence in the first quarter of 1974 and that the planned talks would take place probably in London.

144. A delegation from Grenada, led by Premier Gairy, visited London in late July to discuss with the United Kingdom Government the question of independence. On

r/ The Act provides two means by which any Associate State may become independent. Under section 10 (1) and its schedule, the local legislature is empowered to pass an independence constitution with a two-thirds majority, which must be ratified by a two-thirds majority in a referendum. Under section 10 (2), the United Kingdom Government may at any time, by an order-in-council, made in respect of any Associated State, terminate the status of association of that State with the United Kingdom.

30 July it was announced that, subject to the approval of Parliament, the United Kingdom Government would grant independence to Grenada on 7 February 1974.

Regional unification

145. As previously noted (see paras. 13-18 above), the Governments of Grenada, St. Lucia and St. Vincent entered into an agreement on 17 June 1972, on the proposed unification of the three Territories. Speaking to the House of Representatives on 7 July, Premier Gairy announced that his Cabinet had ratified the agreement. Commenting on the Government's action, Mr. Blaize stated that the Opposition would ask the Governor to ensure that the public be given the opportunity to participate in the plans for regional unification. The Premier replied that the agreement provided that the steps taken by the three Territories would not prejudice or frustrate the aspirations of any of the Territories for constitutional advancement, and that the aim of his Government was full independence for Grenada.

Economic conditions

General

146. The Territory's gross domestic product was estimated to have risen only marginally, from \$EC 40 million in 1970 to \$EC 41.6 million in 1972. It was also estimated that less than one-tenth of the total population shared more than one-quarter of the gross domestic product and that the latest average per capita income amounted to \$EC 437. In presenting these estimates, the Chamber of Commerce and the Employers' Federation said in late 1972 that the economic growth rate had declined, that the unemployment problem had worsened, and that taxation had become more burdensome. The two organizations therefore urged the Government to take immediate steps to launch a development programme aimed at increasing the average per capita income to \$EC 1,000.

147. The economy is mainly agricultural, with tourism playing an increasingly important role. The agricultural sector provides employment for between 5,000 and 6,000 workers. Bananas, cocoa, nutmegs and mace are the major crops produced for export. Other important crops are limes, cotton and sugar cane. Food crops, fruits and vegetables are also grown for local consumption. The fishing, livestock and manufacturing industries remain relatively under-developed. Exploration for oil and gas in off-shore areas has been started. Although Grenada is an exporter of agricultural products, it shows a marked dependence on imports of certain food-stuffs (rice, flour, fish, dairy products and meat) and other goods. The Territory's trade deficit is offset by development aid from external sources, tourist spending and remittances from workers abroad.

148. Reviewing the recent economic situation in the Territory, Mr. George F. Hosten, Minister of Finance, Trade and Industry, stated in the House of Representatives in July 1972 that the generally poor performance of agricultural exports and

tourism had contributed significantly to the sluggish state of the economy during 1971. Despite efforts to curb the inflationary spiral, the cost of living had continued to rise owing to certain uncontrollable external factors. He also said that "against this grim economic picture, the outlook for 1972 is none too bright". Finally, he said that the Government's current economic strategy would be geared towards mobilizing the financial and human resources of the Territory so as to cope effectively with the problems of unemployment, rising consumer prices and an inadequate economic and social infrastructure.

149. In a speech delivered to the legislature on 28 December, the Governor stated that the Government was firmly convinced that agriculture would continue for many years to be the mainstay of the economy and recognized that every effort should be made to diversify and increase agricultural production. She added that the Government intended to give every assistance in the promotion of agricultural exports and the expansion of other industries.

Agriculture, livestock and fisheries

150. Grenada is one of the world's largest producers of nutmegs and mace. In 1972, nutmeg output decreased by 20 per cent to 1,641 tons. Owing to an increase in exports, however, growers received \$EC 100,000 more in bonuses than in the previous year. Exports of cocoa continued to decline, but the Cocoa Industry Board paid bonuses to growers totalling \$EC 700,000 from surplus funds previously accumulated. In August, the House of Representatives passed a bill providing for the appointment by the Government of a Banana Board of not more than 15 members to run the industry. The Territory also became a member of the newly formed Commonwealth Banana Exporters Association. The Windward Islands Packing Company in which the Government has an interest, is converting its plant to the production of cartons for the shipment of the fruit.

151. In February 1973, Premier Gairy, who is also the President-General of the Manual and Mental Workers Union, sent a letter to all agricultural employers on behalf of the Union, proposing a wage increase for farm workers (see below). He noted that the nutmeg industry was now in a favourable position as a result of a drought in a major producing country; that the prospects for the cocoa industry were very favourable because the price of its product exported from Grenada had been guaranteed at 60 cents a pound; and that the Territory would be receiving its share of financial assistance, totalling \$EC 2.4 million, provided by the United Kingdom Government to Windward Islands banana growers.

152. In April 1972, the Government decided to prohibit the importation of cabbages, sweet potatoes and tomatoes into the Territory, taking into account the high level of local production of those vegetables. It also decided to keep a close watch on the production levels of other agricultural commodities in Grenada and to restrict the importation of those commodities when it was felt that a sufficient quantity was being produced locally. This new policy was in keeping with the Government's plan to increase the quantity and quality of local food production and was intended to sustain the incentives of farmers to grow more food crops and vegetables. In May, Premier Gairy sought the approval of his Cabinet to provide cold storage

facilities for the preservation of perishable food products such as cabbage and tomatoes. In July, the Government announced its intention to continue the present level of subsidy to the cotton, lime and sugar industries. In December, the Government announced its decision to further expand the production of fruits, vegetables and certain other crops.

153. In July 1972, Premier Gairy requested the United Kingdom Government to assist in setting up a new livestock demonstration station for improvement of the livestock industry. As from 1 September, restrictions were imposed on the importation of all types of condensed and powdered milk, a measure designed to promote the development of viable dairy and livestock industries.

154. The Canadian Government is assisting Grenada in developing its fishing industry through the construction of two cold storage plants in Grenville and Gouyava. Work on the first plant was started in October 1972 and plans for the second were announced in January 1973.

Tourism

155. The Government is making considerable efforts to develop tourism, which has been on an upward trend in recent years. In the first half of 1972, tourists visiting the Territory numbered 81,715 (including 61,658 cruise ship passengers).

156. In late 1972, the Government took the following measures for accelerating the growth of the tourist industry: (a) discussions with certain Governments and investors concerning the promotion of tourism in Grenada; (b) assistance in finalizing plans to merge the Grenada Beach and Holiday Inn hotels, with the objective of expanding and improving their accommodations; (c) formation of the Small Hotels Advisory Council to give guidance to small hoteliers; and (d) further development of air transport and other basic facilities (see below).

Industry

157. There are a number of relatively small industrial concerns producing for the local market. Other concerns are engaged in cotton ginning and the production of beer and lager, chiefly for exports.

158. In the second quarter of 1972, the Government appointed a committee, headed by Mr. Franklin Dolland, then Minister of State in the Ministry of Finance, Trade and Industry, to consider and make recommendations for the protection of local industries concerned with the production of light manufactures and processed foods. In late June, after studying the committee's report, the Government decided to impose quantitative restrictions on the importation of beer and malt into Grenada for an undisclosed period. The Government also obtained a loan totalling \$EC 124,846 from the Caribbean Development Bank to help initiate a number of development projects, including the establishment of an industrial estate. Another important development during the year was the decision of Westrans

Industries, Inc. of the United States to seek a partnership with a major oil company or other large company to undertake exploratory oil drillings off the coast of Grenada.

Communications and other basic facilities

159. The scheduled road mileage is 566, of which 356 miles have an oiled surface and 210 miles are graded as third and fourth class roads, practically all of which are suitable for motor traffic. In December 1972, the Caribbean Development Bank provided a loan of \$EC 1.6 million for financing the construction of feeder roads.

160. St. George's harbour is the Territory's chief port. Ten international shipping lines operate regular cargo services, one of which, the West Indies Shipping Company, also provides passenger services between Grenada and its neighbours. In October 1972, Premier Gairy said at a press conference that he was considering the introduction of legislation to enable the registration of ships in Grenada as is done in Liberia and Panama.

161. There are two airports: Lauriston, located on Carriacou, and Pearls International near St. George's. In October 1972, the Caribbean Development Bank reportedly approved a loan of \$EC 100,000 to bring the runway and terminal building at Lauriston up to international standards. On 7 November, the United Kingdom granted a loan of up to \$EC 2.8 million for improving the runway at Pearls. This work, which is planned to be completed by late 1973, is considered necessary because of the introduction of BAC-111 jet aircraft by LIAT.

162. During 1972, LIAT and Caribbean Atlantic Airlines operated daily scheduled services through Pearls Airport, linking Grenada with other Commonwealth Caribbean countries. In October, Premier Gairy held talks with representatives of LIAT on the installation of direct services between Grenada and Venezuela. During the same month, the Council of Ministers of the six Associated States held a meeting at St. George's to consider matters of common interest, including a request from LIAT to increase its fares. The Council decided to ask the Governments concerned to make a joint approach on the request. LIAT also ran daily scheduled services through Lauriston Airport, linking Carriacou with Grenada and Palm Island. In November, after discussions with the Grenada Government, the Inter-State Air Service Corporation based in Puerto Rico reportedly announced its intention to inaugurate an hourly service between Carriacou and Grenada.

163. In June 1972, discussions were held between the Governments of Canada and Grenada on current projects of co-operation, including the erection of a plant with the capacity to treat 1.35 million gallons of water daily to supply St. George's and surrounding districts. In December, the Caribbean Development Bank made a loan of \$EC 1.84 million to help implement the Government's programme for the improvement of water supplies.

164. Electricity is generated and distributed by Grenada Electricity Services, Ltd., a company formed by the Government and the Commonwealth Development

Corporation (CDC). The Government's programme to extend electric power to all districts was continued. In July 1972, Premier Gairy held discussions with a representative of CDC on a number of issues, including the present state of electricity services.

Public finance

165. On 7 July 1972, Mr. Hosten, Minister of Finance, Trade and Industry, presented to the House of Representatives a budget of \$EC 36.6 million, representing an increase of \$EC 900,000 over the 1971 budget. He stated that the delay in the presentation of the 1972 budget had been caused by the extra time needed to permit new ministers, appointed after the last general elections, to formulate their proposals for the budget. He further stated that, in order to raise some \$EC 800,000 in additional revenue, proposals had been made for higher duties on cigarettes, gasoline and liquor. He also proposed to increase the airport service charge and hospital fees for paying patients. As regards new sources of taxation, he said that they would include a ticket tax on all persons leaving Grenada (which was expected to add \$EC 100,000 to its revenue for 1972 and \$EC 250,000 annually thereafter), and a tax of 30 per cent on all capital gains.

166. Subsequently, the Chamber of Commerce and the Employers' Federation issued a joint statement, claiming that "the level of taxation has become the highest of any country in the world as it now exceeds 50 per cent of the Territory's gross domestic product". They therefore called upon the Government to substantially reduce the present level of taxation, bearing in mind that the private sector would suffer from lack of capital and that the economy was "extremely weak".

167. The budget estimates for 1972 envisaged an expenditure of \$EC 36.6 million, of which \$EC 22.46 million was on recurrent and \$EC 14.11 million on capital accounts. Of the latter sum, \$EC 4.1 million would be allocated to education; \$EC 1.8 million to the development of water supplies; \$EC 1.5 million to agriculture; \$EC 1.3 million to further development of certain basic facilities including roads; \$EC 800,000 to tourism; \$EC 750,000 to housing; and \$EC 200,000 to health.

168. During a visit to Grenada in May 1972, two experts from the regional office of UNDP in Trinidad and Tobago met with representatives of the Government to consider its request for technical experts, equipment for training purposes and fellowships. The total value of UNDP projects for 1972 and 1973 was about \$EC 600,000. As indicated elsewhere in the present paper, the other main sources of development aid to the Territory have been Canada, the Caribbean Development Bank and the United Kingdom.

Social conditions

169. As noted above, the unemployment situation worsened in 1972. Towards the end of the year, both the House of Representatives and the Senate passed the Immigration Restriction (Fee for Permanent Residence) Regulations, 1972, which

revoked the Immigration Restriction Regulations, 1970. Under the new legislation, nationals of Antigua, Barbados, British Honduras (now Belize), Dominica, Guyana, Jamaica, Montserrat, St. Kitts-Nevis-Anguilla and Trinidad and Tobago are now required to pay a fee of \$EC 240 (\$EC 20 under the revoked Regulations) for a permit of permanent residence in Grenada. Persons from Territories not mentioned in the 1972 Regulations are now required to pay a fee of \$EC 1,500 (\$EC 500 under the revoked Regulations) for such a permit.

170. The Senate also approved the Foreign Nationals and Commonwealth Citizens (Employment) (Amendment) Regulations, 1970. The amended Regulations set a new yearly fee of \$EC 100 (\$EC 40 prior to the amendment) for the granting of a work permit to persons belonging to the countries specified above. Residents of other countries must pay a fee of \$EC 500 (\$EC 240 prior to the amendment) for such a permit. The new regulations were to come into effect on 1 January 1973.

171. As noted above, the Manual and Mental Workers Union sent a letter to all agricultural employers in early 1973, proposing upward adjustments in wages for farm workers from 1 January. The Union proposed that daily wages for male workers be increased from \$EC 3.70 to \$EC 4.20 and those for female workers from \$EC 2.70 to \$EC 3.40. This proposal was made in view of the rise in the cost of living and the favourable developments affecting the nutmeg, cocoa and banana industries.

172. In her recent speech to the legislature, the Governor stated that a local officer was being trained abroad in the maintenance of health care facilities. The officer was expected to return to Grenada in 1973 to work with a consultant from the World Health Organization (WHO) in establishing a project for the continuous servicing of medical equipment and facilities in the Territory.

Educational conditions

173. In late June 1972, the Government formally opened a preprimary school in the district of Mt. Fann in St. Andrew's parish and a school for deaf and mute children at Cherry Hill in St. George's parish. Since then, efforts have been made towards further development of educational facilities as follows:

(a) the erection of a primary school at Pomme Rose in St. David's parish at a cost of about \$EC 470,000, financed by the United Kingdom, and a secondary school in the outparish of St. Patrick; (b) the formulation of a plan for a secondary school for girls in the district of Belmont; and (c) the reconstruction of the Anglican High School at Tanteen in St. George's.

