

**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-SEVENTH SESSION

SUPPLEMENT No. 23 (A/8723/Rev.1)



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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 XXVII;* volume I, chapters I to IV; volume II, chapters V to VII; volume III, chapters VIII to X; and volume IV, chapters XI to XXI; each volume contains a full table of contents.

* The present version of chapters XXII to XXVII is a consolidation of the following documents as they appeared in provisional form: A/8723/Add.6 (Parts of I and II) of 15 September 1972 and A/8723/Add.7 of 22 September 1972.

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CHAPTERS XXII AND XXIII

(A/8723/Add.6 (Part I))

BAHAMAS, BERMUDA, BRITISH VIRGIN ISLANDS, CAYMAN
ISLANDS, MONTSERRAT, TURKS AND CAICOS ISLANDS AND
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CHAPTER XXII*

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

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 841st meeting, on 16 March 1972, the Special Committee, by approving the sixty-fifth report of the Working Group (A/AC.109/L.763), decided, inter alia, to refer the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat and the Turks and Caicos Islands to Sub-Committee III for consideration and report.
2. The Special Committee considered the Territories at its 875th and 876th meetings, on 31 July and 1 August 1972, respectively.
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 2878 (XXVI) of 20 December 1971 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By paragraph 10 of that resolution, the General 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-seventh session". The Special Committee also took into account other resolutions of the General Assembly, particularly resolution 2869 (XXVI) of 20 December 1971 concerning 17 Territories, including the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat and the Turks and Caicos Islands, by paragraph 8 of which the General Assembly requested the Special Committee "to continue to give full consideration to this question, including in particular the dispatch of visiting missions to these Territories...".
4. During its consideration of these 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 Special Committee as well as by the General Assembly, and on the latest developments concerning the Territories.

* The following chapters also relate to the present chapter: chapters III and IV (A/8723 (Part II)); chapter V (A/8723 (Part III)); and chapter VI (A/8723 (Part IV)).

5. The administering Power did not participate in the work of the Special Committee during its consideration of the item.

6. At the 875th meeting, on 31 July, the Chairman of Sub-Committee III, in a statement to the Special Committee (A/AC.109/PV.875), introduced the report of that Sub-Committee (A/AC.109/L.808) containing an account of its consideration of the Territories (A/AC.109/SC.4/SR.176-179).

7. At the 876th meeting, on 1 August, following a statement by the representative of Sweden (A/AC.109/PV.876), the Special Committee adopted the report without objection and endorsed the conclusions and recommendations contained therein (see paragraph 9 below), it being understood that the reservation expressed by the representative of Sweden would be reflected in the record of the meeting.

8. On 2 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. DECISIONS OF THE SPECIAL COMMITTEE

9. The text of the conclusions and recommendations adopted by the Special Committee at its 876th meeting, on 1 August, to which reference is made in paragraph 7 above, is reproduced below.

General conclusions and recommendations

(1) The Special Committee recalls and reaffirms its conclusions and recommendations concerning the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat and the Turks and Caicos Islands, in particular those adopted at its session in 1971 and approved by the General Assembly at its twenty-sixth session.

(2) The Special Committee reaffirms that the Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in General Assembly resolution 1514 (XV) of 14 December 1960, applies fully to the above Territories and reaffirms the inalienable right of the people of these Territories to self-determination and independence.

(3) Fully aware of the special circumstances of geographical location, economic conditions and other specific factors pertaining to the Territories, the Special Committee reiterates its conviction that the question of territorial size, limited population and restricted resources should in no way delay the full implementation of the Declaration with regard to these Territories.

(4) The Special Committee deplores that the administering Power has refused so far to implement the provisions of the Declaration and other relevant resolutions of the General Assembly with respect to the Territories.

(5) The Special Committee reiterates its request to the administering Power to encourage open, free and public discussion of the various alternatives available to the people of the Territories for the achievement of the objectives of the Declaration and to ensure that the people of these Territories shall exercise their right of self-determination and independence in complete freedom.

(6) The Special Committee further requests the administering Power to take all the necessary measures, in accordance with the freely-expressed will and desire of the people of the Territories, to transfer all powers to them, without any conditions and reservations, with a view to enabling them to enjoy complete freedom and independence as provided for in resolution 1514 (XV).

(7) Recalling resolution 2869 (XXVI), in particular paragraph 7, the Special Committee reiterates its belief that a United Nations presence and participation before and/or during the procedures for the exercise of the right to self-determination, is essential for the purpose of ensuring that the people of the Territories can exercise their inalienable rights in complete freedom and without any conditions and reservations, in accordance with the provisions of the Declaration.

(8) Noting with concern that the information transmitted by the administering Power is not up-to-date and sufficient, and does not enable the Special Committee to assess in full the actual situation in the Territories, the Committee reaffirms the paramount importance and extreme usefulness of its visiting missions as a means of securing first-hand, adequate and necessary information in regard to political, economic, social and other conditions prevailing in these Territories, and once again urges the administering Power, following the example of other administering Powers, to permit the access of such visiting missions to the Territories and to extend to them full co-operation and assistance.

(9) Considering that the true feelings, aspirations and wishes of the peoples, as well as the actual situation prevailing in the Territories, can be ascertained only through direct contacts between the Special Committee and the peoples of these Territories, the Committee also stresses the importance of inviting representatives of various groups representing different shades of opinion in each Territory to participate in the meetings of the Special Committee and its sub-committees, in order to provide these bodies with detailed first-hand information on current developments and other important topics in the Territories.

(10) The Special Committee once again expresses its concern over the continued existence and activities of separate economic and financial entities in some of the Territories which are not subject to the proper control of government authority, and requests the administering Power to take effective measures without further delay, with a view to safeguarding the rights of the people of the Territories to dispose of their resources and to establish and maintain necessary control over their future development.

(11) The Special Committee calls upon the administering Power to intensify its efforts to strengthen the economy of the Territories through the promotion of economic diversification so as to reduce their dependence on tourism and to ensure the participation of the indigenous population in economic development on an ever-increasing scale.

(12) The Special Committee takes note of a number of projects which continue to be carried out in some of the Territories under the auspices of the United Nations and its specialized agencies. It maintains that such assistance is useful for the economic and social development of the Territories and expresses the hope that it will be further increased.

Specific conclusions and recommendations

(13) The Special Committee regrets that no significant constitutional progress has been made by the administering Power in the above-mentioned Territories towards the full and speedy implementation of the Declaration since the items were last examined by the Committee and by the General Assembly.

(14) The Special Committee takes note of the statement made on 14 June 1971 by the Governor of the Bahamas that the Territory would seek independence later in 1973. It requests the administering Power to take immediate steps to safeguard the unity and territorial integrity of the Territory from secessionist movements.

(15) The Special Committee expresses its concern over the continuing racial inequalities prevailing in Bermuda and calls upon the administering Power to take, without further delay, effective measures which would ensure that the people of the Territory enjoy equal opportunities without any distinction. It further urges the administering Power to take immediate steps for the full implementation of the Declaration with respect to the Territory.

(16) The Special Committee, having considered the constitutional changes in the British Virgin Islands, notes with regret that they represent no substantial constitutional advancement which would open the way towards speedy implementation of the Declaration with respect to the Territory.

(17) The Special Committee expresses the hope that the present process of consultations in the Cayman Islands will bring about the constitutional advancement which would lead to the full implementation of the provisions of the Declaration with respect to the Territory.

(18) The Special Committee reiterates its hope that the discussions which took place in 1970 concerning the possibility of sending its visiting mission to Montserrat, as reflected in paragraph 11 (17) of the Special Committee's report to the twenty-fifth session of the General Assembly, 1/ will be followed by practical steps on the part of the administering Power leading to the dispatch of such a visiting mission to the Territory; in this connexion, the Special Committee again expresses its hope and expectation that such a mission will, inter alia, promote further United Nations assistance to the Territory.

(19) The Special Committee expresses its concern at the difficult economic and social situation prevailing in the Turks and Caicos Islands and appeals to the administering Power to take positive and effective steps, in the political, economic and social fields, which would lead towards the full implementation of the objectives of the Declaration with respect to the Territory.

1/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, para. 11 (17).

ANNEX

WORKING PAPERS PREPARED BY THE SECRETARIAT

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A. BAHAMAS*

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* Previously issued under the symbol A/AC.109/L.778 and Corr.1.

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-sixth sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1971 concerning this Territory and subsequently approved by the General Assembly at its twenty-sixth session and the text of General Assembly resolution 2869 (XXVI) of 20 December 1971, concerning 17 Territories, including the Bahamas, have been made available to the Special Committee.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 23 (A/7623/Rev.1), chap. XXVI, para. 9; ibid., 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. XXIV, para. 10.

B. INFORMATION ON THE TERRITORY b/

3. Basic information on the Territory is contained in the report of the Special Committee to the General Assembly at its twenty-sixth session. c/ Supplementary information is set out below.

1. GENERAL

4. The results of the Territory's last census, taken in April 1970, are set out in the report referred to above. d/ According to additional data received, 15.5 per cent of the population of 168,838 are without Bahamian status. In 1969, in accordance with its decision to "Bahamianize" foreign-owned enterprises operating in the Territory, the Government took measures to control immigration. In 1971, following an investigation of this and other matters by a royal commission, the Government relaxed its immigration policy with particular emphasis on revitalizing and strengthening the Territory's economy and on preparing the population for full independence (see paras. 35-45 below).

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

5. There has been no change in the constitutional arrangements set out in the Bahama Islands (Constitution) Order, 1969, details of which are contained in the report of the Special Committee to the General Assembly at its twenty-fifth session. e/ Briefly, the Government's structure consists of a Governor appointed by the Queen, a cabinet comprising the Prime Minister and at least eight other ministers, and a bicameral legislature consisting of a Senate and a House of Assembly. Members of the House of Assembly are elected by universal adult suffrage. Of the 16 members of the Senate, 9 are appointed by the Governor on the advice of the Prime Minister, 4 on the advice of the leader of the Opposition, and 3 after consultation with the Prime Minister and such other persons as the Governor, acting in his discretion, may decide to consult.

b/ The information contained in this section has been derived from published sources and information transmitted to the Secretary-General by the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter on 10 August 1971 for the year ending 31 December 1970.

c/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.A.

d/ Ibid., para. 7.

e/ Ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XXIV, annex I.A., paras. 8-41.

6. In the exercise of his functions, the Governor is constitutionally required to "obtain and act in accordance with the advice of the Cabinet or of a Minister acting under the general authority of the Cabinet". This provision does not apply to the exercise by the Governor of responsibilities in matters concerning external affairs, defence, internal security or other functions conferred upon him by the Constitution. The Cabinet is charged with the general direction and control of the Government of the Territory and is collectively responsible to the legislature.

7. In May 1969, the Governor delegated to the Government of the Bahamas executive authority to conduct external relations on behalf of the Government of the United Kingdom in a number of specified fields. In December 1970, the Governor entrusted to the Government of the Bahamas the authority to discharge the responsibility for internal security and all matters relating to the police force vested in him under the present Constitution.

Future status of the Territory

8. As previously noted, the Government of the United Kingdom considers the 1969 Constitution as representing "virtually the last stage before full self-government and independence". Mr. Lynden O. Pindling, Prime Minister of the Bahamas, declared in February 1971 that while much remained to be done, he had no doubt that the Territory would be fully ready for independence in two years' time.

9. During a visit to the Bahamas in January 1971, Mr. Joseph Godber, the United Kingdom Minister of State for Foreign and Commonwealth Affairs, said that his Government considered independence for the Bahamas as "perfectly logical". He also said that "we feel that if the Bahamas is in a position where it wishes to become independent, we see no particular difficulty in relation to it; but if there is a difference of view here, then it is important that Great Britain should get a clear indication of what the people of the Bahamas wish". f/

10. During Mr. Godber's visit, Mr. John Purkiss, founder of the Commonwealth People's Party (CPP), which had joined the Labour Party (LP) in forming the Commonwealth Labour Party (CLP) during the second half of 1970, told him that should independence be granted to the Bahamas, islands such as Abaco, Eleuthera and Long Island would break away from the central Government of the Territory (see paras. 16-20 below). On 12 June 1971, Mr. Purkiss reportedly sent to Mr. Godber an anti-independence petition with over 7,000 signatures. At about the same time, Mr. Cecil Wallace Whitfield, leader of the Free Progressive Liberal Party (PLP), which was subsequently renamed the Free National Movement (FNM), recognized the existence of an anti-independence campaign in the Bahamas and criticized the ruling Progressive Liberal Party (PLP) for its undue haste to attain independence for the Territory. He therefore called upon the Government to prepare the people for nationhood with a view to avoiding the dismemberment of the Bahamas.

f/ Ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.A, para. 23.

11. On 14 June, following talks between the Prime Ministers of the Bahamas and the United Kingdom Government on the Territory's future status, the Governor announced in a speech to the House of Assembly that the Government fully intended to serve out its current term of office (which expires in April 1973), and that the Bahamas would seek independence later in 1973.

12. After this announcement, the Free PLP, with whose views Mr. Geoffrey Johnstone, leader of the then Opposition United Bahamian Party (UBP) (see paras. 19 and 23-25 below) was in general agreement, issued a policy statement, emphasizing the points recently made by Mr. Whitfield, rejecting the Government's time-table for independence in two years, and calling for postponement of a target date until after the next two general elections. Later, Mr. Audley Humes, leader of the National Democratic Party (NDP) expressed regret that, despite the Territory's financial difficulties, the Government had declared 1973 as the deadline for independence.

13. In an address on "the state of the Nation" to the PLP convention held in October 1971, Prime Minister Pindling, head of the ruling PLP, recalled that his Government had announced in 1968 that it would not seek independence without consulting the people of the Bahamas, and that it had since placed the question of an independence referendum before the United Kingdom Government. In accordance with the latter's suggestion, such a referendum would not be held in the Territory. Instead, the Bahamas Government had decided to publish a White Paper on the question of independence and also to launch in 1972 a massive informational and educational campaign, covering all aspects of this question. Furthermore, the Territory would seek independence after the next general election, but not later than 1973. He also announced that his party was ready to lead the Bahamas into nationhood, and that the Territory would remain in the Commonwealth after independence, and would conduct its own foreign affairs.

14. Mr. Pindling criticized both the opposition Free PLP and the UBP for misleading the people of the Bahamas and not preparing their supporters for full nationhood. He also criticized those who had been predicting political and economic collapse for the Bahamas and declared that, at present, the Territory was still vibrant, strong and thriving. Statements made by Mr. Pindling and opposition leaders in December indicated no change in the position of the majority parties with regard to the question of independence.

15. In a recent speech, the Governor made clear the views of the United Kingdom Government concerning the Territory's future status. He said that the United Kingdom Government intended to proceed according to the wishes of the people of the Bahamas. It considered that a general election was the most practical way for a democratic country to decide a major issue. Therefore, if the present Government of the Bahamas was returned with a clear working majority at the election, the United Kingdom would take it as evidence that the people of the Bahamas endorsed their present Government's proposals for independence, and would arrange for the appropriate independence legislation after the necessary constitutional conference. However, if the election results should fail to show that the people wanted early independence, the United Kingdom would not force it upon them. In this connexion, attention was drawn to the statement by the Minister of State for Foreign and Commonwealth Affairs in January 1971 (see para. 9 above).

Question of secession

16. Early in 1971, the predominantly white population of Abaco (the second largest island in the Bahamas), which was opposed to the policies of the Government, was reported to be seeking separation from the Bahamas. Two other islands, Grand Bahama and Long Island, were also reported to be considering such a move.

17. On 7 July, Captain Leonard Thompson, a representative of the UBP (which drew its main support from the people of European descent) presented on behalf of a group of Abaconians a secession petition to the Queen through the Governor, after learning the latter's recent announcement concerning the Territory's future status. The petition, to which Mr. Johnstone, leader of the UBP, expressed objection, was said to have 2,000 signatures, representing 75 per cent of the voting population of Abaco. In a press release, the petitioners stated that the majority of Abaconians wanted to maintain their links with the Crown should the Bahamas attain early independence.

18. On 8 July, another group of Abaconians, which claimed that it represented 16 of the 20 settlements on the island, met with the Governor to challenge the validity of the above-mentioned petition and to show its determination to keep Abaco as part of the Bahamas. At a press conference held on the following day, which was attended by a representative of the PLP, the group issued a statement in which it said that it had full confidence in the ability of the present Government to lead the Bahamas safely to independence, and that what the Territory needed was greater unity, not separation. The Governor had promised to inform the Government of the receipt and contents of the secession petition, as well as to transmit it, together with the protest statement, to the United Kingdom Government.

19. Commenting on the Abaco secession petition in the House of Assembly on 14 July, Prime Minister Pindling, whose party is supported primarily by the majority of persons of African descent, stated that some of the signatories to this petition were non-Bahamians, who had no right to interfere with the internal affairs of the Territory. He also accused the UBP of being silent about a group, in which one of its representatives was involved, calling for the dismemberment of the Bahamas. This accusation was denied by Mr. Johnstone, leader of the UBP.

20. On 10 August, Acting Governor L. M. Davies informed the Abaco petitioners of the decision of the United Kingdom Government that any proposals for a change in the Constitution should be put forward through the elected representatives of the people of the Territory and receive consideration of the Commonwealth of the Bahamas; and that the United Kingdom Government was not prepared to consider the proposal in the petition except at the request of the Bahamas Government. In welcoming this decision, the Government of the Bahamas expressed the hope that it would be accepted and followed by the petitioners. In September, a spokesman for the Abaco secessionists said that at the present stage, the reaction of the United Kingdom Government was "bound to be non-committal", but that Abaconians were well content "that when push comes to shove, the British Government will not sell them into slavery".

Other developments

21. It was announced on 26 October 1971 that the Queen had approved the appointment of Sir John Warburton Paul, currently Governor of British Honduras to succeed Lord Thurlow (who would retire in March 1972) as Governor of the Bahamas and of the Turks and Caicos Islands.

22. It will be recalled that the House of Assembly has 38 elected members. During the last election, held on 10 April 1968, the PLP won 29 seats, the UBP won 7 seats, the LP won one seat and the remaining seat went to an independent. There was a significant change in the state of the parties in the House in February 1971, when eight members of the FLP, who had been suspended from the party for a period of two years, announced that they would be known as the Free PLP. g/ An account of subsequent changes affecting political parties in the Territory is given below.

23. On 1 July, the House of Assembly adopted a motion introduced by the Government, calling for the resignation of Mr. Johnstone of the UBP, as leader of the Opposition, in favour of Mr. Whitfield of the Free PLP.

24. During the debate, Mr. Johnstone said that he intended to continue in his present position as leader of the Opposition until he was removed constitutionally. Mr. Whitfield stated that his acceptance as Opposition leader was contingent on finding a solution to the constitutional question on the appointment of senators. He pointed out that, under the present Constitution, UBP senators could hold their seats until the dissolution of the House of Assembly, and that his party, if named the official Opposition, would be entitled to four senate seats instead of one. Therefore, he issued a challenge to the Prime Minister to dissolve the House and to proceed towards a general election.

25. On 14 July, following his designation by the Governor as the leader of Opposition, Mr. Whitfield reiterated in the House of Assembly that he had not willingly accepted this position as the above-mentioned constitutional question remained unresolved. He again challenged the Prime Minister to dissolve the House.

26. On 10 September, a by-election for one seat in the House of Assembly took place, which was won by the PLP.

27. At the recent PLP convention in October 1971, Mr. Milo B. Butler, Jr., vice-president of the Senate, after referring to the three-part composition of the Senate under the present Constitution (see para. 5 above), stated that an anomalous situation existed in the Senate. The present Opposition in the House of Assembly was not constitutionally represented in the Senate, nor was the third category; the one member of the Senate representing the Free PLP, had not been appointed by the Governor but had appointed himself. He recalled that this party which had a greater majority in the House of Assembly than the UBP (the then Opposition) had been designated as the official Opposition. He also pointed out that all of the former Opposition party members in the Senate continued to retain their positions, except one who had declared himself as an independent member. In conclusion, he

g/ Ibid., paras. 24-27 and 33.

said that the present position of the members in the Senate had to be resolved. In November 1971, the combination of the FNM and the UBP into one party helped to normalize the situation in the Senate (see para. 33 below). During the same month, another UBP Senator was reported to have said that he would retain his seat as an independent member. Consequently, the Senate now comprises nine Government, three Opposition and four independent members.

28. In early November 1971, Prime Minister Pindling announced the appointment by the Governor of Mr. S. L. Rowe as Minister of local Government (a newly created ministry) and Mr. A. L. Roker as Minister of Health as well as a sweeping reorganization of portfolio responsibilities. Mr. Pindling stated that portfolio allocations had been made with a view to accelerating the Government's programme designed to prepare the Bahamas for full independence.

29. The Prime Minister further stated that the reorganization would have a prime effect on the Ministry of Transport, as air policy, civil aviation and air transport licensing had been transferred to the Ministry of Tourism. The Ministry of Transport would now be called upon to exert more energy in the development of maritime policy. The Government was thinking in terms of an ocean-going fleet as well as of inter-island passenger and freight services. Telecommunications would now be under the Minister of Works.

30. The Prime Minister also announced that Mr. C. Darling, presently Minister of State, had been named as Minister of Labour and Welfare. His responsibilities would now include the planning and development of a new social security scheme based on a report of the International Labour Organisation (ILO) which had been tabled in the House of Assembly during June 1971. Mr. Butler, Minister of Agriculture and Fisheries, would be asked to help develop a large-scale commercial fishing industry with the assistance of a United Nations team of experts. Soil and water tests being conducted in the Bahamas by a task force from the United Kingdom were sufficiently well advanced to form the basis for the development of a viable agricultural industry.

31. Finally, the Prime Minister said that under the reorganization programme, he would assume responsibility for broadcasting and television, including relations with the Bahamas Broadcasting and Television Commission. He added that since government information and public relations were already in his portfolio, this move would result in closer co-ordination of communications programmes as the Bahamas moved toward nationhood.

32. Commenting on the reorganization programme referred to above, members of the Opposition FNM stated that the only thing sensibly done was the establishment of a separate Ministry of Health, and that the greatest disappointment was the continued operation of the Ministry of Education and Culture on a part-time basis. These two cabinet posts had been left vacant following the resignation in October 1970 of two former PLP members, who, in February 1971, had joined six others in forming the Free PLP. Therefore, the Opposition considered that the new cabinet created after over a year of wrangling testified to the state of disarray and disorganization existing in the ruling party. Upon learning that the Prime Minister was now in charge of the Bahamas Broadcasting and Television Commission,

the Chairman of the UBP said that he regarded this as a move for censorship. He maintained that opposition parties in the past four years had always been faced with the problem of obtaining time over the national radio station to express their views.

Political parties

33. At its convention, held in October 1971, the PLP decided to expel eight members who had voted in favour of a non-confidence motion tabled in the House of Assembly against Prime Minister Pindling during November 1970. This action led the Free PLP to reconstitute itself under the name of FNM and to call upon all political forces opposed to the present Government to consolidate under the "all-embracing" FNM, with the objective of establishing a Government dedicated to serve the best interests of the Bahamas and all its people. On 6 November 1971, the executives of the UBP unanimously voted to regroup under the banner of the Opposition FNM so as "to create a strong and united opposition which will give new hope to a despairing Commonwealth". As a result, the merged FNM became the second largest party in the Territory, the name of which would form a subject of discussion at a convention. It was agreed that the convention would be held before an election, should the election take place in early 1972. If no election was called, then the convention would be held in January. Meanwhile, the new political entity was headed by Mr. Whitfield, leader of the FNM.

34. In addition to the two main political parties (PLP and the merged FNM), there are five minor parties: the CLP, led by Mr. Randal Fawkes; the People's Advancement League (PAL), once the political arm of the CPP and now led by Mr. Kenneth Adderley; the National Democratic Party (NDP), led by Mr. Audley Humes; the Socialist Democratic Party (SDP), led by Mr. G. A. Simms; and the Vanguard Nationalist and Socialist Party (VNSP), set up in July 1971, with Mr. John McCartney and four others as its officers.

Immigration policy

35. In 1968, the Government adopted an immigration policy that included restrictions on the issuance of work permits to non-Bahamians, replacement of skilled foreign workers by trained Bahamians and encouragement of Bahamians to become involved in the ownership and operation of businesses. In 1969, the Government began applying work permit restrictions to foreign employees in Freeport as part of the Government's effort to re-integrate the area into the Bahamas. Taking into account public criticism on this matter, the Governor announced that the Government intended to relax its immigration policy. It had decided that work permits would be granted to non-Bahamians for such periods of time as would enable employers to meet adequately their reasonable manpower requirements and to replace non-Bahamians with Bahamians wherever possible within such periods of time.