174. In addition to other awards, the Government grants two biennial island scholarships, a Grenada scholarship and an agricultural scholarship, tenable at the University of the West Indies or, in the case of the Grenada scholarship, at any other recognized university in the Commonwealth if the candidates wish to study a subject which is not available at the University of the West Indies. In August 1972, the Government decided to defer the award of the island scholarships for the year, taking into account the poor quality of the examination results

obtained by students in the secondary schools. The Government stressed the need for reappraisal of the whole range of education for children between 12 and 19 years of age. At about the same time, the local branch of the Chase Manhattan Bank of the United States made available funds totalling \$EC 1,000 for financing a scheme to provide scholarships for at least five pupils each year.

175. In her recent speech to the legislature, the Governor stated that the objectives of the Government's educational policy were: (a) to equalize educational opportunities; and (b) to reorganize the educational system so that it would better satisfy the needs and interests of all pupils and supply trained personnel for the development of the Territory. She further stated that independence would require the people of the Territory, especially the youth, to assume new and challenging responsibilities. She therefore considered that the curricula of schools should reflect Grenada's aspirations for independence.

5. ST. KITTS-NEVIS-ANGUILLA

General

176. The islands of St. Kitts (also known as St. Christopher), Nevis and Anguilla are the most northerly of the Leeward Islands chain in the Eastern Caribbean. St. Kitts and Nevis are separated by a two-mile strait and Anguilla lies about 65 miles north-north-west of St. Kitts. The Territory also includes the island of Sombrero, the administration of which was transferred from the British Virgin Islands to St. Kitts in 1956. The total area of the Territory is 155 square miles. St. Kitts covers an area of 68 square miles, Nevis 50 square miles, Anguilla 35 square miles and Sombrero 2 square miles.

177. At the 1970 census, the total population of St. Kitts and Nevis was 45,457, of whom about 16,000 lived in Basseterre, the capital, located on St. Kitts. Anguilla, which was not included in the census, had about 5,500 inhabitants. In all three islands the population decreased by about 10 per cent during the preceding decade, owing largely to emigration. The majority of the population is of African or mixed descent.

Constitutional and political developments

Political parties and elections

178. The main political party is the ruling Labour Party (LP), led by the Premier, Mr. R. L. Bradshaw. Affiliated to LP is the United National Movement (UNM). Two parties are active in Nevis: the People's Action Movement (PAM) and the Nevis Reformation Party (NRP). In Anguilla, the only political organization is the People's Progressive Party (PPP).

179. The constitutional arrangements in force provide for a House of Assembly with 10 of its members elected under universal adult suffrage in single-member constituencies as follows: 7 in St. Kitts, 2 in Nevis and 1 in Anguilla. In the last general elections, held on 10 May 1971, LP won all seven seats in St. Kitts. The PAM secured one of the two seats in Nevis, the other going to NRP. No election took place in Anguilla because of special circumstances affecting that island which are explained below. Following the elections, Mr. Bradshaw was reappointed Premier of the Territory.

Special situation in Anguilla

180. It will be recalled that a few months after the Territory of St. Kitts-Nevis-Anguilla acquired its new Constitution in February 1967, demonstrations were staged in Anguilla in support of demands for secession. The events following these demonstrations, which led to intervention by the United Kingdom and to protracted negotiations concerning the status of the island, have been described in detail in

previous reports.^{s/} These negotiations resulted, with the agreement of the Anguillans, in the enactment of the Anguilla Act, 1971, whereby the United Kingdom Government reassumed direct responsibility for the administration of the island pending a final test of the wishes of the Anguillans in regard to their future status.

181. The Anguilla (Administration) Order, 1971, which was made on the basis of this Act on 28 July and came into effect on 4 August 1971, provides for the appointment of a Commissioner by the Queen and for the establishment of a Council for Anguilla. The Commissioner is directly responsible to the United Kingdom Government and is empowered to make such ordinances, after consultation with the Council, as he considers necessary to secure and maintain peace, order and good government. The Anguilla Council consists of not less than seven elected members and such other members, not exceeding six, as may be appointed by the Commissioner. On 6 August, Mr. Ronald Webster was elected leader of the Council. Under the Anguilla Elections Ordinance, 1971, the island is divided into seven constituencies.

(a) Elections

182. The first elections under this Ordinance took place on 24 July 1972. The PPP, led by Mr. Webster, won six of the seven seats in the new Anguilla Council, and the remaining seat went to Mr. Emile Gumbs, who ran independently. Following the elections, Mr. Webster was unanimously re-elected leader of the Council. Upon learning of the decisive victory of his party at the polls, Mr. Webster said, in a radio broadcast, that the Council would do all in its power to develop and improve Anguilla, bringing to it political and economic stability. He added that the Council would soon resume negotiations with the United Kingdom for an "absolute and final separation" from the Territory of St. Kitts-Nevis-Anguilla.

(b) Status

183. In a letter dated 14 November 1972, addressed to Sir Alec Douglas-Home, the United Kingdom Secretary of State for Foreign and Commonwealth Affairs, Mr. Webster pointed out that the Anguilla (Administration) Order, 1971, provided that the final decision on relationships with the Territory of St. Kitts-Nevis-Anguilla rested with the Anguillans. The Anguillans did not want to wait until 1974 for constitutional change as agreed to when the United Kingdom resumed direct responsibility for their affairs, but wished to have a status equal to that of the Cayman Islands, Montserrat and the British Virgin Islands. He therefore demanded that his island's de facto separation from the Territory be made official as soon as possible, and that a new draft constitution be drawn up, providing Anguilla with a greater degree of self-government and with a direct link to the United Kingdom.

^{s/} For details, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVII, annex I.E., paras. 14-23; ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXII, annex, paras. 126-167.

184. On 28 February 1973, Lord Balneil, Minister of State for Foreign and Commonwealth Affairs, reaffirmed in reply to a question in the United Kingdom Parliament that the Government would review the status of Anguilla in 1974 as previously promised. He also said that Mr. Webster had been advised in a recent letter from the Government that it was in the interests of all parties to adhere to the time-table.

Status of Nevis

185. On 13 October 1972, the Nevis Island Council (in which NRP holds seven of the nine elected seats) was reported to have adopted a resolution calling on the territorial Government to give the Council wider powers in running the island's affairs. The Council was seeking power to: (a) control and maintain all public buildings, roads and harbour facilities; (b) borrow, without the territorial Government's consent, money not exceeding 30 per cent of the approved recurrent budget of the Council; and (c) grant franchises for, or otherwise regulate, the supply of electricity and/or public utilities not yet under the control of the Council. The resolution also asked that all monies for the licensing of vehicles on Nevis and all taxes on fuel be paid over to the Council. Finally, the resolution stated that the Council should not be dissolved except at its own request, signified by a resolution and supported by a majority vote of its members.

186. In February 1973, the Council was reported to have adopted another resolution in which the Governments of the United Kingdom and St. Kitts-Nevis-Anguilla were requested to hear the views of the people of Nevis through the Council on all matters relating to the Anguilla settlement, and to give the two islands similar administrative systems, powers and constitutional status.

Economic conditions

General

187. The Territory's economy depends in a large measure on agriculture and the earnings of labour employed abroad, and to a lesser extent on the tourist trade. The contributions of the fishing, livestock and manufacturing sectors are comparatively small. The Territory exports agricultural products, the most important being sugar, which represents about 80 per cent of all domestic exports. Nearly all the local requirements are imported. In recent years, the Territory has been faced with the problems of growing unemployment, persistent inflation and a chronic trade deficit.

188. Reviewing the economy as a whole, Mr. C. A. P. Southwell, Deputy Premier and Minister of Finance, Trade, Development and Tourism, said in a budget speech delivered to the legislature in April 1972 that there was an urgent need for revitalizing and strengthening the sugar industry, which had encountered difficulties for many years. Tourism would be developed as the second most important industry with special regard to the development of tourist facilities at Frigate Bay on St. Kitts. Agricultural development would be stimulated so that the Territory could

substitute local products for imports and meet the food requirements of tourists. The policy was also aimed at providing an economic incentive for those people willing to return to agricultural work. Encouragement would also be given to the establishment of more light industries. Finally, efforts would be made to expand and improve the economic and social infrastructure.

Agriculture

189. On St. Kitts, approximately 12,000 acres, or 80 per cent of the arable land, are devoted to the production of sugar cane on a plantation scale. The remainder of the cultivated land is used for growing sea island cotton and food crops (mainly sweet potatoes and yams with smaller quantities of cabbages, carrots and tomatoes). Agriculture on Nevis is almost exclusively on a peasant smallholding basis, and more than half the small farms in the Territory are on this island. There are also several coconut estates and some livestock farms. Crops currently produced include cotton, coconuts, sugar cane and vegetables. Cotton, the peasant farmers' principal source of income, is the chief export crop of Nevis, but its production has continued to decline owing to a variety of economic, agronomic and climatic factors. Between 1968 and 1972, the output of clean lint decreased from 17,000 to 5,000 pounds. Farming on Anguilla follows a similar pattern to that of Nevis, though livestock raising is more prevalent.

190. Almost all sugar cane is produced on 35 estates, ranging in size from 5 to 1,200 acres. A sugar factory owned by the St. Kitts (Basseterre) Sugar Factory, Ltd., also processes the small amount of cane grown on Nevis. Sugar dominates the export sector, but its production has experienced a considerable decline. The yield in 1972, totalling 26,530 tons, was about 4 per cent higher than in 1971, but it was still 50 per cent lower than in 1952.

191. In May 1972, Premier Bradshaw announced the Government's acceptance of the recommendations of a United Kingdom firm of consultants for improving the industry's efficiency. t/ The recommendations called, inter alia, for the formation of a single integrated company, in which the Government would be a shareholder, and which would purchase the existing estates and seek to achieve a target production of 40,000 tons per year.

192. After negotiations, the Government and the St. Kitts Sugar Association, Ltd. signed an agreement on 19 December, which provides the legal basis for a "rescue operation" to be carried out under the direction of the Minister of Agriculture, Housing and Labour. Under the terms of the agreement, the plantation owners have placed their estates and machinery into a central management pool. The Government in turn has provided an initial sum of \$EC 3.6 million, obtained by a loan from the local banks, for the rehabilitation of the industry. The United Kingdom Government has contributed machinery and technical assistance. It is anticipated that the working of this plan will make the industry viable by 1975 when the

t/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXIV, annex, para. 105.

agreement expires. It is hoped that, under the agreement, a new and permanent arrangement can be worked out for the benefit of the industry.

Tourism

193. The territorial Government attaches considerable importance to the development of the tourist industry. The number of persons visiting St. Kitts and Nevis (excluding cruise ship passengers) increased from 13,472 (including 13,189 air arrivals) in 1970 to 15,105 (including 14,686 air arrivals) in 1971, while that of cruise ship passengers decreased from 5,442 to 1,722 during this period. However, total tourist spending was estimated to have risen by about \$EC 1 million to \$EC 7.5 million in 1971, because air visitors spent much more than cruise ship passengers.

194. In 1971, there were 111 hotel rooms on St. Kitts and 155 on Nevis. In August 1972, a new 64-room hotel, to be operated by Holiday Inns, Inc. of the United States, was expected to open on the outskirts of Basseterre. In January 1973, the Government announced that a 48-room hotel would soon be built as part of the tourist development programme for Frigate Bay on St. Kitts. In December, the first 6,000 feet of a new runway at the Golden Rock Airport was scheduled to be completed. The enlarged airport, which is about a mile and a half from Basseterre, will be able to accommodate all short and medium-size jets.

195. In 1971, the United Kingdom Government appointed a firm of consultants (Shankland Cox and Associates) to examine and report on tourist development on Anguilla. According to the report, the economic growth of the island would have to be based mainly on tourism. It recommended the creation of about 1,000 jobs in the industry during the next 15 years, if outward migration was to be slowed and increasing numbers of Anguillians attracted home. Other recommendations included: (a) accelerated development of the economic infrastructure; (b) extension of the work of the Anguilla Tourist Committee, concentrating initially on promotion and information services; and (c) the introduction of educational schemes for Anguillians aimed at enabling them to fill managerial and other positions in the industry. In October 1972, both the United Kingdom Commissioner and the Anguilla Council accepted in principle the report.

Industry

196. As part of its diversification programme, the Government is encouraging the establishment of new industries, particularly those not dependent on local agricultural produce. In August 1972, a new garment factory was opened at Sandy Point. During the year, a rum distillery, a shoe factory and plants for assembling television sets and producing cement were scheduled to come into operation.

Communication and other basic facilities

197. In 1972, the Government took the following measures: (a) construction of a new pier at Basseterre with the aid of a United Kingdom grant of some \$EC 400,000;

(b) extension of the Golden Rock Airport, financed partly by United Kingdom development aid, totalling £1 million, and partly by long-term interest-free loans, totalling £1.7 million; (c) provision of an infrastructure for the Frigate Bay area; (d) initiation of a new St. Kitts-Nevis passenger ferry service; (e) repaving of roads; (f) establishment of a government-owned television station; (g) improvement of the telephone system through a loan of \$EC 1.4 million from the Caribbean Development Bank; and (h) expansion of water resources. During the year, the United Kingdom Government decided to provide Anguilla with an estimated \$EC 800,000 annually for the next three years to finance a number of development projects, such as public buildings, road construction and water supplies.