36. At the end of July 1971, the Government announced that henceforth work permits would be granted for up to three years with a possible extension to five years, if the employer was still unable to obtain a trained Bahamian for the post.

Non-Bahamian investors and owners of business operating or wishing to operate in the Bahamas with the approval of the Government would be allowed to do so, as long as they conformed with the laws and policies of the Territory and manifested a spirit of goodwill towards the Bahamian people.

37. Throughout the Bahamas, work permit problems and economic nationalism reportedly have affected the operations of firms requiring non-Bahamians and have led to a reduction in foreign investment and a flight of capital from the Territory.

Hawksbill Creek Agreement

38. As previously noted, the Government in September 1970 appointed a Royal Commission, headed by Sir Hugh Wooding, former Chief Justice of Trinidad and Tobago, to investigate and recommend possible changes to the Hawksbill Creek, Grand Bahama (Deep Water Harbour and Industrial Area) Act of 1955. This action was taken because Prime Minister Pindling felt that "Freeport is not fully subjected to the authority of the Government of the country". h/

39. In its report, tabled in the House of Assembly on 30 June 1971, the Royal Commission stated that Freeport formed part of the Bahamas and should not be isolated from the rest of the Bahamas community. It upheld the justice and correctness of the Government's immigration policies and cited the obligation and responsibility of business and industry, the Grand Bahama Port Authority and licencees to train Bahamians in new skills and for higher responsibilities in the Bahamas. It was critical, however, of the administration of the immigration policies.

40. A summary of the Royal Commission's main recommendations follows:

(a) The terms of the Agreement between the Government and the Port Authority embodied in the correspondence between them of August and September 1968 should be implemented but otherwise than by amending the Agreement.

(b) (i) A small advisory committee should be appointed to advise the minister concerned or his permanent secretary on applications for work permits.

(ii) It should be made known that the Immigration Board would entertain appeals against refusals of applications for such permits.

(iii) An immigration guide should be published for general information.

(iv) The form of application for a work permit should be simplified.

(v) Work permits should be issued normally for three years.

(c) The Government should take early steps to get together with representatives of those making up the society for an interchange of views and a mutual understanding of policies.

h/ Ibid., paras. 29-30.

41. In accepting recommendation (a), the Government said that it had realized long ago that the only provisions that needed to be enforced by legislation were the immigration provisions. It also agreed to maintain the administrative arrangements contained in the correspondence of September 1968.

42. Having regard to recommendation (b), the Government stated that it had already begun to make an exhaustive review of immigration procedures and that amending legislation would shortly be introduced.

43. With regard to recommendation (c), the Government said that plans to achieve the objective were already in an advanced stage of preparation. It felt, however, that such mutual understanding could only be achieved within the framework of maintaining Bahamian loyalty, promoting Bahamian security and improving the Bahamian economy.

44. The Royal Commission also made recommendations concerning internal security, prison, agriculture, transportation, housing, education, training and skills, which were generally acceptable to the Government.

45. In this connexion, a difficult decision confronted the Government concerning its position on the future of gambling casinos in the Bahamas. In August 1971, Mr. A. D. Hanna, Deputy Prime Minister and Minister of Home Affairs, was reported to have said that he was against gambling because it attracted undesirables, but that he was for it because casinos also drew tourists. The Port Authority controls two of the three casinos operating in the Territory whose licences will expire in January 1974. It was reported that the Government might take over the two Freeport casinos in 1974.

Military installations

46. The United States maintains a number of military installations in the Bahamas. Among these are the Atlantic Underwater Test and Evaluation Center (AUTEC) at Andros Island, two missile-tracking stations and several naval facilities in the Out Islands. Discussing the implications of independence before the Bahamian Students' Association of the University of the West Indies on 6 August 1971, Prime Minister Pindling stated that it would be desirable for the Bahamas to deal with the question of its succession to the treaties of the United Kingdom within a reasonable time after independence. Many of the treaties to be inherited by the Territory would probably require negotiation. Of immediate importance to the Bahamas would be the series of defence treaties entered into between the United Kingdom and the United States, whereby portions of the Territory were used by the latter for various purposes. At present, the Bahamas received no direct benefit as a result of those treaties.

3. ECONOMIC CONDITIONS

General

47. Tourism is the Territory's most important industry, accounting in 1970 for 70 per cent of the gross national product of the Bahamas, compared with 90 per cent in 1969 and 80 per cent in 1968. Owing to the rapid growth of tourism, accompanied by substantial investment in land development during the late 1960s, the economy accelerated towards full employment. In 1970, however, both activities showed a decline, brought about principally by the economic slowdown in the United States and the attempt to "Bahamianize" foreign enterprises operating in the Territory, particularly through the application of work permit restrictions on non-Bahamian employees. In 1971, it was anticipated that there would be an appreciable increase in the number of tourists visiting the Territory, while their total spending would remain relatively unchanged. The construction industry continued to experience recession. Later in the year, a measurable amount of unemployment was reported.

48. An international financial community has developed in the Bahamas because of its tax haven status, its location and its stability. This community includes commercial banks and other financial institutions, which provide a wide variety of services to international clients and development funds to the Territory. As previously noted, i/ it has recently become the second most important sector of the economy after tourism, in terms of the number of persons employed and the volume of business done.

49. Although the Territory has a number of small firms producing for the local market, its principal industries export their products, the most important at present being cement production and oil refining. Agriculture has contributed only marginally to the economy, but shows some potential. The sea contains substantial mineral deposits and a start has just been made on commercial fishing. The exploitation of forest products is still confined to the yellow pine forests on Abaco and Andros.

50. Nearly all the Territory's requirements are imported. Imports were valued \$B 179,986,823 j/ in 1969 and \$B 343,205,760 in 1970; exports totalled \$B 51,781,802 and \$B 87,021,205 respectively. During 1970, the Territory's unfavourable balance of trade was thus widened. As in the past, trade was conducted mainly with the United States, the United Kingdom and Canada.

51. Because of the almost universal inflationary trend, the cost of living continued to rise in 1970. In March 1971, the House of Assembly passed a bill to provide for the control and regulation of prices but apparently it has not yet had the effect of curtailing the inflationary spiral. A retail price index published by the Government indicated a 7.1 per cent increase in 1971 over 1970.

i/ Ibid., para. 81.

j/ On 2 February 1970, the Bahamian dollar (\$B), then worth \$US 0.98, was revalued to the equivalent of \$US 1.00. See also para. 66 below.

52. In his address to the PLP convention in September 1971, Prime Minister Pindling said that tourism was showing healthy signs of growth despite pessimistic predictions. In August, the number of tourists visiting the Territory exceeded one million for the first time in the history of the industry.

53. The Prime Minister admitted that the balance of payments position of the Bahamas was not as good as it used to be; that both inflation and unemployment existed; and that the economy had to be revitalized. Nevertheless, he felt that the Territory was in a much better position than most neighbouring countries. In mid-December, two months after he had delivered this address, a deficit budget was submitted to the legislature for approval, reflecting the anticipated acceleration of the general downward movement in the economy (see paras. 92-93 below). Having examined the domestic and international economic situations, the Bahamas devalued its currency on 24 December (see para. 63 below). Prime Minister Pindling said in a radio broadcast on 10 January 1972 that this action would put the tourist industry in a much better competitive position and thus would bring about a strong economic recovery during the year.

Policies and programmes

54. The Governor stated in a recent speech that the Government intended to pursue two major aims - the revitalization and strengthening of the Territory's economy and the preparation of the people for full independence. As the economy was based mainly on tourism and investment, the steps taken by the Government would seek to maintain the kind of conditions which would encourage the development of both activities. Tourism, for example, would be encouraged at a steady rather than dramatic growth rate to make allowance for changes in the character of visitors requirements (see para. 59 below). At the same time, action would be taken to accelerate economic diversification. He emphasized that, while mindful of the need for financial and technical assistance from abroad to develop natural resources, the Government would foster the fullest possible participation by Bahamians consistent with the principle of human development and economic and social stability. He also said that a five-year development plan would be presented to the legislature, establishing guidelines for the orderly growth of the Territory whether by private enterprise or by public endeavour. Certain specific proposals made by the Governor concerning the various segments of the economy appear in the relevant subsections below.

55. Speaking at the PLP convention in October 1971, Mr. Simeon L. Bowe, then Parliamentary Secretary for Local Government (later Minister of Local Government), recognized the need to create a viable and dynamic commercial and industrial community. He believed that the Government must assume an expanded and more positive role in the economy. The private sector was expected to continue its dynamic growth and complement the Government's efforts in the establishment and operation of a wide range of productive enterprises. This could be done through wholly owned enterprises and joint ventures.

56. According to Mr. Bowe, the successful implementation of any economic development plan depended on the co-operation and enthusiastic support of the

private sector. He stressed that the various taxes and subsidies, tariffs, import and export promotion programmes, as well as financing arrangements, were to be designed to have a favourable impact on the level and composition of the activities of the private sector.

57. Mr. Oscar N. Johnson, an elected member of the House of Assembly, stated in his address to the same convention that the Bahamian economy was essentially in foreign hands. Therefore, he considered, the Bahamians must find ways to help themselves within the existing framework or it must be changed in the interest of the Territory. They must be given the opportunity to participate by way of shareholding in the various commercial enterprises operating in the Territory. Otherwise it would be found that after shedding one form of colonization for independence, there would come economic recolonization.

Tourism

58. In recent years, there has been a rapid expansion of tourist facilities in the Bahamas. The number of hotel rooms increased from 2,500 in 1969 to 10,000 at the end of 1970. With the recent passage of the Hotel Encouragement Act, more rooms were expected to be available in 1971. As noted above, however, the tourist industry suffered a setback in 1970. Although the over-all figure of 1.3 million tourists was down only 2.6 per cent, their spending showed a larger decline of 15 per cent, to \$B 220 million. This decline had serious effects because of the industry's increased capacity and the considerable reduction in revenue in the form of custom duties and departure taxes. A total of 1.5 million tourists visited the Bahamas in 1971, a 12.7 per cent gain over the previous year. Many of the tourists were believed to have come on low group travel and hotel rates. Thus, total tourist spending was estimated to be about the same as in 1970.

59. It was believed that group tourism would be a permanent part of the future market for Nassau and Freeport, the two principal tourist areas, and that only in the Out Islands was there likely to be growth in the number of more affluent clientele.

Land development

60. During the period 1966-1970, foreign investment in Bahamian real estate was estimated to total over \$B 500 million. However, 1970 witnessed a decline in building activity from the level reached in the previous year, varying from 11 per cent on New Providence to 80 per cent at Freeport. In late 1971, the trend was still downward. During the year, construction of low and medium-cost housing was very slow, because long-term mortgage funds were in short supply and, when available, cost as much as 16 per cent per annum. However, five large projects were being planned or initiated on four outlying islands, the principal one being a \$B 42 million resort complex to be erected on Grand Exuma by Bahamia Incorporated and Hyatt International.

61. The Governor stated in his recent speech that the Government would introduce legislation providing for the establishment of a new comprehensive building code and a Bahamas Development Corporation (whose function whenever Crown Lands were to be developed was to participate on behalf of the Bahamians). After its establishment, the Corporation signed an agreement with North American Rockwell Corporation of the United States to build a multimillion dollar tourist centre on Bimini.

62. In his recent address, Mr. Johnson (see para. 57 above) stressed that the situation which had existed in the Crown Lands Department for the past 20 years, where the hierarchy had been expatriate, had to be changed as the Territory moved towards independence. Accordingly, he commended the Government for the formation of the Bahamas Development Corporation. He observed that the Government was aware of the former malpractices in connexion with Crown Lands and that these had been stopped. He drew special attention to the fact that the value of land originally owned by the Crown in New Providence and Freeport had risen considerably, primarily because of the increased demand from foreigners for such land, and that the remaining Crown lands consisted of some 1.5 million acres principally on Andros, Abaco, Acklins and Grand Bahama.

Financial developments

63. In 1971, there were about 300 commercial banks and trust companies (253 in 1970) and a number of accounting firms, insurance companies, mutual funds and savings and loan societies, mostly in Nassau. In April, the Securities Act of 1971 was passed, requiring all mutual funds operating in the Bahamas to be registered as well as to provide the Government with all necessary information. Provision was also made for the prevention of fraud in connexion with dealings in investments.

64. In his recent speech, the Governor stated that in pursuing its aim to develop the Bahamas as a major financial centre, the Government intended to introduce legislation for establishing financial institutions (including a central bank, a development bank and possibly a national savings bank) to provide the maximum facilities for exchange, savings and investment.

65. It was reported in early September that the Bank of England had seconded two experts to help the Bahamas Monetary Authority (BMA) plan the establishment of the proposed central bank. The central bank, which would supersede the BMA, would, among other things, act as an intermediary with the commercial banks in the event of liquidity problems, and would supervise share transactions as well as savings and loan societies. In addition, it would advise the Government on monetary policy, particularly in relation to international funds.

66. Also in September, BMA announced its decision to subject sterling to the same exchange control regulation as other non-sterling currencies until such time as the international money situation was settled. It took this decision, in which the United Kingdom Government had concurred, to discourage speculation against the Bahamian dollar. On 24 December, a week after an international monetary agreement

had been reached, the International Monetary Fund (IMF), Washington D.C., endorsed the proposal made by the United Kingdom Government concerning the devaluation of the Territory's currency against fine gold by about 5.05 per cent. As a result, the Bahamian dollar is now valued at approximately \$US 1.03.

67. Two other significant developments occurring in October were the announcement of further expansion by Trust Corporation of the Bahamas (TCB) with assets exceeding \$B 53 thousand million, and the establishment of a new commercial bank, the Bahamas Commonwealth Bank (BCB). The banks and financial houses having interests in TCB are: National Westminster Bank of London, Royal Bank of Canada, Montreal Trust Company of Canada, Morgan Guaranty Trust of New York, Hong Kong and Shanghai Banking of Hong Kong, Morgan Grenfill of London and the Australian United Corporation of Australia. The BCB, a subsidiary of International Bancorp, Ltd. registered in the Bahamas, recently acquired the Swiss, Luxembourg and Bahamian banks formerly owned by the Geneva-based Investors Overseas Services, Ltd. In December, it was reported that Virginia Commonwealth Bankshares, a \$B 900 million bank holding company of the United States, had purchased 75 per cent of the outstanding shares of the Bank of Nassau, Ltd. The latter, formerly a member of the Sassoon Group of Companies, had assets of some \$B 10 million and was one of the few banks in the Bahamas permitted to deal in gold and foreign currencies.

Industry

68. As part of its diversification programme, the Government has been promoting industrial development. In 1970, export sales of the principal industrial products amounted to \$B 48.9 million, representing 56 per cent of all domestic exports. These sales consisted of the following: oil, \$B 28.7 million; cement, \$B 11.1 million; pulpwood, \$B 3.5 million; salt, \$B 2.9 million; and rum, \$B 2.7 million. The Territory continued to produce certain other manufactured goods mentioned in the previous report of the Special Committee. k/

69. On 24 August 1971, the Bahamas Oil Refining Company (BORCO), jointly owned by the New England Petroleum Corporation and the Standard Oil Company of California, announced that it would spend \$B 50 million over the next 18 months to increase production capacity from 250,000 to 450,000 barrels daily. BORCO, the world's largest single source of low-sulphur fuel oil, is located at Freeport.

70. At the end of October, Todhunter Michell and Company was reported to have purchased from the Grand Bahama Port Authority 21,623 acres of land and two buildings to be used for further expansion. The company (with annual sales totalling \$B 6 million), is a subsidiary of Todhunter International, Inc., a major distilling and manufacturing interest in the United States.

k/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.A, paras. 62-63.

71. In 1969, Ocean Industries, Inc., a wholly owned subsidiary of Dillingham Corporation of Honolulu, was granted a long-term contract to mine, process and sell aragonite, which is dredged from the ocean floor and used principally in the manufacture of cement, chemical lime, steel, glass, pulp, paper and agricultural fertilizer. In May 1971, it was reported that the contract ran for 10 years and was renewable for a further 20 years. With estimated reserves of about 50 thousand million tons, the company could become the world's largest underwater mining operator.

72. Six companies holding concessions covering land and off-shore areas in the Bahamas continue to search for oil deposits. According to a bill passed by the legislature in late 1971, untapped oil found in Bahamian waters remains the property of the Bahamas Government. A company prospecting for oil will then have to negotiate within certain limits the conditions under which it will be permitted to extract oil, including the share or price it will pay for that permission. Provision is also made for protection against pollution.

Freeport

73. In the late 1960's the Grand Bahama Port Authority succeeded in developing Freeport into a quasi-independent industrial, real estate and resort complex. As noted in paragraph 35 above, the Government in 1969 began its effort to re-integrate Freeport into the Bahamas through restrictions on immigrants. The Wooding Commission stated in its report, published in mid-1971, that "the immigration dispute and the course it took have had an adverse effect on the economy, not only of Freeport but of the whole of the Commonwealth of the Bahamas Islands".

74. The earnings of Benguet Consolidated, Inc., the Port Authority's parent company based in the Philippines, decreased from \$US 1.08 a share in 1969 to \$US 1.00 a share in 1970. In the first half of 1971, the company's earnings increased by 24 per cent to \$US 0.58 a share, owing to the improved performance of the Port Authority. In the third quarter of the year, the company's earnings were \$US 0.30 per share, down from \$US 0.33 during the same period in 1970.

75. In October 1971, a Port Authority vice-president stated that Freeport's economy was fundamentally healthy and that the hard-hit construction industry stood ready to deal with a hoped-for upsurge in heavy industrial development and tourism in early 1972.

Agriculture and fishing

76. In his recent speech the Governor stated that the Government would encourage modernization of agricultural techniques and would set up co-operatives and credit unions. Measures designed to substitute local products for imports were under active consideration, as was the feasibility of establishing canneries. Special emphasis was to be placed on the rapid development of Bahamian fishing communities and fisheries.

77. Mr. Claude Smith, Director of Agriculture and Fisheries, said in a radio broadcast at the end of June 1971 that during 1970, a total of \$B 15 million had been spent on meat and vegetable imports. He believed that much of this food could be produced in the Bahamas. He pointed out that plans had been made by the farming community to form a livestock association to increase meat output as well as to expand the dairy industry and vegetable production. New technology and crop variety had been successfully introduced. As stated earlier, a land resource survey was providing guidelines for further expansion of the Territory's agricultural production.

78. During 1971, agricultural development suffered a setback in the suspension of operations of a 19,000-acre sugar plantation on Abaco, the largest in the Territory. The owner of the plantation was, however, seeking a buyer. The Territory also expected to receive a larger sugar quota from the United States.

79. At the recent PLP convention, Mr. Hanna, Deputy Prime Minister of the Territory, stated that the Government had recently purchased four patrol boats in order to minimize the encroachment of foreign fishermen into Bahamian waters and had decided to play a positive role in developing a locally controlled fishing industry. He pointed out that, at present, the Government could not, by legislation or otherwise, change the position taken by the United Kingdom that the Territory's fishing rights were confined to three miles off-shore. He believed that the proper exploitation of the sea around and adjacent to the Bahamas would depend to a large extent on how free the people were to proclaim reasonable territorial boundaries. Therefore, upon its accession to independence, the Bahamas should find a solution for this problem by developing laws that would be relevant and essential to the well-being of the population.

80. It was announced on 18 November that the first of a \$B 0.5 million fleet of 10 Bahamian-built fishing boats, owned by Harbour Fisheries, Ltd., would be launched at Freeport at the end of the month. It was anticipated that the fleet could be expanded by the addition of 40 to 60 such boats, each capable of carrying 10 tons of fish and ice. Various fishing co-operatives in the Bahamas would operate the boats under an arrangement with the company on a lease-to-purchase basis. The company would purchase the entire catch from the co-operatives for distribution to domestic and export markets. It intended to start with crawfishing and subsequently undertake scalefishing in order to establish a year-round industry. Trap fishing might also be introduced, depending on the results of a survey being undertaken by a United Nations team of experts.

Power and water supplies

81. In his recent speech, the Governor stated that a bill would be introduced, providing for the more active participation of the Bahamas Electricity Corporation (a public body set up in 1965) in the development of the Out Island electricity system.

82. Mr. Livingstone Coakley, Minister of Works, said in a speech to the recent PLP convention that through modernization of the facilities operated by the Bahamas

Electricity Corporation, the Government had continued to improve its electrical utilities (486 million kwh generated in 1970) and water supplies (1.9 billion imperial gallons produced in 1970) on the island of New Providence which is inhabited by two thirds of the population. At present, the island is served by two power stations, at Clifton Pier and Blue Hills, with three subsidiary stations ready to be phased out. Fourteen mw gas turbines have been installed at Blue Hills which could independently meet the present demand for power.

83. Plans were also under way to improve present supplies on the islands of Eleuthera, Bimini, Abaco, Exuma and Grand Bahama.

84. Earlier in 1971, the Freeport Power Company announced the completion of its new 40,000 kw steam electric plant. This plant which cost \$B 7 million, increased the company's capacity to 120,000 kw and is part of an expansion programme designed to meet the growing demand for electric power on Grand Bahama.

Transport and communications

85. In 1970, there were approximately 700 miles of motorable roads (about the same as in 1969) in the Bahamas. During this period, the number of registered motor vehicles decreased from 55,713 to 48,982. In March 1971, a 21.5-mile bituminous-concrete highway was opened on Grand Bahama. The project, costing \$B 1 million, was financed jointly by the Government, the Grand Bahama Port Authority and the Grand Bahamas Development Company, Ltd.

86. The main seaports are Freeport (Grand Bahama), Matthew Town (Inagua) and Nassau (New Providence); the total tonnage of ships entering the Bahamas in 1970 was 10.7 million. In his recent speech, the Governor said that the Government would examine the feasibility of building a second port for New Providence and would improve the mailboat service.

87. In 1970, the Territory was served by two principal international airports, one situated at Nassau and the other at Freeport. There were 53 smaller airports and landing strips designed mainly to facilitate services between the Out Islands. Following the demise of Bahamas Airways, Ltd. (BAL), these services were operated by Out Island Airways (OIA). The air services, excluding military and domestic services, brought in 916,479 travellers, compared with 970,000 in 1969. There were eight major commercial airlines operating international flights: Air Canada, Air Jamaica, British Overseas Airways Corporation (BOAC), Eastern Airlines, International Air Bahama, Northeast Airlines, Pan American Airways (PAA) and Qantas.

88. In August 1971, a London-based company, Transmeridian Air Cargo, inaugurated an all cargo service between Europe and Freeport, linked with other distribution networks serving the Caribbean, South America and the United States. During the same month, OIA became the first Bahamian airline (of which 28 per cent was owned by local entrepreneurs) to provide daily flights between Nassau and Miami since the closing of BAL. It was also announced that OIA would operate services from

Freeport to Miami later in 1971, and was studying the possibility of organizing a new service linking the Bahamas with Europe and South America. Subsequently, it was reported that Mackey Airlines would start daily flights between Great Harbour Cay and Miami on 1 December.

89. During the same year, the postal system comprised a general post office in Nassau, another in Freeport and 114 branch offices. The construction of a central post office in Nassau at a cost of some \$B 4 million was expected to be completed in 1971.

90. The Bahamas Telecommunications Corporation (BTC) has continued to operate all types of commercial telegraph and radio services, including telex and complete telephone services. On 2 November 1971, BTC announced that, upon the activation of its new Poinciana Drive Technical Centre on 18 December, a direct distance dialing system would be established to enable all customers in New Providence to dial their own outgoing overseas calls directly to the continental United States (except Alaska) and Freeport. The system forms part of the \$B 31 million development programme of BTC which would eventually bring into the system all the Out Islands and Canada as well. The availability of similar facilities with North America was expected to be announced by the American Telephone and Telegraph Company of the United States.

Public finance

91. It was estimated that in 1971, territorial revenue would amount to \$B 107.1 million (\$B 97.6 million in 1970) and expenditure to \$B 106.5 million (\$B 97.0 million in 1970). These budgetary figures indicate the continuation of an untrend since the early 1960's. The major portion of territorial revenue comes from customs duties which, in 1971, was estimated at some \$B 60 million. Of the total estimated expenditure for 1971, education accounted for \$B 19.0 million; health for \$B 12.7 million; public debt servicing for \$B 11.2 million; public works for \$B 8.9 million; tourism for \$B 7.0 million and police for \$B 6.9 million.