Public finance

198. In April 1972, Mr. Southwell, Deputy Premier and Minister of Finance, Trade, Development and Tourism, said in his budget address to the House of Assembly that during 1971, the Territory's recurrent revenue would amount to about \$EC 12.7 million and recurrent expenditure to \$EC 13.2 million. u/ Revenue and expenditure on capital accounts were estimated at \$EC 8.0 million and \$EC 10.0 million respectively. He expected that the year-end results would show a deficit of \$EC 2.5 million, the largest since 1967. Despite the weakening of its financial position, the Government intended to balance the budget for 1972 at \$EC 28.0 million. Mr. Southwell made a number of proposals for tax reform, including, in particular, the introduction of the Turn-over Tax Act which was subsequently passed by the House of Assembly and came into force on 1 August. The Act provides for the imposition and collection of a tax from people engaged in trade and other business in the Territory, to the extent of 5 per cent on their gross monthly receipts exceeding \$EC 500. The Government exempted from the law certain firms (including industries and companies with pioneer status), institutions such as the East Caribbean Authority, and wholesalers of imported food-stuffs subject to price control. Profits derived from the sale of sugar cane, sugar produced in the Territory, molasses, cotton and other local primary commodities such as meat, poultry and dairy products were also exempted from this tax.

199. In his budget address, Mr. Southwell also proposed that people engaged in trade of other business in the Territory should be required to pay a licence fee. On the basis of this proposal, the House of Assembly approved the Licences of Businesses and Occupations Act in April 1972. Under this Act, a yearly licence is required by persons carrying on a business or occupation as agents and auctioneers; those having a recognized trade or profession; commercial undertakings; hotels and restaurants; clubs; entertainment ventures; and manufacturing enterprises. The Act, which provides for certain exemptions, requires a separate licence for each place of business owned by each person or firm.

200. According to the budget estimates for 1973 approved by the Anguilla Council, the island's revenue was expected to amount to \$EC 1.36 million and expenditure to \$EC 1.41 million compared with actual revenue and expenditure of \$EC 1.09 million and \$EC 1.15 million respectively, in the previous year. During this period, grants-in-aid from the United Kingdom increased from \$EC 539,420 to \$EC 551,000.

u/ Ibid., para. 110.

201. The Territory has been provided with United Nations technical assistance since 1965. For the years 1969-1972, UNDP approved as a target for assistance to the Territory equivalent to \$US 35,000 annually.

Social conditions

Labour

202. A summary of labour statistics for 1970 is given in the previous report of the Special Committee. v/ Briefly, the sugar industry and the Government, the two largest employers of labour, provided employment to 37 per cent and 27 per cent of all the workers respectively. Although figures for 1971 and 1972 are not available, there has been no change in the economic trend of the Territory. Local labour continued its steady migration abroad, notably to the United States Virgin Islands, where the number of migrants employed increased from 3,800 in October 1971 to 4,255 in October 1972. Unemployment in the Territory was expected to reach 3,000 by 1973. At present, the Government is pursuing a policy aimed at the provision of adequate opportunities for local workers.

Public health

203. The Joseph France General Hospital at Basseterre, on St. Kitts, has a capacity of 164 beds and is equipped with research laboratories and modern operation facilities. There are also two other general hospitals with 157 beds and two cottage hospitals with 25 beds. In August 1972, Anguilla's Medical and Health Department was reported to have received development funds from the United Kingdom for the following projects: (a) completion of a pathology laboratory at the cottage hospital; (b) installation of a new maternity table at the same hospital; and (c) the purchase of a Land Rover to be used in the Aedes aegypti mosquito eradication campaign scheduled for September.

Educational conditions

204. The most important educational development in 1972 was the completion of most of the work of expanding three secondary schools on St. Kitts and Nevis, for which the funds were provided through a United Kingdom grant of \$EC 210,000. The Government's policy is to expand the facilities for secondary education to provide for the admission of all children in that age group and, at the same time, to broaden the courses offered, especially in handicrafts, home economics and science.

v/ Ibid., para. 113.

6. ST. LUCIA

General

205. St. Lucia lies 21 miles north-east of St. Vincent and 24 miles south of Martinique. It is the second largest of the Windward Islands and has an area of about 238 square miles.

206. At the last census, taken in 1970, the population of the Territory was 101,000, of whom about 45,000 lived in the capital, Castries. Most of the population is of African descent.

Constitutional and political developments

Political parties and elections

207. Until September 1972, there were three political parties: the ruling United Workers' Party (UWP), headed by the Premier, Mr. John Compton; the Opposition Labour Party (LP), headed by Mr. Martin J. Baptiste; and the United Front (UF), headed by Mr. George Charles.

208. At the last elections, held in 1969, UWP won six of the elected seats in the House of Assembly, LP won three and UF won one.

209. In September, a new party, the Labour Action Movement (LAM), was formed. The party comprised mainly members of the Forum, with Mr. George Odium as its leader, and former members of UWP and LP. Among the latter were Messrs. Julian Hunte and Neville Cenac. According to LAM, its aim is to create a climate for meaningful participation of St. Lucians in the Territory's economic development. On 18 December, LAM announced in a press release that although the party had chosen all its candidates for the next elections, constitutionally due in 1974, only two names were being announced at the present time.

Ministerial changes

210. On 15 November, Premier Compton announced the appointment of Mr. Ignatius Felicien, a nominated member of the House of Assembly, as Minister of Communications and Works. Mr. Felicien's predecessor, Mr. Allan Bousquet, was named Minister of Education and Health, a post that had been vacant since the resignation of Mr. Hunter Francois on 1 September.

Proposals for constitutional reform

211. In a radio and television broadcast on 14 September 1972, Premier Compton announced that the Government would propose to the House of Assembly the creation of a commission of six members to examine the present Constitution of St. Lucia in

an effort to devise a system of government most suited to the Territory. He added that the commission would consult all shades of political opinion and would be expected to report before the next elections. Referring to the recent resignation of two members from UWP, the Premier stated that the situation provided an opportunity to determine whether the present Constitution was capable of serving the needs of the Territory in the 1970s and beyond. He considered that it was too much to expect a small country like St. Lucia consistently to produce through "chancy machinery of elections" men capable of controlling the machinery of government which was becoming increasingly complex as the Territory evolved into full nationhood. He also considered that, under the present system, political stability "could suddenly be threatened by death or changing of sides by members for selfish reasons", and that "no country, no political leader should be exposed to such blackmail".

212. In a speech at the opening of the new session of the Legislature on 21 December, Mr. Ira Simmons, the Acting Governor, announced that, upon receipt of a report from the recently appointed Boundaries Commission, the Government would introduce legislation for redivision of existing constituency boundaries (10 single-member constituencies at present). In addition to the proposal referred to in paragraph 211 above, the Government would introduce a measure to revise the procedures dealing with elections "to ensure that they continue to be conducted in a fair and orderly manner". The proposed electoral laws were expected to be presented to the Legislature before the next elections.

Regional unification

213. As previously noted (see paragraphs 13-18 above), the Governments of Grenada, St. Lucia and St. Vincent have entered into an agreement on the proposed unification of the three Territories. Speaking on the agreement, Premier Compton said in a radio broadcast on 28 July that "St. Lucia's only destiny was in association with its own West Indian people to bring nearer the dream of a West Indian nationhood". He added that the agreement did not involve any constitutional change and was subject to review, and that "if it does not work, then we part...". The St. Lucia House of Assembly approved the agreement on 31 July.

Economic conditions

General

214. The Territory's economy as a whole grew at an average annual rate of about 20 per cent over the period 1964-1970. This was reflected in an increase in average per capita income from \$EC 310 to \$EC 760. Although the economy relies heavily on agriculture, the rapid economic growth has occurred mainly in the related activities of tourism and construction. The principal crop is bananas, representing about 80 per cent of all domestic exports. In 1971, the banana industry suffered a severe setback, owing largely to drought and low prices, and its exports totalled only \$EC 5.5 million, compared with \$EC 10.9 million in 1969. The industry has been slowly recovering with assistance from the Government.

215. The recent transformation of the economic structure has created two major problems. First, the building boom begun in 1969 has intensified inflationary pressures. The annual rate of inflation is 10 per cent, as against 2.5 per cent in the early 1960s. Second, the Territory's basic services of electricity, telephones and water supply are heavily burdened, and its transport facilities, especially the roads and ports, are insufficient to meet rising local needs.

216. In a budget speech to the Legislature on 21 December 1972, Premier Compton stated that the Government would be able to finance a new development programme without additional taxation because of the satisfactory performance of the economy as a whole in 1972 and the anticipated further expansion in 1973.

Agriculture and fisheries

217. Agriculture is the basic livelihood of the majority of the population, who are small farmers. Apart from bananas, the chief crop, other main export products are coconuts and cocoa. According to the chairman of the St. Lucia Coconut Growers' Association, production of copra amounted to only 5,732 tons in 1971. He considered the industry's situation in 1972 to be unsatisfactory. During the crop year ending September 1971, cocoa production decreased by 29 per cent to 90.5 tons. Prospects for the next year were reportedly unfavourable.

218. Despite efforts by the Government to promote agricultural diversification, bananas continued to dominate the export sector. In March 1972, a \$EC 1.6 million programme was started to revitalize the industry, partly financed by a grant of \$EC 530,000 from the United Kingdom Government. In August, a bill was passed empowering the St. Lucia Government to borrow \$EC 1.6 million from local commercial banks for covering its contribution to the programme and for relending to the Banana Growers' Association. In January 1973, the programme was expanded through additional United Kingdom aid amounting to \$EC 2.0 million.

219. According to a statement issued by the Government on 9 March, the price for bananas on the United Kingdom market advanced from \$EC 345.60 per ton at the beginning of January to \$EC 446 per ton at the end of February and was still rising. There was also an increase in the Territory's weekly output, from 800 tons in early February to 978 tons in early March. The production target was 2,000 tons per week. The outlook for the industry continued to brighten owing mainly to: (a) intensification of efforts to rehabilitate banana cultivation; (b) the steady rise in the United Kingdom market price; (c) the preservation of the quality of the fruit by shipping it in cartons; and (d) the strengthening of the position of the five banana-producing countries (Dominica, Grenada, Jamaica, St. Lucia and St. Vincent) in the Caribbean through the newly formed Commonwealth Banana Exporters' Association.

220. The cartons used by the planters of the four Associated States mentioned above are manufactured by the Windward Islands Packing Company, a joint venture of the Governments of those Territories and Papelera Industrial of Venezuela. In May 1972, the company established a \$EC 5 million plant at Vieux Fort, St. Lucia, with a capacity of 4 million cartons per month. The plant was subsequently

destroyed by fire but Papelera Industrial agreed to continue the supply of cartons until after the local plant had been rebuilt.

221. Certain crops such as cassava, yams, citrus fruits and vegetables are also grown mainly for local consumption. On 29 November 1972, it was announced that the United Kingdom Government had provided the Territory with two grants totalling \$EC 286,263 for agricultural development, in addition to \$EC 377,000 made available in 1970/71. One grant, of \$EC 113,843, will finance a 50-acre vegetable project at Vieux Fort aimed at reducing the amount of vegetables imported into St. Lucia. The other grant of \$EC 172,420 will be used for the establishment of a pilot soil conservation scheme.

222. There is a fair amount of fishing, but the supply of fish does not meet the demand. On 21 March 1972, the St. Lucia Government and the Food and Agriculture Organization of the United Nations (FAO) signed an agreement for a fisheries development project for the Territory. The project, which will run for three years at an estimated cost of \$EC 503,840, is to be financed jointly by the Government and certain organizations in the Federal Republic of Germany.

Tourism

223. Tourism has made substantial gains since late 1960s. By 1971, it had become the principal source of income of the Territory, rising to \$EC 8.5 million. Of this sum, \$EC 7.2 million was spent by visitors (other than cruise ship passengers) who numbered 33,198 (including 32,504 air arrivals), representing an increase of about 13 per cent over the previous year.

224. With the growing importance of the tourist industry, there has been a rapid expansion of tourist facilities. The number of hotel rooms increased from 286 in 1967 to 1,200 in 1972. Five hotels have been established along the north-west coast which has now become one of the most popular tourist resorts in the Eastern Caribbean. On the northern tip of St. Lucia, the Cariblue Hotel (with 102 rooms), owned by the Steigenberger Corporation of the Federal Republic of Germany, is expected to open in December 1973. In Soufrière, there are three hotels; a fourth, the Hotel La Toc (164 rooms) owned by Trafalgar House of the United Kingdom, is also scheduled to open in December 1973. In the southern town of Vieux Fort, the Halcyon Days Hotel (256 rooms), is owned by the Court Line, a British shipping, airline and travel group. Recently, the Government conducted negotiations with three Swiss companies and several foreign investors on a project (including hotels, shopping areas and other facilities) expected to cost \$EC 200 million. In January 1972, local hotel managers and the Government were reported to have reached an agreement by which all hotels in the Territory would be managed by St. Lucians within the next five years; and in preparation for this, the Government allocated \$EC 600,000 in its 1972 budget for the establishment of a hotel training school at Mourne Fortune. w/ Subsequently, it was reported that the Government had made allocations in its 1973 budget for the construction of six shopping centres in various parts of the Territory to cater for tourists (\$EC 215,000), and expansion of the promotion programme for visitors (\$EC 200,000).

w/ Ibid., para. 126.

A major problem confronting the tourist industry remained the inadequacy of air services direct from North America, the United Kingdom and other European countries (see below).

Industry

225. Industrial activities are largely confined to the secondary processing of local agricultural produce and to certain light industries such as the manufacture of aerated waters, building materials, cigarettes, electronic components, edible oils, fertilizer, paper products, soap and toilet lotions. The Government has continued to promote industrial diversification. In 1971, the National Development Corporation, a statutory body, was set up to develop enterprises in the private and quasi-private sectors and to carry out certain government projects. The Caribbean Development Bank has granted to the Corporation three loans totalling \$EC 1.1 million. Of this sum, \$EC 400,000 will be used to meet the demands of small industrial firms for credit, and \$EC 500,000 to establish two industrial estates.

Communications and other basic facilities

226. The existing east coast road is being upgraded with financial assistance from the United Kingdom Government. A programme for the conversion of the Territory's main harbour at Castries into one of the largest container ports in the Eastern Caribbean is also being implemented at an estimated cost of \$EC 7.75 million. This programme will be financed primarily by two loans, totalling \$EC 7.4 million, from the local branch of the Bank of Nova Scotia and the Caribbean Development Bank respectively.

227. In January 1973, the St. Lucia Government announced plans for improvement of terminal buildings at the two airports - Vigie, near Castries in the north-west, and Hewanorra International at Vieux Fort in the south. Funds (\$EC 1 million) for terminal improvements at Vigie would be sought from United Kingdom sources. Work at the Hewanorra terminal would be undertaken with \$EC 4 million in Canadian aid.