92. As noted above, the slump in tourism during 1970 caused a considerable decline in public revenue. As only a small rise in tourist spending was anticipated in 1971, the Governor stated that measures would be taken to increase government revenue, but that there would be no income tax or nationalization. Between July and November, numerous new measures were adopted to increase substantially certain indirect taxes and fees as well as the casino tax.

93. On 14 December, it was announced that on the following day, the legislature would be asked to approve a deficit budget. The Government intended to spend \$B 3 million more than the estimated revenue for 1972, although the appropriation revealed an anticipated shortfall of \$B 13.5 million for 1971, despite these newly adopted tax measures. According to estimates, the general revenue balance of \$B 4.2 million at the beginning of 1970 had fallen to a \$B 0.5 million deficit at the end of 1971. The Government expected to earn \$B 110.5 million in revenue, but planned to spend \$B 113.8 million with \$B 19.6 million for capital development.

94. The draft budget estimates were approved by the House of Assembly and the Senate on 15 and 23 December respectively, despite objections raised by Opposition FNM members. The Opposition pointed out that for the first time in the Territory's history, a deficit budget was being produced in a declining economy. Both foreign investors and local people were losing confidence in the Government, thus precipitating a flight of capital from the Bahamas and a substantial reduction in its revenue. Therefore, the Opposition called for the postponement of independence until the economy was put on a firm footing. Replying, Prime Minister Pindling admitted a slowdown in foreign investment, but gave an assurance that no capital had left the Bahamas. While criticizing the Opposition's recent attempts to frighten the public and foreign investors, he nevertheless felt that economic stability would be restored in the Territory upon the settlement of the present international monetary "crisis". Accordingly, he said that caution had been taken in preparing the revenue estimates, and that the national commitments would be met, but not through any broad range of taxes.

95. Until the deterioration of its economic situation in 1970, the Bahamas was among the richest countries in the Caribbean, and was thus disqualified for financial aid from the United Kingdom for developing countries. Since 1965, it has been provided with United Nations technical assistance. For the years 1969-1972, the Governing Council of the United Nations Development Programme (UNDP) has approved as a target for assistance to the Territory the equivalent of \$US 50,000 annually.

4. SOCIAL CONDITIONS

Labour

96. At the census taken in April 1970, 3,131 men were unemployed, out of a labour force of 69,791. Between August and November, an additional 1,000 persons were reported as unemployed, most of whom were former employees of BAL (see para. 88 above). By the end of October 1971, when the economic slowdown worsened, unemployment was estimated as well over 10 per cent of the labour force (nearly twice the rate in late 1970) and was reported to be increasing. Lower paid workers in the construction and hotel industries, two of the largest employers in the Bahamas, were most heavily affected. Nevertheless, owing to the shortage of well-trained Bahamians, technical and managerial skills continued to be provided mainly by non-Bahamians.

97. As noted in the preceding sections, the Government has endeavoured to broaden employment opportunities by adopting a series of measures to revitalize and strengthen the economy. Additionally, it is advocating a policy aimed at the provision of adequate and improved industrial training for local workers (see para. 109 below).

98. In August 1971, the Bahamas Federation of Trade Unions (BFTU), which was formed in 1968 to represent the 17 registered trade unions in the Territory, was reported to have lost all except two of these unions as members. The three

largest unions which had broken off relations with the BFTU were the Hotel and Catering Workers Union (10,000 members), the Public Service Union (8,000 members) and the Transport Union (4,000 members).

99. In November, it was reported that the Hotel and Catering Workers Union had filed notice of a labour dispute with the Government. The Union stated that if negotiations were unsuccessful over a new contract to replace the one which had expired on 7 August, union members would be willing to strike in support of their demand for substantial increases in wage rates. Under the Industrial Relations Act, which came into effect on 1 March, they could not take such action until the end of the cooling off-period on 14 December. In the event of a strike, the operations of 29 hotels on New Providence and Paradise Island would have been brought to a virtual standstill. In January 1972, it was reported that following the personal intervention of the Minister of Labour and Welfare, the hotel employers had reached an agreement with the union on a new wage contract.

Public health

100. In 1970, government hospitals provided 800 beds and the staff included about 80 doctors and dentists, 475 nurses and 56 technical staff. Private hospitals provided more than 200 beds, and there were approximately 80 doctors and dentists and more than 70 nursing and technical staff in private practice. In the Out Islands, there were 8 medical officers and 49 clinics which doctors from New Providence visited regularly. Five of these islands also had cottage hospitals run by the Government.

101. At the recent PLP convention, Mr. C. Maynard, then Minister of Health, stated that the Government had decided to obtain the services of an expert who would be asked to make a study of the hospital situation and give advice on possible improvements. Plans were under way for the construction of a new hospital at a cost of some \$B 30 million. Regarding the Out Island medical service, the Government hoped to station nurses in some new areas and doctors in other areas, as required, so as to improve the standard of service now provided. He announced that the training of ministry personnel for senior positions was continuing at every level. In 1971 alone, 16 nurses had been sent to take advanced courses at the University of the West Indies and elsewhere. The Minister gave an assurance that from the point of view of health, the Territory was ready for independence. He pointed out that the Bahamians were healthy, and promised that the Territory's facilities were staffed and equipped to maintain this position and that the Government was forging on with new plans in this direction.

102. It was also reported that the Government planned to set up a \$B 35 million sewage system for Nassau.

103. Expenditure on public health was estimated to total \$B 9.7 million in 1970 and \$B 12.7 million in 1971.

5. EDUCATIONAL CONDITIONS

104. Education is compulsory and free for all children between the ages of 5 and 14 in government schools. Literacy is estimated to be 90 per cent. In 1970, there were 196 government primary schools, 62 private and denominational primary schools and 141 government secondary schools. These schools were attended by 54,996 pupils and were served by 2,779 teachers. The Government awarded more than 400 scholarships, bursaries and Colonial Development and Welfare aids to students for higher education overseas.

105. In August 1971, Mr. Lou Morgan, Director of Education, said in an interview that the Government was continuing to expand educational facilities through the establishment of two new primary schools; the enlargement of one existing primary school; the erection of additional buildings at three secondary schools; and the opening of a "mixed ability" school.

106. During the 1971/72 school year, Mr. Morgan expected 3,000 new students to be admitted to primary schools, a 7 per cent increase over the previous year. He estimated the ratio of trained teachers to students at 1 to 36 on the primary level, or 1 to 31 if untrained teachers were included.

107. Mr. Morgan said that during the 1971/72 school year, the teacher-training colleges would accept 200 students, or 80 more than the normal admissions, in order to relieve the shortage of trained teachers. A total of 100 locally trained teachers would be placed, mainly in the primary schools in the Out Islands. Other teaching staff would be recruited from abroad. Although he had anticipated a 50 per cent loss of expatriate staff, only 23 per cent had not renewed their contracts, thus making the teacher shortage less formidable.

108. Finally, Mr. Morgan stated that his Department was re-examining the whole curriculum of the Territory's schools with a view to making it more relevant to local needs. The first steps in this direction would be taken in the coming school year. These would include: (a) the full implementation of team teaching procedures in two primary schools which would house over 2,500 students; (b) the initiation of a scheme for training secondary school teachers with assistance from the United Nations Educational, Scientific and Cultural Organization (UNESCO); and (c) the provision of courses leading to the "O" level and commercial or technical training for 14 to 16 year olds at the above-mentioned "mixed ability" school, which could handle up to 700 students; and (d) the placing of greater emphasis on social studies.

109. In December 1971, the Nassau Technical College, with which the Oakes Field Technical Centre had been merged, was renamed the Claudius Walker Technical College. The College offers commercial, hotel and technical courses and had 2,218 students in 1970, compared with an initial enrolment of 243 in 1962. The College's principal, Mr. Joseph Flint, stated that the institution was facing a staff and space shortage, but that the future of technical education in the Territory must rest mainly with Bahamians.

110. In his recent speech, the Governor said that the Government intended to publish a White Paper concerning its plans for a national system of education and the development of an institution of higher learning in the Bahamas.

111. In 1971, government expenditure on education was estimated at \$B 19 million, substantially the same figure as the previous year.

B. BERMUDA*

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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-sixth sessions. a/
2. The text of the conclusions and recommendations adopted by the Special Committee in 1971 concerning this Territory and subsequently approved by the General Assembly at its twenty-sixth session and the text of General Assembly resolution 2869 (XXVI) of 20 December 1971, concerning 17 Territories, including Bermuda, have been made available to the Special Committee.

B. INFORMATION ON THE TERRITORY b/

3. Basic information on Bermuda is contained in the report of the Special Committee to the General Assembly at its twenty-sixth session. c/ Supplementary information is set out below.

1. GENERAL

4. According to the census of 1970, the total resident civilian population of the Territory was 53,000, representing an increase of 10,360 since 1960, and, at its present rate of growth, will reach 106,000 in approximately 40 years. The number of United States servicemen stationed in Bermuda decreased from 10,650 to 3,000 in the decade 1960-1970. The density of the population based on a total area of 20.59 square miles was estimated at 3,061 per square mile (the fourth highest in the world) during 1970. About two thirds of the population is of African or mixed descent and the remainder is of European origin. The Government is aware that a major problem confronting the Territory is the rapid rise in population. For many years, the Government machinery has been geared to tackle this problem.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 23 (A/7623/Rev.1), chap. XXVI, para. 11; ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, para. 11 (b); ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, para. 10.

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 23 November 1971 for the year ending 31 December 1970.

c/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.B.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

5. There has been no change in the constitutional arrangements set out in the Bermuda Constitution Order, 1968, details of which are contained in the report of the Special Committee to the General Assembly at its twenty-fifth session. d/ Briefly, the Government of Bermuda consists of a Governor, a bicameral legislature and an Executive Council. The Governor, who is appointed by the Queen, remains responsible for external affairs, defence, internal security and the police, but on other matters he is normally required to act in accordance with the advice of the Executive Council.

6. Subject to the assent of the Governor, the legislature may make laws for the peace, order and good government of the Territory. The legislature consists of a nominated Legislative Council and an elected House of Assembly. The Council, which has power to delay legislation and to introduce and amend bills other than financial bills, consists of 11 members appointed by the Governor (five in his discretion; four on the advice of the Government Leader and two on the advice of the Opposition Leader). The House of Assembly consists of 40 members elected by universal adult suffrage for a term of five years. The Territory is divided, pursuant to the Boundaries Commission Act of 1967, into 20 two-member constituencies based on the 1960 population census. Of these, four are in the parish of Pembroke and two each in the other eight parishes. A general election, which took place on 22 May 1968, resulted in the United Bermuda Party (UBP) winning 30 seats and the Progressive Labour Party (PLP) winning 10.

7. The Executive Council, which is collectively responsible to the legislature, consists of the Governor, as president, the Government Leader, and not less than six nor more than 12 other members. The Governor appoints as Government Leader the member of the House of Assembly who appears best able to command a majority; he appoints the other members on the advice of the Government Leader. Not more than two members are appointed from the Legislative Council; the others are appointed from the House of Assembly. In addition to the Governor and the Government Leader, the present Council consists of 12 members, 11 of whom are each responsible for the administration of the following departments: immigration and labour; finance; education; trade and tourism; agriculture and works; health and welfare; ports and civil aviation; planning; transport; and government organization. The twelfth is a member without portfolio, particularly concerned with youth activities.

8. There are a Public Service Commission and an independent Judiciary, with the Supreme Court as Bermuda's highest judicial authority.

9. In late 1971, there were three important developments affecting governmental structure. The first was an announcement made in August that Mr. John Summerfield, the present Attorney General, would succeed Sir Myles Abbott (who would retire in January 1972) as the Chief Justice of the Territory. This announcement drew

d/ Ibid., Twenty-fifty Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, annex I.B, paras. 6-15.

criticism from the PLP. It said that Sir Myles' retirement provided the perfect opportunity for a Bermudian to be appointed to head the Territory's judicial organization.

10. The second important development was the appointment by the Governor of a Commission to undertake a review of the existing constituency boundaries in the light of the 1970 population census prior to the next general election, which was expected to be held before May 1973. The decision to appoint the Commission was announced in early December 1971, after the Governor had consulted with Sir Henry Tucker, the then Government Leader, and Mrs. Lois Browne-Evans, the Opposition Leader. The Commission consisted of five members with Mr. J. S. Duncan, a former Canadian industrialist, as chairman. In its report, which was published on 7 January 1972, the Commission proposed changes in the boundaries of constituencies in all except two parishes and a big reshuffle of voters in the densely populated Pembroke parish. In a separate letter to the Governor, the Commission recommended that consideration be given to amending the Constitution so that future commissions would be empowered to take into account only those adults eligible to vote rather than the total number of adults in a constituency. During the debate on the report in the House of Assembly on 14 January, Mrs. Browne-Evans stated that the PLP supported this recommendation and also a suggestion made by two UBP members concerning the need to establish single seat constituencies. She also called for equal representation and the reduction in the number of seats in the House from 40 to 30. After the debate, the House unanimously adopted the report, the understanding being that to change the present Constitution would require another constitutional conference.