228. The Territory is served by five commercial airlines: BOAC, British West Indian Airways, Caribbean Atlantic Airlines, Dutch Antillan Airlines and LIAT. Mr. Peter Bergasse, Chairman of the Tourist Board, was reported to have said in January 1973 that the Board was concerned over non-stop connexions between North America and St. Lucia "which are simply unavailable", as well as over the delay by the Venezuelan international airline VIASA in inaugurating a regular service to the Territory because the United Kingdom Government had not indicated its intention to grant such permission. Mr. Bergasse also said that St. Lucia badly needed direct scheduled services on the international routes.

229. Canada has made available to St. Lucia a total of \$EC 7 million to finance a water development scheme. Under this scheme, work is expected to be completed in December 1973 on the expansion of water resources in Castries and along the north-west coast. Canada has already agreed to finance another scheme at Vieux Fort

on which surveys have already been made. The Caribbean Development Bank has recently granted the Territory a loan of \$EC 887,920, which will be used to improve water supplies.

230. St. Lucia Electricity Services, Ltd. is responsible for the generation and distribution of electric power in Castries, Soufrière and Vieux Fort. The company was formed in 1965 following an agreement between CDC, the Government and the Castries Town Council. In June 1972, the Government decided to start the third phase of a territory-wide electrification project, which would be financed by an \$EC 800,000 loan from CDC.

Public finance

231. On 21 December 1972, Premier Compton presented to the Legislature a record \$EC 42 million budget for 1973, representing an increase of \$EC 12.6 million over the 1972 budget. He attributed this increase to the continued buoyancy of the economy and praised the private sector for its contribution thereto. According to Mr. Compton, the recent situation indicated that St. Lucia would be able to finance its new development programme without additional taxation. He also announced that, under new income tax regulations, effective from 1 January 1973, the Government would refund more than \$EC 250,000 to taxpayers.

232. According to Mr. William Bell, head of the British Development Division in the Eastern Caribbean, the United Kingdom provided the Territory with development aid totalling \$EC 22.5 million during the period 1966-1971. St. Lucia has received United Nations technical assistance since 1964. For the years 1969-1972, UNDP has approved as a target for assistance to the Territory the equivalent of \$US 35,000 annually.

Social conditions

233. The banana and construction industries and the Government provide the main sources of employment in St. Lucia. In 1971, about 32,000 persons were engaged in activities directly or indirectly linked to the banana industry, and some 23,000 others were employed in the building and allied industries. The combined totals comprise approximately 60 per cent of the gainfully employed. There was a steady migration of local labour to work abroad, notably the United States Virgin Islands, but this trend was reversed in 1972, when the number of St. Lucians employed in that Territory decreased to 1,540, or 360 less than in the previous year. In November, the St. Lucia Trades Union Council was launched and interim officers were elected to form the executive body of the Council. They were expected to hold office until the first conference of the Council, scheduled to take place in April 1973. The organizations participating in the new venture are: the Civil Service Association; the St. Lucia Workers Union; the Seamen and Waterfront Workers Union; the Truckers Association; and the Vieux Fort General and Dockworkers Union.

234. In late 1972, the Government established a Housing Development Bank to provide loans for low-income prospective homeowners. In an address at the

opening ceremony, Premier Compton stated that a recent survey sponsored by the United Nations had revealed that in order to meet new demands arising out of projected population increases over the next 10 years, St. Lucia would require a total of 6,000 new housing units. He further stated that the Territory was nowhere near the target of 600 houses annually, although several new projects had been started by the Government in co-operation with the St. Lucia Mortgage Finance Company, Ltd., a wholly-owned subsidiary of CDC.

235. On 21 January 1973, it was announced that major improvements would be made in the Victoria Hospital (with 283 beds) at Castries, the largest in the Territory, as part of the Government's medical programme which is expected to cost a total of \$EC 3.8 million.

Educational conditions

236. During the period 1966-1971, the United Kingdom Government made available to St. Lucia a total of \$EC 5 million for educational development. In March 1972, the centre of the University of the West Indies was reported to have been formally opened at Mourné Fortune as part of an educational complex, financed largely from United Kingdom development funds. Included in the complex are a teacher-training college, a technical college, a secondary school, a domestic science centre and a centre for training technical teachers. In early November, work on a comprehensive school at Castries was started with a Canadian grant of \$EC 2.6 million. In its 1973 budget, the Government has reportedly allocated \$EC 25,000 for the establishment of a cultural centre. Recently, the Government obtained \$EC 200,000 from the Caribbean Development Bank for granting loans to students.

7. ST. VINCENT

General

237. St. Vincent lies about 100 miles west of Barbados and about 21 miles to the south-west of St. Lucia. The Territory also includes part of the Grenadines chain of islands, known as the St. Vincent Grenadines, including Bequia, Canouan, Mayreau, Mustique and Union Island. Including the St. Vincent Grenadines, the total area of the Territory is 150.3 square miles.

238. At the last census, taken in 1970, the population numbered 89,632, almost all of whom were of African and mixed descent. In August 1972, the population was estimated at 100,000. Kingstown, the capital, had a population of 23,645 in 1970.

Political developments

Political parties and elections

239. There are two political parties in the Territory: the St. Vincent Labour Party (SVLP) and the People's Political Party (PPP). At the last general election, held in March 1972, SVLP, led by Mr. R. Milton Cato, the Premier in the previous Government, and PPP, led by Mr. Ebenezer Joshua, each won six seats in the House of Assembly. The thirteenth seat was won by Mr. J. F. Mitchell standing as an independent candidate. In addition to the 13 elected members, the new House consists of two nominated members and one ex officio member (the Attorney General). On 13 April, after having reached an agreement of alliance with PPP, Mr. Mitchell was invited by the Governor to form a new Government. The Cabinet, as constituted at present, consists of six ministers and one parliamentary secretary.

240. In September, a bill was passed to amend the House of Assembly Elections Act. The bill would bring in retroactive legislation limiting to 28 days the period after an election in which to file complaints about that election. The amended Act effectively nullified efforts by the Opposition to start court cases against three ministers for alleged irregularities in the last general election.

241. When the House of Assembly met on 17 November, supporters of SVLP demonstrated both inside and outside the parliament buildings in protest against the amended Act. As a result, the House adjourned without discussing a motion introduced by the Opposition Leader, Mr. Cato, calling for revocation of the new legislation. On 21 December, after a debate, the motion was defeated by nine votes to six with one abstention.

Regional unification

242. Premier Mitchell was given principal credit for the agreement concluded on 17 June 1972 between Grenada, St. Lucia and St. Vincent on steps towards unification of the three Associated States (see paragraphs 11 and 13-18 above).

Economic conditions

General

243. The economy is in a large measure dependent on agricultural production and to a lesser extent on the development of tourism. The agricultural sector provides over two thirds of the employment in the Territory, all of its exports and the bulk of the staple food-stuffs. The chief crop is bananas, representing about 60 per cent of all domestic exports. Other major exports are arrowroot, coconut, cocoa, cassava starch and cotton. Food crops, fruits and vegetables are also grown for local consumption. The livestock industry remains, for the most part, under-developed and off-shore fishing does not meet local needs. Secondary industries are principally concerned with the processing of agricultural products.

244. In 1970, the economy as a whole slowed down, owing to a decline in banana production and tourism. The gross domestic product was \$US 18 million, indicating that average per capita income of \$US 205 was the lowest in the Eastern Caribbean. Although the Territory is an exporter of agricultural commodities, it shows a marked dependence on imports of certain food-stuffs (flour, fish, meat and dairy products) and other goods. The value of imports usually exceeds that of exports, but the adverse balance is normally offset by aid from external sources, tourist spending, land purchases by foreigners and remittances from emigrants. The United Kingdom and the United States provide the main markets and sources of imports. In order to stimulate the growth of the economy, especially the sectors of agriculture and tourism, the Government has been seeking to attract development capital into the Territory and to promote economic co-operation with neighbouring countries.

Agriculture and fishing

245. All arable land is in the hands of local people and is about equally divided between large estates and small holdings. Bananas occupy about 8,000 acres of which 70 per cent is cultivated by small farmers. Almost the entire production is exported by the St. Vincent Banana Growers' Association to the United Kingdom market. The Territory has become a member of the newly formed Commonwealth Banana Exporters Association. The industry reportedly encountered difficulties at the end of 1972, but has since shown encouraging signs of recovery, owing largely to the steady rise in the United Kingdom market price. The Windward Islands Packing Company, in which the Government has an interest, is converting its plant to the production of cartons for the shipment of the fruit.

246. Arrowroot grows extremely well on the well-watered and fertile slopes of St. Vincent. The area under cultivation is estimated at 800 acres with the small holders producing about 80 per cent of the starch obtained from the rhizome of the plant. The starch is marketed exclusively by the St. Vincent Co-operative Arrowroot Association. During the first five months of 1972, the 164 planters produced 8,850 barrels of starch (6,500 barrels in 1971). Of this total, about 8,000 barrels (valued at \$US 250,000) were sold to the computer industries of the United Kingdom and the United States. Exports were expected to reach 10,000 barrels in the 1972/73 season, following an increase in the price of starch derived from arrowroot and the introduction of mechanical harvesters. The planters are being encouraged to increase production in order to keep pace with the growth of the industrial market for the crop.

247. St. Vincent produced the world's finest long-staple sea island cotton up to the late 1960s. Since then, the high cost of production, uneven ripening of the crop and the difficulty of devising a mechanical harvester for long-staple cotton has made its production less attractive. In late 1972, the Government began to encourage farmers to plant the Montserrat sea island variety (which is capable of heavy yields per acre) so as to take advantage of favourable cotton prices on the world market.

248. In September 1972, the Government published a report on a recent visit of Premier Mitchell to Venezuela. According to the report, the Venezuelan Government agreed to assist the Territory in training agriculturalists, introducing land reforms, experimenting in orchard crops and exploring the possibility of establishing a joint fishing venture. In March 1973, the Development Corporation, a public body, whose responsibilities include the operation of a 4,000-acre land settlement scheme, announced that a loan of \$EC 250,000 had been requested from the Caribbean Development Bank mainly for the extension of the cultivable area by 340 acres.

Tourism

249. Arrivals by air and sea totalled 29,734 in 1971 and 28,320 in 1972. This decline was largely attributed to volcanic eruptions. During this period, there were 25 hotels with a total of about 700 beds.

250. In May 1972, after a temporary suspension, work was resumed on the harbour development and land reclamation project initiated in 1970 which is expected to cost \$EC 2.2 million. During the same month, it was announced that the Caribbean Development Bank was prepared to make available \$EC 14.2 million to the Government and \$EC 2.2 million to the private sector over the years 1972-1975 for the development of tourism, mainly through the improvement of air communications and the construction of tourist facilities, including a new hotel at Canouan. According to the report on Mr. Mitchell's recent visit to Venezuela, he held discussions with representatives of the tourist industry of that country on matters of mutual interest.

251. In March 1973, the Development Corporation announced a plan for tourism development in the islands of Canouan and St. Vincent. The plan provided for further expansion of the economic infrastructure; the establishment of three hotels (the principal one to be erected by the Government at a cost of \$EC 3 million and managed by an international hotel chain); and the development of a real estate scheme. At the same time, Mr. Mitchell said in an interview that he was opposed to uncontrolled mass tourism. He considered that limits should be set on the size of property that a foreigner could buy, and that after acquiring land, he should be obliged to build on it within three years. The Premier also said that the Government had provided incentives for local ownership of small hotels, while withholding them for foreign-owned hotel chains; and that it was desirable to increase hotel accommodations at a pace that would not prove discontinuous.

Industry

252. An important development in the industrial field was the granting in December 1972 by the Government to the General Crude Oil and Minerals Company of the United States, the right to search for oil and natural gas in the Territory. The company was expected to commence exploring in off-shore areas before the end of the year. Another significant development was the signing on 5 January 1973 of an agreement between the Development Corporation and the Caribbean Development Bank. Under this agreement, the Bank would provide a loan of \$EC 166,000 to finance the establishment of an industrial estate and four large factory buildings on 30 acres of land at Camden Park. The United Kingdom Government had already provided the Territory with a grant of \$EC 93,500 for the installation of the infrastructure required. With the assistance of the Produce Chemists' Laboratory, recently built with a United Kingdom development aid, prospects were considered to be promising for expansion in the processing of various local agricultural products.

Public finance

253. On 31 January 1972, Mr. Cato, then Premier and Minister of Finance, presented to the legislature a record budget of \$EC 26.5 million, representing an increase of \$EC 1.4 million over the 1971 budget. x/ Mr. Cato said that, in 1972, the United Kingdom would provide St. Vincent with a grant-in-aid totalling \$EC 1.2 million, or \$EC 120,000 less than in the previous year, and that no further grant-in-aid was likely to be made available to the Territory after 1972, although development aid would continue for some time. In July, the House of Assembly amended the Income Tax Ordinance of 1967 to increase a number of allowances for tax deductions (including exemption from tax of owner-occupied properties). At about the same time, it was announced that the United Kingdom Government would provide the Territory with development aid amounting to \$EC 2.2 million in 1972/1973 (\$EC 4.6 million in 1970/1971). In March 1973, it was announced that the United Kingdom Ministry of Overseas Development had approved a grant of \$EC 6.5 million for the reconstruction of roads in St. Vincent.

254. Mr. Victor Cuffy, Minister of Housing and Local Government, met with the Canadian Commissioner to the Associated States in Kingstown on 22 September 1972

x/ Ibid., para. 151.

to discuss the second phase of a water development project which has been financed by a Canadian aid of \$425,000 (Canadian) for a period of five years ending 1973. The discussions centred around the building of reservoirs in five areas.

255. St. Vincent has received United Nations technical assistance since 1965. For the period 1969-1972, UNDP has approved as a target for assistance to the Territory the equivalent of \$US 35,000 annually.

Social conditions

256. In a radio broadcast on 24 May 1972, Premier Mitchell expressed concern at rising unemployment and the continued housing shortage. As noted in the preceding sections, the Government has endeavoured to broaden employment opportunities by adopting a series of measures to strengthen the economy. Additionally, it advocates a policy of improved industrial training for local workers. The Technical College at Arnos Vale was scheduled to begin classes in September 1971 with about 200 students, and was expected to accommodate 350 students within two years.

257. Under its first housing scheme which was noted by the Special Committee, y/ the St. Vincent Housing Finance Company, a subsidiary of CDC, constructed 42 houses at Arnos Vale for the middle income group; these houses were being offered for sale in September 1972.

258. On 9 January 1973, it was announced that the Governor had appointed a commission to inquire into the medical and health services in the Territory. The inquiry, expected to begin a week later in Kingstown, followed the recent action taken by 18 doctors to withhold their services in protest against the appointment of Mr. A. C. Cyrus, a St. Vincentian surgeon, as acting senior medical officer. The deadlock between the doctors and the Government was resolved when Dr. Dorian Shillingford of Dominica was appointed to replace Mr. Cyrus. According to Dr. Shillingford, malnutrition, which has been an important cause of infant mortality, remains a major health problem confronting the Territory. The Government intends to cope with this problem by encouraging people to participate in health education talks, to be sponsored by experts.

Educational conditions

259. The two most important educational developments in 1972 were: (a) the provision by the Canadian Government of financial assistance totalling \$US 1 million for the construction of five new schools and the expansion of a sixth in the Territory; and (b) the opening of the first government secondary school in the Grenadines, built with a United Kingdom grant.

y/ Ibid., para. 159.

CHAPTER XXVII

FALKLAND ISLANDS (MALVINAS)

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. The Special Committee considered the question of the Falkland Islands (Malvinas) at its 939th to 941st meetings, between 17 and 21 August.
2. In its consideration of the item, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 2908 (XXVII) of 2 November 1972 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, by paragraph 11 of which the Assembly requested the Special Committee "to continue to seek suitable means for the immediate and full implementation of General Assembly resolutions 1514 (XV) and 2621 (XXV) in all Territories which have not yet attained independence and, in particular, to formulate specific proposals for the elimination of the remaining manifestations of colonialism and report thereon to the General Assembly at its twenty-eighth session". The Committee also took into account the decision taken by the General Assembly on 18 December 1972 on the question of the Falkland Islands (Malvinas). ^{1/}
3. During its consideration of the item, the Special Committee had before it a working paper prepared by the Secretariat (see annex to the present chapter) containing information on action previously taken by the Committee and the General Assembly, as well as on the latest developments concerning the Territory.
4. The Special Committee also had before it: (a) a letter dated 15 August 1973 from the Permanent Representative of Argentina to the United Nations addressed to the Secretary-General regarding the item (A/9121) and (b) a written petition dated 14 May 1973 from Mr. José Ramón Cornejo concerning the Territory (A/AC.109/PET.1250).
5. The administering Power did not participate in the work of the Special Committee during its consideration of the item.
6. At the 939th meeting, on 17 August, the Chairman informed the Special Committee that the representative of Argentina had indicated his wish to make a statement in connexion with the Committee's consideration of the item. The Committee decided to accede to the request. The representative of Argentina made a statement (A/AC.109/PV.939 and Corr.1). Subsequently, the Chairman made a statement (A/AC.109/PV.939 and Corr.1).
7. At the 940th meeting, on 20 August, the representative of Venezuela introduced a draft resolution (A/AC.109/L.905) on the item.

^{1/} Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 30 (A/8730), p. 90.

8. The Special Committee considered the draft resolution at its 940th and 941st meetings, on 20 and 21 August. Statements were made at the 940th meeting by the representatives of Chile and the Syrian Arab Republic (A/AC.109/PV.940), and at the 941st meeting by the representatives of Iraq and the United Republic of Tanzania (A/AC.109/PV.941).

9. At its 941st meeting, on 21 August, the Special Committee adopted the draft resolution (A/AC.109/L.905) without objection (see paragraph 13 below).

10. At the same meeting, the representative of Argentina made a statement (A/AC.109/PV.941).

11. On 27 August, the text of the resolution was transmitted to the Permanent Representatives of Argentina and of the United Kingdom of Great Britain and Northern Ireland to the United Nations for the attention of their respective Governments.

B. DECISION OF THE SPECIAL COMMITTEE

12. The text of the resolution (A/AC.109/436) adopted by the Special Committee at its 941st meeting, on 21 August, to which reference is made in paragraph 10 above, is reproduced below:

Having examined the question of the Falkland Islands (Malvinas),

Recalling General Assembly resolution 1514 (XV) of 14 December 1960, containing the Declaration on the Granting of Independence to Colonial Countries and Peoples,

Recalling also General Assembly resolution 2065 (XX) of 16 December 1965, which invites the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland to proceed without delay with the negotiations recommended by the Special Committee with a view to finding a peaceful solution to the problem of the Falkland Islands (Malvinas), bearing in mind the provisions and objectives of the Charter of the United Nations and of resolution 1514 (XV) and the interests of the population of the Falkland Islands (Malvinas),

Gravely concerned at the fact that eight years have elapsed since the adoption of resolution 2065 (XX) without any substantial progress having been made in the negotiations,

Considering that resolution 2065 (XX) indicates that the way to put an end to this colonial situation is the peaceful solution of the conflict of sovereignty between the Governments of Argentina and the United Kingdom with regard to the aforementioned islands,

Taking note of the letter 2/ from the Permanent Representative of Argentina in which he reports on the present state of the negotiations between the two parties and on the position of his Government concerning the need to resume such negotiations in an appropriate manner,

Expressing its gratitude for the continuous efforts made by the Government of Argentina, in accordance with the relevant decisions of the General Assembly, to facilitate the process of decolonization and to promote the well-being of the population of the islands,

1. Declares the need to accelerate the negotiations between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland called for in General Assembly resolution 2065 (XX) in order to arrive at a peaceful solution of the conflict of sovereignty between them concerning the Falkland Islands (Malvinas);
2. Urges the Governments of Argentina and the United Kingdom, therefore, to proceed without delay with the negotiations in order to put an end to the colonial situation;
3. Requests both Governments to report to the Secretary-General and to the General Assembly as soon as possible and not later than at its twenty-ninth session on the results of the negotiations.

ANNEX*

WORKING PAPER PREPARED BY THE SECRETARIAT

CONTENTS

	<u>Paragraphs</u>
A. CONSIDERATION BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY	1
B. INFORMATION ON THE TERRITORY	2 - 21
1. GENERAL	2 - 3
2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS	4 - 16
3. ECONOMIC CONDITIONS	17 - 19
4. SOCIAL CONDITIONS	20
5. EDUCATIONAL CONDITIONS	21

* Previously issued under the symbol A/AC.109/L.898.

A. CONSIDERATION BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY

1. On 25 August 1972, the Special Committee decided to transmit to the General Assembly the working paper prepared by the Secretariat a/ in order to facilitate consideration of the item by the Fourth Committee and, subject to any directives which the General Assembly might give, to consider the item at its next session. On 18 December 1972, the General Assembly, b/ on the recommendation of the Fourth Committee, decided to defer consideration of the question of the Falkland Islands (Malvinas) until its twenty-eighth session.

B. INFORMATION ON THE TERRITORY^{c/}

1. GENERAL

2. The Falkland Islands (Malvinas) lie in the South Atlantic, some 480 miles north-east of Cape Horn. They comprise 200 islands and cover a total land area of about 4,618 square miles. There are two large islands, East Falkland and West Falkland. Apart from a number of small islands, the Dependencies consist of South Georgia, 800 miles east-south-east of the Falkland Islands, and the uninhabited South Sandwich Islands, some 470 miles south-east of South Georgia.

3. At the 1962 census, the population of the Territory, excluding the Dependencies, numbered 2,172. During the ensuing decade, the population decreased by about 10 per cent as a result of emigration. According to the latest census, held in 1972, the population, excluding the Dependencies, totalled 1,957, of whom almost all were of European descent, mainly of British origin. Of this total, 1,079 were in Port Stanley, the capital, and the majority of the others in sheep settlements. Not included in the 1972 census figures were some 63 islanders (43 in 1971) who were working abroad. The estimated resident population of South Georgia was 22 at the end of 1971.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

4. There has been no change in the constitutional arrangements for the Territory, details of which are contained in the report of the Special Committee to the General Assembly at its twenty-fifth session. d/

a/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXV, para. 5.

b/ Ibid., Supplement No. 30 (A/8730), p. 90.

c/ The information presented in this section has been derived from published reports and from information transmitted to the Secretary-General by the United Kingdom of Great Britain and Northern Ireland under Article 73, e of the Charter of the United Nations, on 24 November 1972, for the year ending 31 December 1971.

d/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XIX, annex, paras. 4-8.

Talks between the Government of Argentina and the Government
of the United Kingdom

5. It will be recalled that special talks on communications and movement in both directions between the Argentine mainland and the Falkland Islands (Malvinas) were held in London in early 1970 within the general framework of the negotiations for solving the dispute over the sovereignty of the Territory. During the talks, the Governments of Argentina and the United Kingdom studied proposals and ideas on practical measures for the establishment of sea and air communications, the movement of persons in both directions, and economic, commercial and cultural links between the mainland and the Islands.

6. Further special talks held in Buenos Aires during June 1971 were reported by the Permanent Representatives of Argentina and of the United Kingdom to the United Nations in identical letters of 12 August addressed to the Secretary-General. e/ Annexed to the letters were copies of notes exchanged between the two Governments on 5 August and of a joint statement on communications and movement approved by them on the same day which set forth the measures agreed upon. In the notes, both parties agreed, inter alia, that nothing contained in the joint statement should be interpreted as a renunciation by either Government of any right to territorial sovereignty over the Islands, or as a recognition of, or support for, the other Government's position with regard to such territorial sovereignty.

7. In the first eight months of 1972, steps were taken to encourage the establishment of air, sea, economic and cultural links between the Argentine mainland and the Islands, as well as to facilitate the free movement of persons in both directions. f/ These included, in particular: (a) the signing of an agreement in Buenos Aires on 2 May concerning the construction by Argentina of a temporary airstrip in the Territory which could handle airplanes much larger than the amphibious ones used at that time by Lade, an airline owned by the Argentine Government; and (b) a position that the United Kingdom Government would consider the possibility of building a permanent airfield in the Islands.

8. At the 2043rd plenary meeting of the General Assembly, on 27 September 1972, the Minister for Foreign Affairs of the Argentine Republic declared that:

"the Argentine Government is conducting negotiations with the Government of the United Kingdom of Great Britain and Northern Ireland, within the framework of resolution 2065 (XX) of the General Assembly, in order to find a final solution to the dispute over the sovereignty of the Malvinas Islands. In order to encourage ties between the Islands and the mainland and as a result of instruments approved by both countries, efforts have been made to allow

e/ Ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXV, annex, paras. 9-13.

f/ Ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXV, annex, paras. 10-13.

communications, to increase mutual knowledge and to benefit the population of the Malvinas". g/

In this connexion, he drew special attention to the construction of the airstrip provided for in the 1972 agreement, work on which would soon be completed.

9. He also declared that:

"Despite these practical steps of undisputed importance, there still are differences outstanding between the two Governments regarding the circumstances that should exist for a final solution to be arrived at over the question of sovereignty. Further talks on the matter are to be held and we trust that they will be fruitful. The result can, in any case, be none other than the return of the Malvinas Islands to the Argentine territorial heritage."

10. In a letter dated 23 October 1972, addressed to the Secretary-General, h/ the Permanent Representative of the United Kingdom referred to the above statement by the Minister for Foreign Affairs of Argentina and reaffirmed his previous statement i/ that his Government shared the view of the Government of Argentina that "the efforts of our two Governments to solve our differences should be pursued in a climate of mutual understanding based on the traditional and close ties of friendship which unite us".

11. The Permanent Representative of the United Kingdom added that this spirit had been evident in the above-mentioned joint statement on communications and movement. After quoting from the passage from the notes exchanged between the two Governments on 5 August 1971 (see paragraph 6 above), he said that his Government should not be taken to have recognized or to support the Argentine Government's position as recorded in that passage, and that the position of the United Kingdom Government on that issue remained as described in the letter which had been addressed to the Secretary-General on 26 September 1969. j/

12. On 15 November 1972, following completion of the temporary airstrip, Lade inaugurated a weekly service by Fokker Friendship land-based aircraft between Comodoro Rivadavia in southern Argentina and Port Stanley. At about the same time, the United Kingdom Overseas Development Administration and the Governor of the Territory simultaneously announced that the United Kingdom Government was providing £1.7 million for the construction of a permanent airfield at Cape Pembroke, with a 4,100-foot runway near Port Stanley. When the airfield is built, aircraft with a range of about 1,000 miles will be able to fly direct from Port Stanley to Buenos Aires. It is considered that this should reduce the islanders' feeling of isolation much more than air services to southern Argentina.

g/ A/PV.2043, pp. 13-15.

h/ Official Records of the General Assembly, Twenty-seventh Session, Annexes, agenda item 9, document A/8866.

i/ Ibid., Twenty-sixth Session, Annexes, agenda item 9, document A/8527.

j/ Ibid., Twenty-fourth Session, Annexes, agenda item 9, document A/7691.

13. On 11 December, Mr. Julian Amery, Minister of State for Foreign and Commonwealth Affairs, stated in reply to questions in the United Kingdom House of Commons that talks about communications between the Islands and Argentina had been held "in a friendly and constructive atmosphere" in Port Stanley from 21 to 24 November. The United Kingdom delegation had included participants from the Territory. Practical arrangements had been made to ensure the smooth operation of air services, mails and other communications. He agreed that these arrangements would open up new opportunities for the islanders in terms of educational and medical facilities as well as increased trade. At the same time, he made it clear that there had been no discussion of any change in the sovereignty of the Islands. He also said that the United Kingdom Government's policy remained that "there can be no transfer of sovereignty against the wishes of the islanders".

14. Representatives of the Governments of the Argentine Republic and the United Kingdom discussed the development of relations between Argentina and the Islands on 26 and 27 April 1973 in London. The Foreign and Commonwealth Office described the discussions as part of a series of regular exchanges of views, which reflected the gradual improvement in atmosphere between the two countries over the Territory. The talks were confidential, but the United Kingdom Government emphasized that there had been no change of view on the Territory's future - namely, that it was up to the islanders themselves to decide on this matter.