11. The third important development occurred on 29 December 1971, when the Governor appointed Sir Edward Richards the Territory's first non-white Government Leader to succeed Sir Henry Tucker, who had retired. As a result, Sir Edward relinquished his portfolios of Deputy Government Leader and Member for Immigration and Labour. These portfolios were taken over by Mr. J. H. Sharpe, Member for Finance, and Mr. C. V. Woolridge, Deputy Chairman of the Board of Tourism, respectively.

Local government

12. As previously noted, e/ two municipalities (the city of Hamilton and the town of St. George) and nine lesser units, called parishes, have been established in Bermuda. Each of the two municipalities is governed by a corporation, consisting of an elected mayor, aldermen and councillors. The lesser units were organized under elective parish vestries until 1 January 1972, when a bill entitled "The Parish Councils Act" came into operation, providing for their replacement by nominated councils. This bill was passed by the House of Assembly in November 1970, but was rejected by the Legislative Council. The identical bill was approved by the House in late November 1971 over the objection of the Opposition. The latter maintained that if the parish vestries were no longer useful, then they should be abolished, adding, however, that if they were useful, then they should remain elected bodies and should not be replaced by the proposed nominated councils. The Government took the view that the parish vestries should not be elected because they no longer had the taxing power; thus the bill would abolish the vestries as

e/ Ibid., para. 16.

suggested by the Opposition and replace them with mainly advisory councils whose members with their local knowledge would be able to perform useful functions financed by the central Government. The House also approved a message to the Legislative Council containing four amendments to the bill as proposed by Sir Henry Tucker, the then Government Leader. One amendment would increase the number of council members from seven to 12. The other amendments concerned procedural matters and the abolition of double taxation on private property in a municipal area. In early December, the Legislative Council passed the bill with the above-mentioned amendments. At the end of the month, 108 appointees to the new parish councils were announced.

Political parties and elections

13. There are two major parties in the Territory. The PLP, Bermuda's first Party, was formed shortly before the general election held in May 1963, but the majority of seats in the House of Assembly were won by independent candidates. In the following year, however, most of the independent members founded a second party, the UBP. As noted in paragraph 8 above, the general election for a new House established under the present Constitution took place in May 1968 with the result that the UBP set up a new Government, while the PLP became the official Opposition. The election campaign was marred by an outbreak in April of two days of civil disorder, which made the local political leaders aware of Bermuda's racial heritage. The rioting led many non-whites to support the UBP, a multiracial party, thus enabling it to win the election.

14. With the approach of the next general election, the PLP opened its campaign with the following demands: (a) the reform of the electoral system as a first step towards the attainment of independence for Bermuda (see para. 12 above); (b) the promotion of racial equality; (c) the acceleration of Bermudianization of the civil service; (d) the further diversification of the economy; (e) the introduction of direct taxation; (f) the control of inflation; and (g) the expansion of housing projects. Commenting on these demands, the UBP has emphasized the need for the most careful and critical examination of the question of independence and has recognized the existence of the problems of Bermudianization, race relations, economic development, inflation and housing. Measures taken by the Government to cope with these problems will be described later in this paper.

15. At the elections held on 7 June 1972, the UBP secured 30 seats in the House, the remaining seats being won by the PLP. Seventy-seven per cent of the electorate voted and the UBP received 61.3 per cent of the valid votes cast.

Bermudianization of the civil service

16. In statements made between March and October 1971, Mrs. Lois Browne-Evans, the Opposition Leader, said that Bermuda continued to import foreign policemen, and stressed that efforts should be intensified to train and encourage local people to join the police force. In his speech from the throne delivered to the legislature at the end of October the Governor stated that special schemes had been designed to encourage Bermudians to join the police force and that one of these schemes would provide for direct entry to commissioned rank after overseas training.

17. In early January 1972, Government Leader Sir Edward Richards stated, in reply to questions in the House of Assembly, that in law there was no distinction between persons who were Bermudian by birth and those who had acquired Bermudian status by statute, except that the latter could lose their Bermudian status by being absent from the Territory for a prolonged period. The Public Service Commission gave preference to qualified Bermudians already in the civil service seeking transfer or promotion, and to those seeking first appointment to the service. Sir Edward also said that excluding police and teachers, who were in another category, as well as industrial workers, the percentage of Bermudians employed in government service was 79. If the police were included, the percentage was 66.

18. On 1 March 1972, the Member of the Executive Council for Government Organization, Mr. J. R. Plowman, stated that the total number of salaried workers currently employed by the Government was 2,046 (including 701 teachers and 365 police officers), representing an increase of 263 since 1968. Owing to a substantial increase in salaries and wages of government workers in recent years, it had been decided to curb the expansion of the civil service. Nevertheless, vigorous efforts had been made in the training of Bermudians to fill posts in the service, with \$B 710,469 f/ being now made available for scholarships and bursaries, compared with \$B 178,224 in 1968. The number of Bermudians receiving training abroad with government assistance was 177.

Immigration

19. In January 1971, new regulations were made regarding the issuance of work permits to non-Bermudians. In his speech from the throne delivered in October, the Governor stated that penalties for employing foreign workers without permission would be increased very substantially; that sanctions would be imposed on those who overstayed their permitted visit; and that job categories would continue to be restricted where there were enough qualified local people. A bill to give effect to the first two proposals mentioned above was introduced in the House of Assembly in March 1972.

Military installations

20. As previously noted, g/ the Agreement of 27 March 1941 between the Governments of the United Kingdom and the United States provides for the establishment by the latter of two military bases in Bermuda. This Agreement was subsequently amended in 1948-1960. Under the amended Agreement the two bases - the Naval Air Station (formally known as Kindley Air Force Base which was transferred to the United States Navy on 1 July 1970) and King's Point Naval Station - occupy 2.297 square miles, or about one tenth of the total area of the Territory. Provision is also made for the opening since 1948 of the then air force base for use by civil aircraft.

21. A new Agreement over a proposed road through the Naval Air Station was reached by the two Governments. It took the form of an exchange of notes between the Secretary of State for Foreign and Commonwealth Affairs and the United States

f/ One pound sterling (£1) is equivalent to 2.40 Bermuda dollars (\$B).

g/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. II, annex, appendix V, paras. 18-23.

Ambassador in London, published in April 1971 as a command paper. h/ The notes were dated 28 January 1971, when the Agreement entered into force.

22. The Agreement was the result of discussions previously held between representatives of the Governments of Bermuda and the United States on the proposed road referred to above. It makes available a specified area within the Naval Air Station for the construction by the Government of Bermuda, at its expense, of this road and for the use of it by vehicular and pedestrian traffic and also by the United States military authorities. Except as expressly provided in the present Agreement, these arrangements do not, in any manner, derogate from the provisions of the 1941 Agreement as amended in 1948-1968, and are to be valid until the expiration of the lease of the Station in 2040.

3. ECONOMIC CONDITIONS

General

23. In recent years, the Territory's economy has made good progress. In a statement to the House of Assembly on 3 March 1972, Mr. John Stubb, a UBP member, said that the Government Statistician Office was carrying out a study of the Territory's income. He now put the gross domestic product of Bermuda at \$B 180 million a year, indicating that average per capita income amounting to \$B 3,250 was among the highest in the world. The recent prosperity of the Territory has been in a large measure dependent on the tourist trade and to a lesser extent on the development of an international finance industry. The contributions of agriculture and manufacturing have been comparatively small.

24. Agricultural development has been hampered by the limited cultivable area, the shortage of labour and the small-scale of farming operations. The area of agricultural land in 1970 was 776 acres (an increase of 36 acres over 1969). Of these, 300 acres were used for vegetable and forage crops, 232 for fruit and 50 for flowers (Easter lilies being the only agricultural export), while the remaining 194 acres were utilized primarily as pasture. The total value of the agricultural output was estimated at \$B 2.9 million (an increase of \$B 0.6 million over 1969) of which eggs, the most important product, accounted for \$B 1.3 million (an increase of \$B 0.2 million over 1969). Commercial fishing has not been able to meet local needs, the estimated catch in 1970 being valued at \$B 1.15 million (an increase of \$B 0.4 million over 1969). The Director of Agriculture stated in January 1971 that a comprehensive survey of agriculture was in progress and was designed to assist in making better use of available land and facilities. In his speech from the throne, the Governor said that the survey had been completed and that a report being prepared would indicate future policy. He also said that efforts were being made to extend Bermuda's territorial waters. In March 1972, the Territory's exclusive fishing zone was extended from three miles to 12, and a new Fisheries Act for the development and protection of the local fishing industry was introduced in the House of Assembly. There are no forests as such in Bermuda.

h/ Treaty Series No. 22 (1971): Exchange of Notes between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America regarding a Proposed Road through the United States Naval Air Station, Bermuda; London, 28 January 1971. Cmd. 4634, HMSO, April 1971.

25. As part of its programme aimed at diversifying the economy, the Government has taken measures for stimulating the growth of light industries in Bermuda, particularly in the former dockyard area. These have included import duty and certain other concessions and the eventual establishment of this area as a tax-free port. As a result, the Territory has had a number of relatively small firms engaged in ship repairing, boat building and the production of building materials, etc., for the local market. Two of the three leading concerns (Canada Dry (Bermuda), Ltd. and Pepsi-Cola (Bermuda), Ltd.), have recently ceased operations at Freeport on Ireland Island. This action resulted primarily from the recognition by both concerns of the possibility that the dockyard area would eventually become a tax-free port. However, Pepsi-Cola (Bermuda), Ltd. has not moved entirely out of the Territory. The third concern, Merck, Sharp and Dohme (International), Ltd., a subsidiary of Merck and Company of the United States, stated in February 1972 that it had decided to reduce its operations at Freeport and to establish a new office elsewhere in Bermuda. The two companies remaining in the Territory are its principal exporters of mineral water extracts and pharmaceuticals respectively. A further important development occurring during the same month was an announcement made by John Barritt and Son, Ltd. (a foreign-owned company engaged in the bottling of Coca-Cola, Canada Dry and Seven-Up) that work on its modern \$B 2 million plant was well advanced and was expected to be completed in September.

26. In recent years, there has been a steady expansion in the Territory's external trade, a large part of which has been conducted with the United Kingdom and the United States. Bermuda has depended heavily on imports of food-stuffs and other goods. The value of imports has always exceeded that of exports. But the Territory has enjoyed a favourable balance of international payments, because its net receipts on invisible account have been larger than outlays on imported merchandise. The main invisible items have been tourist spending and the inflow of foreign investment capital. Trade statistics for 1970, though incomplete, show no change in these features described above.

27. The upsurge in the economy has led to full employment and persistent inflationary pressures. In his recent speech, the Governor reiterated the Government's concern at the continued increase in the cost of living. But he said that it believed that exceptions apart, the rise of average income was keeping pace and that the new rent control would help. While considering that it would be impracticable to eliminate price increases owing mainly to the lack of control over foreign suppliers, the Government nevertheless would seek to reduce mark-ups on essential food-stuffs. On 30 December 1971, following his appointment as the Government Leader, Sir Edward Richards said that one of his main tasks would be to keep down the cost of living while at the same time maintaining continued prosperity. Subsequently, the Opposition PLP contended that the Government could effectively control the price of goods entering the local market and that the distribution of the Territory's income was becoming more unequal.

Tourism

28. Responsibility for the promotion of tourism rests with the Department of Tourism and Trade Development under the Member of the Executive Council for Trade and Tourism, Mr. David E. Wilkinson, who is advised by the Board of Tourism. Between 1967 and 1970, the tourist industry, the mainstay of the Bermudian economy,

grew at an average annual rate of about 10 per cent. This was reflected in an increase in tourist spending from £18.4 million to £30.3 million and also in the number of visitors from 281,000 to 390,000. During 1971, a total of 413,000 persons visited the Territory, a gain of more than 6 per cent over 1970, while their spending was believed to have declined slightly as a result of the less buoyant business trends in the United States and Canada, from which 94 per cent of the total visitors came.