15. In a petition addressed to the Special Committee on 14 May (A/AC.109/PET.1250), Mr. José Ramón Cornejo maintained that the Argentine claim to the Islands had been based on their proximity to Argentina and the inheritance of title from Spain. He added that the Argentinians did not believe that talks like those recently held between the two Governments could make any progress towards resolving the question of the transfer of the sovereignty of the Territory to Argentina. Therefore, he again asked the Committee to take up the matter as soon as possible.

16. On 25 May, following his official swearing-in as the new President of Argentina, Mr. Héctor J. Cámpora said in a speech to the joint session of Congress that one preoccupation of his Government would be "the recovery of the Malvinas".

3. ECONOMIC CONDITIONS

17. The economy is almost entirely dependent on the production of high quality wool. At present, there are 634,000 sheep, all in the East and West Falklands. About 2.9 million acres are devoted to sheep farming, of which 1.3 million acres are owned by the Falkland Islands Company. The development of the Territory has been closely linked with the growth of the company, registered in the United Kingdom during 1851, which also controls much of the local banking, commerce and shipping. As previously noted, k/ Dundee Perth and London Securities (DPLS) was reported to be in the process of acquiring the company in July 1972. There is no information to indicate whether the proposed acquisition has been consummated. The Special

k/ Ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXV, annex, paras. 15-16.

Committee also noted the existence of opportunities for the development of tourism and exploitation of the following natural resources of the Territory: fish, seaweed and possibly petroleum. On 28 February 1973, Mr. Amery stated in reply to questions in the United Kingdom House of Commons that the company was investigating the feasibility of introducing reindeer into the East and West Falklands.

18. In 1971, exports, consisting exclusively of wool, totalled £676,967. Imports were valued at £606,973, including machinery and transport equipment, £123,595; food, £116,947; and manufactured goods, £104,814. As in the past, the United Kingdom absorbed all of the Territory's exports and provided most of its imports.

19. Practically all territorial revenue is derived indirectly from sheep farming. The principal items of expenditure are education, public health and posts and telecommunications. There is no information available on the Territory's budget estimates for 1971/72, nor on actual revenue and expenditure for 1970/71.

4. SOCIAL CONDITIONS

20. Outside the government service and the Falkland Islands Company, there is little employment to be found in the Territory. This has resulted in a steady exodus of workers to other countries. During 1972, the number of local people employed abroad increased considerably, indicating that the economic development of the Territory lagged further behind its needs. Information on the most recent developments in the field of public health is contained in the Special Committee's report to the General Assembly at its twenty-seventh session. 1/

5. EDUCATIONAL CONDITIONS

21. In 1971, there were 361 pupils (383 in 1970) attending government schools in the Territory, which in principle were all primary schools, staffed by 31 teachers (including itinerant teachers). A summary of the other features of the educational system is given in the previous report of the Special Committee. m/

1/ Ibid., para. 20.

m/ Ibid., paras. 21-23.

CHAPTER XXVIII

BRITISH HONDURAS 1/

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. The Special Committee considered the question of British Honduras at its 946th meeting, on 28 August.
2. In its consideration of the Territory, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 2908 (XXVII) of 2 November 1972 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, by paragraph 11 of which the Assembly requested the Special Committee "to continue to seek suitable means for the immediate and full implementation of General Assembly resolutions 1514 (XV) and 2621 (XXV) in all Territories which have not yet attained independence and, in particular, to formulate specific proposals for the elimination of the remaining manifestations of colonialism and report thereon to the General Assembly at its twenty-eighth session". The Committee also took into account the decision taken by the General Assembly on 18 December 1972 on the question of British Honduras. 2/
3. During its consideration of the Territory, the Special Committee had before it a working paper prepared by the Secretariat (see annex to the present chapter) containing information on action previously taken by the Committee as well as by the General Assembly, and on the latest developments concerning the Territory.
4. The Special Committee also had before it two written petitions dated 14 February and 18 March 1973 from Mr. Dennis Young, on behalf of the United Black Association for Development Party (UBAD), concerning the Territory (A/AC.109/PET.1237 and Add.1).
5. The administering Power did not participate in the work of the Special Committee during its consideration of the item.

B. DECISION OF THE SPECIAL COMMITTEE

6. At its 946th meeting, on 28 August 1973, following statements by the representative of India and by the Chairman (A/AC.109/PV.946), the Special Committee decided, without objection, to transmit to the General Assembly the working paper referred to in paragraph 3 above, in order to facilitate the consideration of the item by the Fourth Committee and, subject to any directives which the General Assembly might give in that connexion at its twenty-eighth session, to consider the item at its next session.

1/ On 1 June 1973, by an Order-in-Council of the Government of the United Kingdom of Great Britain and Northern Ireland, the name of British Honduras was officially changed to Belize. See annex to the present chapter, paras. 10-11.

2/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 30 (A/8730), p. 90.

ANNEX*

WORKING PAPER PREPARED BY THE SECRETARIAT

CONTENTS

	<u>Paragraphs</u>
A. CONSIDERATION BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY	1
B. INFORMATION ON THE TERRITORY	2 - 53
1. GENERAL	2 - 3
2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS	4 - 21
3. ECONOMIC CONDITIONS	22 - 46
4. SOCIAL CONDITIONS	47 - 50
5. EDUCATIONAL CONDITIONS	51 - 53

*. Previously issued under the symbol A/AC.109/L.899.

A. CONSIDERATION BY THE SPECIAL COMMITTEE AND THE
GENERAL ASSEMBLY

1. On 25 August 1972, the Special Committee decided to transmit to the General Assembly the working paper prepared by the Secretariat a/ in order to facilitate consideration of the item by the Fourth Committee and, subject to any directives which the General Assembly might give, to consider the item at its next session. On 18 December 1972, the General Assembly, b/ on the recommendation of the Fourth Committee, decided to defer consideration of the question of British Honduras, now known as Belize (see paragraphs 4, 10 and 11 below), until its twenty-eighth session.

B. INFORMATION ON THE TERRITORY c/

1. GENERAL

2. Belize is situated on the eastern or Caribbean coast of Central America, bounded on the north and north-west by Mexico, and on the west and south by Guatemala. Its land area is about 8,866 square miles, which includes a number of islets (cayes) lying off the coast.

3. According to the last census, taken in 1970, the total population of the Territory was 119,863, of whom 39,332 (more than 30 per cent) lived in Belize City. The estimated population in December 1971 was 120,000, consisting mainly of Creoles, American Indians (Mayas) and Caribs. Belmopan, the capital, had approximately 3,000 inhabitants in February 1972.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

4. There has been no fundamental change in the constitutional arrangements for the Territory, d/ now named Belize under a constitutional amendment which came into force on 1 June 1973 (see paragraphs 10-11 below).

a/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXVI, para.5.

b/ Ibid., Supplement No. 30 (A/8730), p. 90.

c/ The information presented in this section has been derived from published reports and from information transmitted to the Secretary-General by the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter, on 15 August 1972, for the year ending 31 December 1971.

d/ For details, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XX, annex, paras. 4-10.

5. Briefly, the present Constitution, which was introduced in January 1964, provides for a Governor appointed by the Queen, a Cabinet and a bicameral National Assembly comprising a Senate and a House of Representatives. The Governor (Sir John Paul) retains responsibility for defence, external affairs, internal security and the public service. The Cabinet consists of the Premier (Mr. George Price) and other ministers (eight at present). Of the eight members of the Senate, five are appointed by the Governor on the advice of the Premier, two on the advice of the Leader of the Opposition (Mr. Philip Goldson) and one after such consultations as the Governor considers appropriate. The House of Representatives has 18 members elected by universal adult suffrage for a minimum term of five years.

Political parties and elections

6. There are two major political parties in the Territory: the People's United Party (PUP), formed in the late 1940s; and the National Independence Party (NIP), founded in 1958. In addition, there are three minor parties: the People's Development Movement (PDM), established in 1969 by former members of NIP; the United Black Association for Development Party (UBAD), established as a political party in 1970; and the Liberal Party (LP), set up in the first half of 1973.

7. At the last general elections, which took place in December 1969, the ruling PUP, headed by Mr. Price, won 17 of the 18 seats in the House of Representatives. The NIP won the remaining seat, which was taken by Mr. Goldson. The main election issue separating the two parties was the timing of independence. The policy of PUP reportedly calls for speedy granting of independence coupled with a security guarantee from the United Kingdom and "other Commonwealth countries". The NIP favours delaying independence because it does not believe that the United Kingdom would give such a guarantee under the present circumstances.

8. In early 1973, Mr. Dennis Young addressed two petitions to the United Nations on behalf of UBAD (A/AC.109/PET.1237 and Add.1). According to Mr. Young, the party has continued to advocate its policy against racism, colonialism, exploitation and minority rule. It feels that the United Kingdom should dissolve the present Government and should put all political parties on an equal footing, materially and financially, in order to ensure new general elections. UBAD is opposed to the programme recently initiated by PUP for bringing to the forefront the "supposedly 'indigenous Mayan civilization' as a basis for the national culture and identity". It is also opposed to the present Government's move to change the official name of the Territory to Belize. Referring to the dispute between Guatemala and the United Kingdom over the Territory (see paragraphs 14-20 below), the petitioner said that UBAD had decided that the Territory should not become part of Guatemala, and was calling upon the United Nations to hasten the day of "nationhood" and to ensure "national territorial integrity".

9. In June, NIP, PDM and LP were reported to have formed a "Unity Bloc" to oppose PUP, especially the latter's position with respect to the question of independence.

Recent constitutional developments

Government proposal to change the name of the Territory

10. On 23 February 1973, Mr. Price introduced in the House of Representatives a bill to change the name of the Territory from British Honduras to Belize. In doing so, he said: "This step has been taken after consultation with the Government of the United Kingdom. Our economic, diplomatic and other relationships with the Commonwealth remain the same. The constitutional relationship between Belize and the United Kingdom Government remains intact and unchanged." He stressed that the bill was symbolic and expressive of the determination of the people of the Territory to move progressively towards independence.

11. On 1 March, the opposition NIP held a demonstration to protest the proposed legislation. It presented to the Acting Governor a petition containing an appeal for a referendum on the question of changing the name of the Territory. The House and the Senate passed the above-mentioned bill on 18 March and 1 April respectively. In a note verbale dated 3 July, the Acting Permanent Representative of the United Kingdom to the United Nations informed the Secretary-General that this bill had come into operation on 1 June, and that the change of the name of the Territory implied no alteration in Belize's constitutional status as a dependent Territory of the United Kingdom and merely gave formal recognition to the name commonly in use in the Territory.

Opposition's proposals on constitutional reforms

12. During a visit to London in late April 1973, Mr. Goldson, the Opposition Leader, presented to Mr. Anthony Kershaw, then United Kingdom Minister of State for Foreign and Commonwealth Affairs, the following proposals for constitutional reform:

(a) The establishment of a mixed commission, composed of representatives of the Commonwealth and the Territory, to reorganize the electoral system through the introduction of proportional representation; the reduction of the voting age from 21 to 18; and the establishment of a permanent electoral supervisory commission to scrutinize elections over the next 10 years (a similar proposal had been made by UBAD in November 1972);

(b) Entrenchment of certain safeguards, including reasonably free access to radio and television by all shades of political opinion; a referendum to approve any change in the Territory's status; recognition of the right of the workers to seek improvement of employment conditions without government pressure; and appointment of a Commonwealth ombudsman to deal with infringements of constitutional rights.

13. In a letter to Mr. Goldson, published in a local newspaper on 6 May, Mr. Kershaw stated: "I think you will agree that these changes /proposed by Mr. Goldson/ are in some cases so far-reaching that they could scarcely be

considered in the absence of a clear popular mandate for their introduction". He further stated: "Her Majesty's Government are of course prepared to discuss proposals for constitutional change which may be put forward by the Government of British Honduras. But having regard to the advanced form of self-government enjoyed by the Territory, it would be inappropriate for Her Majesty's Government to do so unless such proposals had been endorsed by the Legislature in British Honduras."

Future status of the Territory

14. In a National Day address, delivered on 10 September 1972, Premier Price said that the mandate given to his party to lead Belize to independence had not yet been fulfilled because "the Belizean people were brought to confrontation with a situation not of our making and not of our choosing". He added that "it was a relapse into a quarrel of the past between the United Kingdom and the Republic of Guatemala". He stressed that the independence of Belize continued to be his party's ultimate objective, and was not for negotiation; that when independence came, it would have to have a guarantee sufficient to maintain and strengthen Belize's separate existence as a new nation of the Americas; and that there was a continuing need to make known to the world the aspirations and the determination of the Belizean people to make their Territory united, sovereign and independent. He stated that there were those within the Territory who would "attempt to distract our national endeavours" and "subvert our institutions and divide our people". He further stated that "to repel these negative forces of destruction, we become more ardent in our faith and more active in our work to build this new nation". The Premier recalled his statement to the House of Representatives on 10 September 1971 that the year of independence would most likely be 1972. In his latest address, however, he did not indicate a date for independence.

15. On 2 October, at the 2049th plenary meeting of the General Assembly, the representative of Guatemala declared that:

"... the Republic of Guatemala has had with the United Kingdom of Great Britain and Northern Ireland a dispute of more than 100 years over our territory of Belize which is occupied by that Power. Years ago Guatemala agreed to submit this dispute to the peaceful means established in international law and prescribed in the Charter of the United Nations as mandatory for States Members of the Organization. Our good offices, mediation and direct negotiations have occupied our special attention in seeking a just and equitable solution which will make it possible to restore to the territorial integrity of the Republic of Guatemala the territory of Belize while not ignoring the interests of the population living there. My Government reiterates that it will oppose any change in the legal and political status of Belize, without a prior and complete settlement of the problem of the rights of Guatemala over that territory." e/

e/ A/PV.2049, p. 12.