29. During the past five years, there was also a steady expansion of tourist facilities, including hotel accommodations. In order to protect the industry, the Government has decided that future development should be phased and controlled to ensure an orderly growth and to preserve those qualities which have attracted so many visitors to the Territory. In statements made in January and March 1972, Mr. Wilkinson said that the limitations on hotel expansion were being maintained and that the number of beds needed would increase from 7,846 to 10,258 during the period 1971-1975. With more hotel beds shortly becoming available, and with more cruise ships scheduled for visits, he believed that the Territory could draw 500,000 tourists in 1972. However, he expressed concern over a rise in the cost of a vacation in Bermuda by 10-11 per cent, following the recent devaluation of the United States dollar. At present, he said, half the Bermudian households had a member whose work was directly or indirectly connected with the tourist trade, which accounted for 70 per cent of the Territory's income. Of the 3,875 persons employed in hotels during 1971, 61 per cent were Bermudians.

Financial institutions

30. A leading tax haven in the sterling area, Bermuda has recently made substantial progress in developing an international finance industry, now representing more than 25 per cent of the gross domestic product. As previously noted, i/ four banks have been established to provide complete banking and trust facilities, with their main offices situated in the capital city of Hamilton. In 1971, they had combined resources of \$B 607 million, of which the Bank of Bermuda, Ltd. accounted for \$B 319 million (compared with \$B 137 million in 1967), the Bank of N. T. Butterfield and Son, Ltd. for \$B 222 million (compared with \$B 115 million in 1967), Bermuda Provident Bank, Ltd. for \$B 35 million and the Bermuda National Bank, Ltd. for \$B 31 million. The resources of the last two banks were reported to have grown rapidly since their establishment in 1969. The recent vigorous expansion of the four banks has been attributed mainly to a considerable increase in the number of foreign companies registered in the Territory (from 758 in 1967 to about 2,000 in 1971), particularly exempted companies (numbering 1,606 at the end of 1970). Another factor contributing to this expansion has been the emergence of off-shore insurance companies (numbering at least 40 in 1971).

31. Following a meeting with his advisers and representatives of the banks on 23 August 1971, the Member of the Executive Council for Finance, Mr. J. H. Sharpe, announced the decision taken by the Council to float the Bermudian dollar with the pound sterling against the United States dollar. The principal advantage of this course, he added, was that the 45 per cent of total imports originating from the

i/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, annex I.B, paras. 62-64.

United States should be cheaper in terms of the Bermudian dollar, thus helping to reduce the rate of inflation. In late December, after the devaluation of the United States dollar, Mr. Sharpe announced that the Bermudian dollar would remain linked to the pound sterling.

Communications and other basic facilities

32. There are 132 miles of paved public highways and an estimated 250 miles of private roads, some of which are surfaced. Licensed vehicles numbered 36,474 in 1969 and 35,805 in 1970. In April 1971, the Government announced its \$B 16.5 million 18-year plan to improve the Territory's roads. In his recent speech, the Governor stated that those parts of the roads plan which meant amendments to the Development Plan for Bermuda would not be implemented until the revised plan had been approved by the legislature, and that improvements to minor roads would continue. Owing to the continued deterioration of the traffic situation, he added that a committee had been created to consider further limitations on the size, number and performance of certain vehicles.

33. As previously noted, ^{1/} Bermuda has three ports: Hamilton, the largest, St. George and Freeport. Regular steamship services are provided by 10 shipping lines. In 1970, 873 steamers entered and cleared in the Territory, carrying a total of 5,995,371 gross tons of shipping, compared with 762 and 5,952,035 respectively in 1969. At the end of January 1972 it was reported that work would start in March on the \$B 2.7 million extensions to Hamilton docks. The extensions were expected to cover 2.9 acres, making the total area for the handling of containers some 5.7 acres.

34. As stated in paragraph 20 above, the only airfield is the United States Naval Air Station. The airlines serving Bermuda are Air Canada, British Overseas Airways Corporation, Eastern and Northeast Airlines, Pan American World Airways and Qantas Airways. In 1970, there were 5,687 aircraft arrivals (6,175 in 1969) handling 867,475 passengers (847,260 in 1969) and 8,365,214 kilograms of cargo (8,238,109 in 1969).

35. The Bermuda Telephone Company, Ltd., a local concern, operates over 350 public telephones in the Territory. It also provides the international telephone service in conjunction with Cable and Wireless, Ltd. Additionally, the latter operates Bermuda's international telegraph, telex, leased circuit and photo-telegraphy services. Coaxial telephone cables jointly owned by the American Telephone and Telegraph Company and Cable and Wireless, Ltd. linking Bermuda with the United States and with Tortola in the British Virgin Islands provide access to the world's telecommunications systems. The availability of sophisticated overseas communications facilities has contributed significantly to the rapid increase in the establishment of international companies in Bermuda.

36. Bermuda Electric Light Company, Ltd. provides electric power service on a Territory-wide basis. Total installed generating capacity increased from 51,740 Kw in 1969 to 66,340 Kw in 1970. Water pipeline service in five parishes including the city of Hamilton is owned and operated by the Watlington Waterworks,

^{1/} Ibid., para. 50.

whose reservoirs have a storage capacity of 572,000 gallons. The company also operates distillation plants in three large hotels. In 1970, another plant maintained by the Government produced over 26 million gallons (same as in 1969). A start was made on extending the capacity of this plant and on the construction of an additional 1 million gallon storage reservoir. In June 1971, the owners of the Princess Hotel at Hamilton decided to construct a desalinization plant for their new hotel near Southampton, in addition to the one already installed at their Hamilton hotel, by far the largest in the Territory.

Public finance

37. A summary of the Territory's revenue and expenditure for the period 1969-1971/1972 is given in the previous report of the Special Committee. ^{k/} The budget estimates for 1971/1972 envisaged an expenditure of \$B 40.9 million (compared with \$B 38.8 million in the previous year), of which \$B 33.0 million was on recurrent and \$B 8.0 million on capital account. During this period, revenue, mainly derived from customs duties, was estimated to have risen from \$B 30.5 million to \$B 39.6 million. These budgetary figures indicate the continuation of an uptrend since the early 1960s.

38. On 25 February 1972, a record \$B 48.4 million budget for the current financial year, which will allow for a surplus of about \$B 2 million, was introduced in the House of Assembly. Of the total estimated expenditure for the year, 20.3 per cent is to be 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 services.

39. In presenting his estimates to the House, the Member of the Executive Council for Finance, Mr. J. H. Sharpe, said that Government revenue was beginning to fall short because of rising operational expenses. The challenge was to present a budget for the current year that was financially responsible and stayed within the existing tax structure, pending the outcome of the investigation of possible new taxation ideas. The proposed changes in existing taxes and fees were estimated to produce about \$B 4.5 million of additional revenue and would be very widely spread over the different segments of the economy and community. Mr. Sharpe said that he was satisfied that the budget estimates under consideration provided a good basis for another record year in the advance of the economy. In drawing attention to various capital works proposed, he stressed the urgent need for accelerating housing development.

40. During the debate on the estimates, the Opposition PLP agreed that intensified efforts should be made to relieve the housing shortage, but contended that the most pressing and important problem confronting Bermudians was the provision of food, clothing and shelter for themselves within the framework of the present wage and price structure. The Opposition also maintained that the proposed budget would make the majority of the people of Bermuda meet the costs of Government; that the existing system of taxation was not only regressive but also inflationary; and that the Government must lessen its dependence on customs duties as a source of revenue. Closing the debate, Mr. Sharpe stated that there was a "lack of substance" in Opposition criticisms and that the PLP had not offered any workable solutions to the economic problems of the Territory.

^{k/} Ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.B, paras. 25-27.

4. SOCIAL CONDITIONS

Labour

41. At the end of 1970, total employment was estimated at 24,700 (same as in 1969), excluding citizens of the United States employed at its military bases. Of this total, 2,499 were non-Bermudians, including 1,629 from the United Kingdom and the Commonwealth, 260 from the Azores, Portugal, 233 from the United States and 377 others (mainly Europeans). Of these non-Bermudians, hotels and guest houses accounted for 649. Employment by major industrial groups was as follows: personal services (including hotels), 5,799; wholesale and retail, 4,452; government service, 3,743; communications and transport, 2,147; business services, 1,853; construction, 1,774; and financial institutions (including banks and insurance companies), 1,493. Wage-earners were benefiting from a continued upward trend in rates. As noted in paragraph 27 above, the Government believed that exceptions apart, the rise in average personal income was keeping pace with that in the cost of living. The working week continued to vary considerably according to occupation. Manual workers worked more hours in the week than non-manual workers. There were eight trade unions consisting of three associations of employees in private employment, two of employers, two of government workers and one of teachers. The total membership on the rolls was 4,946, of whom 3,494 were members of the Bermuda Industrial Union. Apprenticeship schemes were operated by certain trades and further education provided by the Technical Institute. The Hotel and Catering College offered full-time and part-time courses for recruits and apprentices respectively.

42. In his recent speech, the Governor stated that labour legislation was being examined with a view to arriving at solutions to problems arising from labour disputes which would be fair to both employer and employee. Legislation to set standards for the safety and health of employees and to reduce the likelihood of industrial accidents would also be introduced. The new Apprenticeship and Training Council was setting up committees in all main industries to develop training schemes. On 30 December 1971, following his appointment as the Government Leader, Sir Edward Richards said that one of his main tasks would be to maintain industrial peace.

43. On 21 February 1972, the Member of the Executive Council for Immigration and Labour, Mr. C. V. Woolridge, said that the employment prospects for many students receiving training abroad and 14,000 pupils in local schools deserved immediate consideration. The Government was investigating reports of signs of unemployment in certain categories of Bermudian labour in order to ensure that expatriates should not secure employment at the expense of local workers.

Housing

44. As previously noted, ^{1/} the Government in 1970 took measures to ameliorate the housing shortage, including the initiation of an extensive building programme. On 3 December 1971, a bill entitled "The Rent Increases (Domestic Premises) Control Act, 1971" was introduced by the Member of the Executive Council for Finance,

^{1/} Ibid., paras. 34-36.

Mr. J. H. Sharpe, in the House of Assembly. The bill would provide for an independent assessment of any increase in rent of domestic premises and for the security of tenure of such premises and for purposes connected therewith. Such assessment would be made by a Commissioner and other officers appointed by the Governor for the purpose. The Commissioner would be advised by a five-member Rent Increases Advisory Panel to be set up by the Member for Finance. With certain exceptions, the bill would apply to every domestic tenancy existing on or since 15 September 1971. It would expire at the end of 1972, unless renewed by the legislature. On 10 December, after a debate, the House passed the bill with certain amendments. The amended bill was scheduled to come into operation on 1 January 1972.

45. In a statement to the House made during February, Mr. Sharpe said that, despite the passage of this bill and the establishment of the Government housing programme, more needed to be done. He promised that within two months, the Government would reveal plans and policies to give housing development some necessary and desirable impetus, with special attention being focused on stimulating private construction of moderate cost housing.

Public health

46. In his recent speech, the Governor stated that social and welfare services would split away from the Health Department to form a separate Department of Social Services, still responsible to the Member of the Executive Council for Health and Welfare and maintaining close links with the Health Department. He further stated that development of social services would include care for the elderly, improvements to mental health services and the provision of much-needed and varied residential accommodation for young and old. In January 1972, the House of Assembly passed a bill (entitled "The Health and Social Welfare Act") to give effect to the above-mentioned proposal concerning the establishment of two separate departments.

47. During 1970 and 1971, the Territory was served by three hospitals: the King Edward VII Memorial Hospital with 230 beds, a general hospital; the Prospect Hospital with 36 beds, a geriatric unit; and St. Bredan's Psychiatric Hospital with 240 beds. As a result of legislation enacted in 1970, all these hospitals came under the management of a single Hospitals Board on 1 January 1971. As in the past, all hospitals were supported by fees charged to patients, voluntary contributions and government grants. In his recent budget statement to the House of Assembly, the Member of the Executive Council for Finance said that in 1972/1973, a grant of about \$B 1.2 million would again be made to the King Edward VII Memorial Hospital where a 90-bed geriatric ward had been completed, and that plans were prepared for the conversion of the Prospect Hospital into an extended care centre for the elderly. An important problem for the Territory was the need for more physicians. In a report published in March 1971, the Bermuda Branch of the British Medical Association recommended that the number of general practitioners should be increased from 16 to 19 in the next 12 months. According to the administering Power, the health of the islanders was generally good.