16. In his letter of 6 October addressed to the Secretary-General (A/8832), the Permanent Representative of the United Kingdom to the United Nations stated that the United Kingdom Government could not accept the above-mentioned statement of the representative of Guatemala "in so far as it disputes the sovereignty of the United Kingdom over British Honduras". He further stated that "the United Kingdom Government has no doubt as to its sovereignty over the Territory of British Honduras". Finally, he declared that "my Government will continue its peaceful efforts to reach a just and equitable solution which will take full account of the rights of the people of British Honduras in accordance with the universally acknowledged principle of self-determination".

17. As a member of the Caribbean Free Trade Association (CARIFTA), the Territory was represented by Premier Price at the seventh Commonwealth Caribbean Heads of Government Conference, held from 9 to 14 October at Port-of-Spain. The Conference reached a series of agreements which were expected to have a significant impact, in economic and even political terms, on the movement towards regional integration (see chap. XXVI, annex, paras, 19-32 and 38-40 above). On 14 October, Mr. Price told the Conference that there was no disagreement between his Government and the United Kingdom Government about independence for the Territory. He added that "nothing prevents us from setting the date for the independence of Belize, except the threat to our security and territorial integrity which is posed by a neighbouring State". He thanked the four independent members of CARIFTA (Barbados, Guyana, Jamaica and Trinidad and Tobago) for promising to take steps to "help remove the obstacles of our achievement of early independence and formal admission into the inter-American system".

18. Comments on the question of independence for Belize were made by several delegations attending the meetings of the Security Council, f/ the Economic Commission for Latin America (ECLA) and the Organization of American States (OAS), held in March and April 1973, but none of these bodies took a decision on the matter.

19. During April, the Premier attended the eighth Commonwealth Caribbean Heads of Government Conference, held at Georgetown. According to the communiqué issued at the conclusion of the Conference, it was decided to establish a Caribbean community (including a Caribbean common market) by a treaty on 1 August 1973. The community is to be made up of the above-mentioned four independent States, with six other members of CARIFTA (Belize, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent) becoming participants on 1 May 1974 (see also paragraph 21 below). The delegations of the four independent States adopted a resolution on the need for a régime of mutual assistance against external aggression directed against any member of the community. In the resolution, they referred to the standing committee of foreign ministers to be created under the community, the preparation of a scheme of mutual assistance designed to secure the political independence and territorial integrity of members of the community treaty and the safety and well-being of their peoples. The delegates of seven other countries (including Belize) wished to be identified with the spirit expressed in the resolution.

f/ S/PV.1696, 1698, 1699 and 1701.

20. At a press conference held during a visit to the Territory in June 1973, Mr. Anthony Kershaw, United Kingdom Under-Secretary of State for Defence, said that he could not see any possible reason why Belize should not be independent except for the external threat. To overcome this threat, he added, the United Kingdom Government's attitude would be to use diplomatic methods aimed at removing the need for a defence guarantee.

Relations with other Commonwealth Caribbean countries

21. Subject to the approval of the National Assembly, the Territory will become a member of the Caribbean community on 1 May 1974, the day on which CARIFTA will have ceased to exist. This commitment was made by the Premier on behalf of the people of the Territory at the eighth Commonwealth Caribbean Heads Of Government Conference (see paragraph 19 above). At the conclusion of the Conference, the Premier participated in the signing of the Georgetown Accord by all but two members of CARIFTA (Antigua and Montserrat). The Accord provides, inter alia, for the establishment of a Caribbean community (including a Caribbean common market); the eventual economic integration of the members over a number of years; and co-ordination of foreign policy and specific areas of functional co-operation (see also chap. XXVI, annex, paragraphs 19-40 above).

3. ECONOMIC CONDITIONS

General

22. Since the mid-1950s, forest products, once the mainstay of the economy, have declined in relative importance as a result of the rapid depletion of forest resources. The principal source of recent economic progress has been the growth of the agricultural sector. Efforts to stimulate the economy have been primarily directed towards the expansion of agricultural production for export and local consumption, the development of commercial fishing and tourism and the encouragement of foreign investors to engage in manufacturing and other business activities.

23. Reviewing the performance of the economy, the Premier (who is also responsible for finance and economic planning and development) stated in a speech delivered to the House of Representatives towards the end of December 1972 that, during the first nine months of the year, the gross domestic product of Belize had been \$BH 121 million g/ (\$BH 114 million in 1971), and that agriculture had continued to set the pace of economic activity in the Territory.

24. Despite recent economic expansion, the problems of unemployment and under-development have remained unresolved; in January 1972, 14 per cent of the labour force was reportedly unemployed and a further 8 to 10 per cent were permanently underemployed.

g/ \$BH 4.00 is equivalent to approximately £1.

Government policy towards foreign investment

25. In the same speech, Mr. Price said that the Government continued to welcome private foreign investment in fields which would accelerate economic development particularly where domestic capital had not yet been effectively established and where there was participation with local private enterprises, preferably in the form of joint ventures. The Government would continue to grant tax concessions as well as to allow capital repatriation and the remittance of profits and dividends to encourage the inflow of foreign funds (see also paragraph 47 below).

26. As regards public lands, the Premier stated that in special cases, such as large hotels and industrial sites, the Government was prepared to consider the granting of freehold titles, but that it would give adequate periods under lease arrangements to ensure that the investment was still attractive.

27. Mr. Price went on to say that substantial development of the economy could best be achieved by proper import substitution schemes, mainly by expanding agricultural and industrial production for export. He also felt that the traditional areas such as sugar, citrus and bananas, as well as the provision of services in the tourist sector should, in general, be reserved for local people.

28. Finally, he reported that the Government had obtained five loans from the Caribbean Development Bank which would be used mainly to encourage increased participation by Belizeans in the economic development of the Territory.

Agriculture and fishing

29. In his recent speech, Mr. Price provided the following information concerning these two sectors of the economy. In 1972, exports of sugar, citrus (grapefruit and oranges) and marine products rose by more than 15 per cent, representing more than 20 per cent of the gross domestic product and 80 per cent of total exports. Record yields were obtained in sugar (70,000 tons) and citrus fruit (1.3 million boxes). Infrastructural work had begun for the development of the banana industry; some exporting was expected in late 1973.

30. Although the export market showed buoyancy in 1972, the domestic agricultural market did not fare so well, except for rice output, which met local requirements fully for the first time and provided a modest surplus for export. Adverse weather conditions severely reduced corn, red kidney bean and other vegetable production, and imports of these commodities were necessary. Poultry production almost doubled and accounted for nearly 80 per cent of local consumption. A meat-packing plant was preparing to export beef to the United States of America in early 1973.

31. On 25 March 1973, it was reported that representatives of the Ffyfes Group of the United Kingdom and the Banana Association of Belize had signed a 10-year contract under which the Ffyfes Group would buy all the bananas produced in the Territory up to 70,000 tons a year at a guaranteed price. In return, the Association undertook to place 4,000 acres under intensive production. The

Government's role in the project was to construct a road and a barge pier at Riversdale, both of which were almost complete, and to back a loan on \$BH 1 million to banana growers, which the Caribbean Development Bank was expected to grant. It was estimated that Belize should eventually be able to produce 80,000 tons of bananas a year, with an export earning potential of \$BH 9.6 million, and that the industry could surpass the citrus industry and go on to rival the sugar industry.

32. In 1972, the fishing industry earned \$BH 2.5 million, the highest total in recent years.

Industries

33. As noted above, the Government has been encouraging industrial investments. For this purpose, a Development Finance Corporation (with a share capital of \$BH 2 million) has been created, to which the Caribbean Development Bank in 1972 granted a credit of \$BH 120,000 to finance the establishment of an industrial park for small businesses in Belize City.

34. Although the Territory has a number of small firms producing mainly for the domestic market, its principal industries are those concerned with processing local primary products for export, the most important at present being sugar manufacturing and the canning of citrus fruit.

35. According to information supplied by the Premier in his recent National Day address, three industrial enterprises came into existence during 1972, the largest being the Territory's first national brewery. In early 1973, five other companies were expected to be set up to manufacture animal feed, condensed milk, paper, soybean oil and wooden poles.

36. Three companies hold oil exploration and prospecting licences covering an off-shore area of approximately 2.8 million acres. ^{h/} Two other companies have applied for concessions covering 4.1 million onshore acres. In early 1972, one of the applicants, the Auschutz Overseas Corporation, based in Colorado (United States), was reported to have been granted exploration licences over the northern part of the Territory. Subsequently, it was announced that the corporation, together with the Peoples Gas Company of the United States, would co-operate in oil and gas exploration on some 3.2 million acres off the northern coast, and would shortly begin drilling. Earlier, the Government had reported that Belize Refining and Terminal had proposed to establish a refinery project in the Monkey River area, involving a capital expenditure of \$BH 150 million in the first three years of operation and aiming at a minimum output of 100,000 barrels per day. In June 1973, the Auschutz Overseas Corporation announced that it had struck its first evidence of oil on the Melhado Farm, 48 miles from Belize City.

^{h/} Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXVI, annex, para. 34.

Transport and communications

37. In 1972, there were 390 miles of all-weather roads, 177 miles of cart roads and bush trails, and a further 890 miles of dry weather roads, including forest roads, maintained by the Government. Road projects have been given top priority, and a total of \$BH 3.27 million has been allocated for expenditure on both main roads and feeder roads and on a new Alabama-Riversdale road for the banana industry, which was nearing completion in early 1973.

38. Belize City, the principal seaport, and Stann Creek, a second seaport, together handle about 1.3 million tons of cargo annually. In late 1972, following consideration of a study undertaken by the British Overseas Development Administration (BODA), the Government decided to seek funds from the Caribbean Development Bank to finance construction of the first phase of a deep-water port for Belize City. The proposed project would take three to five years to complete and would cost an estimated \$BH 12 million.

39. The Belize City International Airport can accommodate short-range and some medium-range jet aircraft. There are also airstrips situated in or near five municipalities. In late 1972, consultants were engaged by the United Kingdom Government to forecast the development of traffic at the airport and at the Belmopan airstrip over the next 10 years and to assess the consequent requirement in new facilities.

40. On 1 July 1971, the newly created Belize Telecommunication Authority assumed responsibility for the Territory's internal telephone system from Cable and Wireless (West Indies), Ltd. It immediately embarked on the first phase of a \$BH 5.1 million development programme aimed at providing all district towns with a dialling system. Cable and Wireless Ltd. continues to operate external telecommunications services.

Power supply

41. In 1971, the Belize Electricity Board received a loan from the Caribbean Development Bank to carry out a programme for the expansion of the Territory's electric power supply. By the end of the year, the new Ladyville plant had been completed at a cost of \$BH 1.5 million, thus bringing the total voltage to 12,520. In November 1972, the Board was reported to have initiated a five-year programme, involving 48 projects, for the improvement of the supply of electricity to every district town and numerous villages en route. The programme would cost \$BH 3.2 million, of which 80 per cent was to be met by the Caribbean Development Bank and the remaining 20 per cent by the Board itself.

Foreign trade

42. Belize is a member of CARIFTA and will join the proposed Caribbean community (including the Caribbean common market) on 1 May 1974 (see paragraphs 17-21 above).

43. Although the Territory is an exporter of agricultural products, it is dependent on imports of certain food-stuffs and other goods. In 1971, imports were valued at \$BH 59.1 million (\$BH 56.7 million in 1970) and exports totalled \$BH 36.8 million (\$BH 30.9 million in 1970). The United Kingdom and the United States continued to provide the main markets and sources of imports.

44. In his recent budget speech, Premier Price acknowledged that the balance of payments deficit was likely to remain large for some time to come, and urged Belizeans to intensify their efforts to reduce the deficit to a level which might reasonably be covered by the amount of capital inflows, as well as to increase savings to help the economic development of the Territory. Concerning the entry of the United Kingdom into the European Economic Community (EEC) on 1 January 1973, he reassured the House of Representatives that Belize had joined with other CARIFTA countries in securing the best possible terms and conditions for important regional exports which enjoyed preferential treatment in the United Kingdom markets. Mr. Price also said that the present arrangements for trade with the United Kingdom and Caribbean Commonwealth countries (including tariff preferences and special arrangements for certain commodities such as sugar, bananas and citrus) would remain unchanged until 1975, when new arrangements would have to be negotiated. Finally, he expressed the hope that exports to other CARIFTA countries would become substantial, especially in cattle, rice, beans and corn.

Public finance

45. According to the budget estimates for 1972, expenditure was expected to total \$BH 29.8 million (\$BH 29.1 million in 1971), of which \$BH 17.0 million was on recurrent and \$BH 12.8 million on capital accounts. Finance for this spending would be met as follows: territorial revenue, \$BH 18.3 million; loans, \$BH 1.7 million; and development aid, \$BH 9.8 million.

46. In his recent budget speech, Premier Price stated that total estimated expenditure for 1973 would amount to \$BH 33.0 million, and that the proposed budget was basically a "holding" one. He expressed concern over the rising level of recurrent expenditure and the failure of territorial revenue to expand at a comparable rate. He therefore announced that measures would be taken to increase revenue by almost \$BH 2.5 million. These measures would include increases in certain indirect taxes and fees; new export duties on marine products and sugar; and taxes on air travel tickets, hotels and land transactions.

4. SOCIAL CONDITIONS

Labour

47. Approximately 42 per cent of the working population is engaged in agriculture, of which about one third are working on their own account. The Government is seeking to broaden employment opportunities by adopting a series of measures to accelerate economic development. One of these measures requires foreigners interested in making an investment in Belize to give preference to qualified Belizeans in employment and to establish effective training programmes for local workers.

Public health

48. In 1970, the principal government and private medical institutions comprised 3 general hospitals (266 beds), 5 cottage hospitals (75 beds) and 22 dispensaries (16 beds), all except 2 of which were exclusively for out-patients. In addition, the Territory had 24 maternity and child welfare clinics, a mental institution, a tuberculosis sanatorium and an infirmary. A new hospital with 40 beds has since been built in Belmopan. According to Mr. Price, construction of a small hospital in the Orange Walk district was expected to begin in early 1972. Two mobile clinics are used in the western and southern districts to provide medical services to the villages.

49. With the assistance of the United Nations Children's Fund (UNICEF), the Government initiated a programme of malaria eradication in 1949. The attack phase of this programme began in 1957, with semi-annual cycles of residual spraying which was continued until the entire Territory entered into the consolidation phase in late 1962. All districts except Belize were returned to the attack phase in early 1967 owing to the continued increase of imported cases of malaria. For the years 1971-1973, UNICEF approved assistance to the Territory totalling \$US 18,000.

50. UNICEF also agreed to assist the Government in undertaking a four-year project starting in 1972, to improve the situation of pre-school children in the areas of health and nutrition, home and institutional care and education. The Government and UNICEF have allocated \$US 215,000 and \$US 82,000, respectively, for the project.

5. EDUCATIONAL CONDITIONS

51. Education is compulsory for children between the ages of 6 and 14 years. About 5 per cent of the population over the age of 10 years is illiterate.

52. In 1971, 30,685 pupils (30,350 in 1970) were enrolled in the 4 government (2 in 1970) and 163 government-aided (164 in 1970) primary schools and were served by 1,114 teachers (including 509 uncertificated teachers). There were 21 secondary schools (19 in 1970) with a total enrolment of 4,186 (3,620 in 1970), including 212 holders of government scholarships; all but two government-run institutions (the Belize Technical College and the Belize Junior Secondary School No. 1) were mission schools and school fees were charged. There was also a government teacher-training college (the Belize Teachers College). During the year, about 276 students (198 in 1970) from the Territory were studying at institutions of higher education abroad, a very large number of them on scholarships.

53. On the recommendation of a planning mission recently sent to the Territory by the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Government has undertaken a programme for the modernization and reorganization of the educational system. As part of this programme, schooling for students in the 12-15 age group would be centralized in junior secondary schools, which plan to offer a broader variety of subject choices. It was reported in October 1972

that the United Kingdom had provided the Territory with aid funds for the construction of four such schools. Two of these had been established, the third was being erected, and the fourth was in the planning stage. During the same year, work on the expansion and improvement of the Belize Technical College was expected to be completed. The Government has proposed that the capital budget for 1973 should include a provision for a new building for the Belize Teachers College.

CHAPTER XXIX

(A/9023/Add.7)

INFORMATION FROM NON-SELF-GOVERNING TERRITORIES TRANSMITTED
UNDER ARTICLE 73 e OF THE CHARTER OF THE UNITED NATIONS

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 8	203
B. DECISION OF THE SPECIAL COMMITTEE	9	204

ANNEX

REPORT OF THE SECRETARY-GENERAL		206
---	--	-----

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. The Special Committee considered the question of information from Non-Self-Governing Territories transmitted under Article 73 e of the Charter of the United Nations and related questions at its 933rd to 935th meetings, between 8 and 10 August 1973.
2. In its consideration of the item, the Special Committee took into account the relevant provisions of General Assembly resolution 2908 (XXVII) of 2 November 1972 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. Further, the Special Committee took into account other pertinent resolutions of the General Assembly concerning information from Non-Self-Governing Territories transmitted under Article 73 e of the Charter and related questions, in particular resolution 1970 (XVIII) of 16 December 1963 which, inter alia, dissolved the Committee on Information from Non-Self-Governing Territories and transferred certain of its functions to the Special Committee, and paragraph 7 of resolution 2978 (XXVII) of 14 December 1972 which requested the Special Committee to continue to discharge the functions entrusted to it under General Assembly resolution 1970 (XVIII), in accordance with established procedures, 1/ and, as regards Brunei, to submit appropriate recommendations for a decision by the General Assembly.
3. During its consideration of the item, the Special Committee had before it the report of the Secretary-General (see annex to the present chapter) containing information on the dates on which information from Non-Self-Governing Territories concerned, called for under Article 73 e of the Charter, was transmitted for the years 1971 and 1972.
4. At the 933rd meeting, on 8 August, the representative of Iran introduced a draft resolution (A/AC.109/L.896) which was finally sponsored by the representatives of Afghanistan, Ethiopia, India, Iran, the Ivory Coast, Mali, Sierra Leone, the Syrian Arab Republic, Trinidad and Tobago, Tunisia, the United Republic of Tanzania and Yugoslavia.
5. At the 934th meeting, on 9 August, the representative of the Syrian Arab Republic made a statement (A/AC.109/PV.934) in which he suggested certain revisions to operative paragraph 3 of the draft resolution.
6. At the 935th meeting, on 10 August, following statements by the representatives

1/ Official Records of the General Assembly, Nineteenth Session, Annexes, annex No. 8 (part I) (A/5800/Rev.1), chap. II.

of the Syrian Arab Republic, Sweden and India, as well as by the Chairman (A/AC.109/PV.935), the Special Committee adopted without objection the draft resolution, as orally revised (see paragraph 9 below), it being understood that the reservations expressed by the representative of Sweden would be reflected in the record of the meeting. The representative of Yugoslavia made a statement (A/AC.109/PV.935).

7. On 17 August, the text of the resolution was transmitted to the permanent representatives of the administering Powers for the attention of their Governments.

8. With respect to the specific request addressed to it by the General Assembly concerning Brunei, to which reference is made in paragraph 2 above, the Special Committee, at its 943rd meeting, on 23 August, on the recommendation of its Sub-Committee II, adopted a consensus on the matter as a basis for a decision of the Assembly. An account of the Special Committee's consideration of the matter and the text of the consensus are set out in chapter XXI of the present report (A/9023/Add.5).

B. DECISION OF THE SPECIAL COMMITTEE

9. The text of the resolution (A/AC.109/432) adopted by the Special Committee at its 935th meeting on 10 August, to which reference is made in paragraph 6 above, is reproduced below:

The Special Committee,

Recalling General Assembly resolution 1970 (XVIII) of 16 December 1963, in which the Assembly requested the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples to study the information transmitted to the Secretary-General in accordance with Article 73 e of the Charter of the United Nations and to take such information fully into account in examining the situation with regard to the implementation of the Declaration,

Recalling also General Assembly resolution 2978 (XXVII) of 14 December 1972, in which the General Assembly, inter alia, requested the Special Committee to continue to discharge the functions entrusted to it under resolution 1970 (XVIII),

Recalling further the provisions of paragraph 5 of resolution 2978 (XXVII) in which the General Assembly urged the administering Powers concerned to transmit, or continue to transmit, to the Secretary-General the information prescribed in Article 73 e of the Charter, as well as the fullest possible information on political and constitutional developments in the Territories concerned,

Having examined the report of the Secretary-General on this item, 2/

2/ See annex to the present chapter.

1. Strongly deploras that, despite the repeated recommendations of the General Assembly and the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, some Member States having responsibilities for the administration of Non-Self-Governing Territories have ceased or have failed to transmit information under Article 73 e of the Charter of the United Nations, or have transmitted insufficient information;

2. Strongly condemns the Government of Portugal for its continued refusal to recognize the colonial status of the Territories under its domination and to transmit information under Article 73 e of the Charter on those Territories, in complete disregard of the provisions of the relevant resolutions of the General Assembly and the Special Committee;

3. Expresses its regret at the considerable delay on the part of the Government of the United Kingdom of Great Britain and Northern Ireland in transmitting information under Article 73 e of the Charter and its hope that the United Kingdom Government will not further impede the work of the Special Committee and will proceed forthwith to transmit the relevant information, as well as participate in the related proceedings of the Committee;

4. Reaffirms that, in the absence of a decision by the General Assembly itself that a Non-Self-Governing Territory has attained a full measure of self-government in terms of Chapter XI of the Charter, the administering Power concerned should continue to transmit information under Article 73 e of the Charter with respect to that Territory;

5. Requests the administering Powers concerned to transmit, or continue to transmit, to the Secretary-General the information prescribed in Article 73 e of the Charter, as well as the fullest possible information on political and constitutional developments in the Territories concerned, and reiterates its request that the administering Powers concerned transmit such information as early as possible and, at the latest, within a maximum period of six months following the expiration of the administrative year in the Non-Self-Governing Territories concerned;

6. Decides, subject to any decision that the General Assembly might take in that connexion, to continue to discharge the functions entrusted to it under General Assembly resolution 1970 (XVIII), in accordance with established procedures.

ANNEX*

REPORT OF THE SECRETARY-GENERAL

Transmission of information under Article 73 e of the Charter

1. The Secretary-General's previous report on this subject a/ listed the dates on which information was transmitted to the Secretary-General under Article 73 e of the Charter up to 17 August 1972. The table at the end of the present report shows the dates on which such information was transmitted in respect of the years 1971 and 1972 up to 30 July 1973.
2. The information transmitted under Article 73 e of the Charter follows in general the standard form approved by the General Assembly and includes information on geography, history, population, economic, social and educational conditions. In the case of Territories under the administration of Australia, France, New Zealand, Spain, the United Kingdom of Great Britain and Northern Ireland and the United States of America, the annual reports on the Territories also include information on constitutional matters. Additional information on political and constitutional developments in Territories under their administration is given by the representatives of Australia, New Zealand, Spain and the United States during meetings of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. Supplementary information is also made available by the United Kingdom concerning Territories under its administration.
3. No information has been transmitted to the Secretary-General concerning Territories under Portuguese administration, which the General Assembly, by resolution 1542 (XV) of 15 December 1960, considered to be Non-Self-Governing Territories within the meaning of Chapter XI of the Charter. Nor has the Secretary-General received information concerning Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia or St. Vincent. In that connexion, the United Kingdom has declared at previous sessions of the General Assembly that, having achieved the status of Associated States, those Territories had attained "a full measure of self-government". b/
4. In a note verbale dated 18 September 1972, the Permanent Representative of the United Kingdom informed the Secretary-General that, as a consequence of the agreement signed on 23 November 1971 whereby Brunei now had full internal self-government, it was the view of his Government and the Government of Brunei that it

* Previously issued under the symbol A/AC.109/430.

a/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. XXVII, annex.

b/ See also documents A/AC.109/341, A/C.4/725, A/AC.109/PV.762 and Corr.1, A/C.4/SR.1752 and A/C.4/SR.1867.

was no longer appropriate that information relating to the requirements of Article 73 e of the Charter of the United Nations should be transmitted to the Secretary-General of the United Nations by Her Majesty's Government. The General Assembly, in its resolution 2978 (XXVII) of 14 December 1972, took note of the communication and, having regard to the provisions of paragraph 4 and other relevant resolutions of the Assembly, requested the Special Committee to submit appropriate recommendations for a decision by the Assembly.

Study of information transmitted under Article 73 e of the Charter

5. In compliance with the provisions of paragraph 5 of General Assembly resolution 1970 (XVIII) of 16 December 1963 and other relevant resolutions of the General Assembly, including in particular resolution 2978 (XXVII), the Secretariat has continued to use the information transmitted in the preparation of working papers on each Territory for the Special Committee.

Table

Dates of transmission of information under Article 73 e
of the Charter for 1971 and 1972 a/

	<u>1971</u>	<u>1972</u>
AUSTRALIA (1 July-30 June) <u>b/</u>		
Cocos (Keeling) Islands	31 August 1972	20 June 1973
Papua New Guinea	23 May 1972	16 May 1973
FRANCE (calendar year)		
Comoro Archipelago <u>c/</u>		
French Somaliland <u>c/ d/</u>		
New Hebrides (condominium with the United Kingdom)	13 November 1972	
NEW ZEALAND (1 April-31 March) <u>e/</u>		
Niue	24 August 1972	
Tokelau Islands	24 August 1972	
PORTUGAL		
Territories under Portuguese administration	-	
SPAIN (calendar year)		
Spanish Sahara	1 July 1972	30 June 1973

a/ For a preliminary list of Territories to which the Declaration on the Granting of Independence to Colonial Countries and Peoples (General Assembly resolution 1514 (XV)) applies see Official Records of the General Assembly, Eighteenth Session, Supplement No. 14 (A/5514), part one, annex II.

b/ Period extends from 1 July of the previous year to 30 June of the year listed.

c/ On 27 March 1959, the Government of France notified the Secretary-General that this Territory had attained internal autonomy and, consequently, the transmission of information thereon had ceased as from 1957.

d/ The new designation of the Territory is French Territory of the Afars and the Issas (see Terminology Bulletin No. 240 (ST/CS/SER.F/240) of 15 April 1968).

e/ Period extends from 1 April of the year listed to 31 March of the following year.

Table (continued)

	<u>1971</u>	<u>1972</u>
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (calendar year)		
Antigua	-	
Bermuda	16 November 1972	
British Honduras <u>f/</u>	16 August 1972	
British Virgin Islands	10 July 1972	
Brunei	-	
Cayman Islands	10 July 1972	
Dominica	-	
Falkland Islands (Malvinas)	24 November 1972	
Gibraltar	14 November 1972	
Gilbert and Ellice Islands	20 September 1972	
Grenada	-	
Montserrat	10 July 1972	
New Hebrides (condominium with France)	22 September 1972	
Pitcairn	26 June 1972	
St. Helena	12 October 1972	
St. Kitts-Nevis-Anguilla	-	
St. Lucia	-	
St. Vincent	-	
Seychelles	10 July 1972	
Solomon Islands	19 July 1972	
Southern Rhodesia	9 August 1972	
Turks and Caicos Islands	17 August 1972	
UNITED STATES OF AMERICA (1 July-30 June) <u>b/</u>		
American Samoa	26 May 1972	
Guam	26 May 1972	
United States Virgin Islands	7 June 1972	

f/ On 1 June 1973, by an order-in-Council of the United Kingdom Government, the name of British Honduras was officially changed to Belize.

كيفية الحصول على منشورات الأمم المتحدة

يمكن الحصول على منشورات الأمم المتحدة من المكتبات ودور التوزيع في جميع أنحاء العالم . استعلم عنها من المكتبة التي تتعامل معها أو اكتب الى : الأمم المتحدة ، قسم البيع في نيويورك أو في جنيف .

如何购取联合国出版物

联合国出版物在全世界各地的书店和经售处均有发售。请向书店询问或写信到纽约或日内瓦的联合国销售组。

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre libraire ou adressez-vous à : Nations Unies, Section des ventes, New York ou Genève.

КАК ПОЛУЧИТЬ ИЗДАНИЯ ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ

Издания Организации Объединенных Наций можно купить в книжных магазинах и агентствах во всех районах мира. Наводите справки об изданиях в вашем книжном магазине или пишите по адресу: Организация Объединенных Наций, Секция по продаже изданий, Нью-Йорк или Женева.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.