Question of racial discrimination

48. As stated in paragraph 14 above, the outbreak of civil disorder in April 1968 made the local political leaders aware of Bermuda's racial heritage. In 1970, the legislature passed the Race Relations Council Act, providing for the creation of such a Council by the Governor. The Council is empowered to keep race relations in Bermuda under general review and advise the Government Leader thereon and, in general, to promote the establishment of harmonious race relations. It is also empowered to investigate any complaint of discrimination and, if the complaint is justified, to seek a settlement. Where no settlement is reached or where acts are done in breach of a relevant assurance, the Council has the right to bring court proceedings under the Race Relations Act, 1969, which was noted by the Special Committee. ^{m/} On 30 December 1971, following his appointment as the Government Leader, Sir Edward Richards said that he saw his main tasks as maintaining peace and calm in Bermuda. At about the same time, Mr. John Summerfield, the then Attorney General, stated that although the Government was making efforts toward racial integration, the lack of communication between the races remained a major problem confronting the Territory.

5. EDUCATIONAL CONDITIONS

49. In 1965, education was compulsory between the ages of 5 and 14. The upper limit of the statutory school age was raised to 15 in 1967 and to 16 in 1969. Government expenditure on education has substantially increased since 1965 and is currently estimated at about \$B 10 million or 20.3 per cent of the Territory's budget for 1972/1973, representing the largest single item of expenditure. These actions have been based on the decision taken by the Government in 1965 to strengthen the political, economic and social structure through the acceleration of educational development.

50. Education 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 1970, there were 7 aided schools; 35 maintained schools (including a school for handicapped children, a unit for the maladjusted, 8 nursery schools) and 3 private schools. Of these, 28 (including 3 maintained by private organizations) were primary schools and 11 were secondary schools. Further education was available at the Academic Six Form Centre, the Technical Institute and the Hotel and Catering College. Total enrolment in all schools was 13,674. An average of 11,161 pupils attended the aided and maintained schools, with 652 teachers (90.7 per cent of whom were qualified).

51. A significant development occurring in early 1971 was an announcement that the Government had decided on an amalgamation scheme to accelerate integration at the primary school level. This decision was taken after considerable investigation and in the belief that an increased rate of integration in Bermuda's school system was a basic requisite for an integrated, happy and prosperous society of the future. Under this scheme scheduled to start in September 1971, all one-form entry primary

^{m/} Ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, annex I.B, paras. 83-84.

schools (with one exception, for geographical reasons) would be amalgamated into two- or three-form entry schools. As a result, the 25 primary schools presently in existence would be reduced to 17 within five years.

52. There is no institution of higher education in the Territory, but extramural courses are available through Queen's University in Canada and the University of Maryland in the United States. The Government and private organizations provide opportunities for some 40 students (including a number of teacher training scholarships) each year to take courses at universities abroad.

C. BRITISH VIRGIN ISLANDS*

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* Previously issued under the symbol A/AC.109/L.783.

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-sixth sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1971 in regard to the Territory and subsequently approved by the General Assembly at its twenty-sixth session, and the text of General Assembly resolution 2869 (XXVI) of 20 December 1971, which concerned 17 Territories, including the British Virgin Islands, have been made available to the Committee.

a/ For the most recent, see Official Records of the General Assembly Twenty-fourth Session, Supplement No. 23 (A/7623/Rev.1), chap. XXX, para. 10; ibid., 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. XXIV, para. 10.

B. INFORMATION ON THE TERRITORY^{b/}

3. Basic information on the Territory is contained in the Special Committee's report to the General Assembly at its twenty-sixth session. Supplementary information is set out below.

1. GENERAL

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, the largest island, and the remainder in six other inhabited islands. Road Town, on the south-east of Tortola, is the capital city, with a population of approximately 2,000.

5. 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.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

6. There have been no fundamental changes in the constitutional arrangements set out in the Virgin Islands (Constitution) Order, 1967, details of which are contained in the report of the Special Committee to the General Assembly at its twenty-fifth session. c/ Briefly, the Governor (whose title was changed from that of Administrator by a constitutional amendment of 5 August 1971) d/ 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 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)

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 25 June 1971 for the year ending 31 December 1970.

c/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, annex I.C., paras. 6-9.

d/ For the two earlier amendments concerning residential qualifications for elected membership of the Legislative Council and residential qualifications for voters, see ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.C., paras. 9-11.

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.

General elections

7. In early 1971, the state of the parties in the first Legislative Council established under the present Constitution was as follows: the United Party (UP), led by Mr. H. Lavitty Stoutt, held four seats; the Democratic Party, two; and the People's Own Party (POP), one. Subsequently, political realignments occurred with the result that as at mid-1971 the following parties were active in the Territory: the Virgin Islands Party (VIP), formed by a group of former UP members and headed by Mr. Stoutt; the Democratic Party (DP) headed by Mr. O. William Osborne; and the United Party (UP) headed by Mr. Conrad Maduro. They all contested the general elections for the second Legislative Council, held on 2 June, and four persons also ran as independent candidates.

8. During the election campaign, Mr. Stoutt said that the VIP stood for further progress in the economic, social and educational fields. In particular, it stressed the need to protect local people by providing assistance to them for the development of their own property and the need for strict application of the existing immigration law. e/

9. The Democratic Party was reported to be strongly opposed to the platform of the VIP. It based its campaign primarily on a demand for the establishment of closer relations between the Territory and its neighbours, with emphasis on relaxation of the immigration law and the attraction of tourists and foreign investors to the Territory. Similar views were expressed by Mr. Willard Wheatley, who ran independently, but with the support of the DP. In addition, he advocated encouragement of new investment from external sources in order to create broader opportunities for employment and education; he also called for the protection of landowners against the risks resulting from insecure land titles.

10. In the final results of the elections, the DP won three seats, the VIP two, the UP one and the remaining seat went to Mr. Wheatley. On 7 June, Mr. Wheatley was invited to join in a coalition with the DP and become the Chief Minister. Two other ministers were appointed to the Executive Council from among the members of the DP. They were Mr. A. William Osborne, Minister of Natural Resources and Public Health, and Mr. Oliver Cills, Minister of Communications, Works and Industry.

e/ For the main provisions of this law, see ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, annex I.C., paras. 19-20.

11. In a speech delivered at the first meeting of the new Legislative Council, held on 8 July, the Administrator (whose title was later changed to Governor, see above) described the political developments leading to the establishment of a coalition Government. He then reviewed the state of the British Virgin Islands and outlined the policies which the new Government would pursue with the objective of improving conditions and enhancing the future of the Territory. The present Government's policies and programmes in various fields of endeavour are described below.

Immigration

12. In his speech at the opening of the Legislative Council, the Administrator stated that the Government intended to provide an adequate immigration service to regulate and control the entry to the Territory of persons from abroad by wise and judicious application of the Immigration and Passport Ordinance, 1969. The Government was aware that the British Virgin Islands depended to a large extent on outside investment to stimulate the economy, and that the inflow of foreign capital would attract a corresponding movement of foreigners into the Territory. Measures would therefore be taken to ensure that, whereas the Territory would welcome bona fide investors and other persons who were capable of contributing to its welfare and for whose services there was an unfilled need, avenues would remain open to local inhabitants to ensure their advancement and their participation in development projects.

13. The Administrator also said that the Government would remove the term "non-belonger" from the statute books at a convenient time as a step towards ensuring that the immigrant, who qualified in all respects for local residence and who had demonstrated his willingness to abide by local laws and to make a contribution to the life of the community was treated with dignity and equality.

3. ECONOMIC CONDITIONS

General

14. The economy of the British Virgin Islands expanded rapidly during the late 1960s, when its gross domestic product increased at an average rate of about 31 per cent per annum. This growth was founded mainly on the related activities of tourism, construction and land development, and to a lesser extent on the development of an international finance industry. As a result, the level of local income and the standard of living of the people were raised substantially. However, under the impact of the recession in certain developed countries, the upsurge in the economy was followed by a decline in 1970 and 1971. Agriculture, light industry and mining have remained relatively under-developed. Although the Territory is an exporter of fish, livestock and other agricultural products, it shows a marked dependence on imports of certain foodstuffs (rice, flour, dairy products, meat, fruits and vegetables) and other goods.

15. 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, the inflow of capital and of remittances from abroad. The value of imports increased from \$US 8,099,208 f/ in 1969 to \$US 10,223,574 in 1970, while the value of exports decreased from \$US 49,754 to \$US 42,608 during this period. 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.

16. In his speech to the Legislative Council the Administrator drew attention to the declining trend of the economy and proposed a series of measures aimed at stimulating a recovery which is described in the relevant subsections below.

Tourism

17. In 1970, the tourist industry suffered a setback brought about mainly by the economic recession in the United States. It was believed, however, that the industry would resume its rapid growth in late 1971, at which time a deep-water port at Road Town would become operational and the first stage of construction on the reclaimed land of Wickham's Cay would be completed. In the Territory, there were in 1970 about 20 hotels, cottages and guest houses with a total of 500 beds.

18. In his speech at the opening of the Legislative Council the Administrator stated that it was the Government's intention to develop tourism as the mainstay of the economy. He said that much weight had to be given to the water-oriented activities of sailing and game fishing for which the Territory was ideally suited. The industry would be encouraged to operate on a year-round basis. In carrying out its policy, the Government would bear in mind two points which, it considered, were of paramount importance: (a) the need to ensure that the industry should develop in harmony with the interests and aspirations of the people of the Territory, while at the same time giving the visitor the type of satisfaction that he desired; and (b) the need to encourage prospective investors by making them welcome, by avoiding unnecessary delays in the issuing of permits and licences, and by maintaining as far as practicable stability and continuity in laws and regulations.

19. The Administrator further stated that in the pursuit of its aims, the Government proposed, inter alia, to: (a) strengthen the British Virgin Islands Tourist Board (a public body established in 1969) and collaborate closely with the British Virgin Islands Hotel and Tourist Association (formed in 1970 to represent all types of business connected with the industry); (b) further develop basic facilities, including those for tourists, and seek to provide tourists with the commodities and services that they required; (c) organize publicity programmes

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

for both the local people and visitors; and (d) promote day trips and cultural tourism.

Land development

20. In the late 1960s, substantial investments were made in land development. This trend was reversed in 1970 when activity in the construction industry also declined, mainly owing to a tightness of credit. By the end of the year, the rates of interest on loans charged by local commercial banks were reduced considerably and two major construction projects on Peter Island and Virgin Gorda had been started. However, the construction industry made little progress in 1971.

21. The total land area in the Territory is estimated at 37,708 acres, of which 22,587 are in private ownership and 15,121 are owned by the Crown. Of the privately owned land, some 16,927 acres are owned by British Virgin Islanders, 1,485 acres by non-indigenous Commonwealth citizens and 4,175 acres by aliens. The Government uses 457 acres of the Crown land and rents, or otherwise grants for occupation, some 4,729 acres to British Virgin Islanders, 256 to non-indigenous Commonwealth citizens and 759 to aliens; the remaining 8,935 acres are not in use. Private land is not easy to acquire because of a natural reluctance on the part of owners to sell, and also because of difficulties in regard to titles and boundaries. Crown land is normally leased on a long-term basis.

22. In his speech to the Legislative Council, the Administrator said that most local people owned land, but that in a large number of cases, the land was held by uncertain or insecure legal titles. The Government therefore intended to make it as easy as possible for all landowners who wished to do so to obtain certificates of title to their lands. It would support the cadastral survey (recently begun by a team organized by the United Kingdom Government) so that on completion of the survey every landowner would be assured of an undisputable title to his land. Steps to be taken by the local Survey Department would include, inter alia: (a) the making of proper and secure registry arrangements; (b) the continued maintenance and extension of plans and records produced by the cadastral survey team; (c) the carrying out of surveys for the Government for title purposes and otherwise; and (d) the licensing and control of private surveyors.

23. The Administrator also said that it was the Government's intention to take the following action: (a) establish a commission to administer Crown land; (b) introduce legislation to eliminate the higher land taxes now being paid by certain expatriates as well as to widen employment opportunities by requiring most purchasers of land to develop it; and (c) reduce to a minimum the delays in processing applications (by aliens and Commonwealth citizens) for licences to buy land under the Aliens Land Holding Regulation Act.

24. Finally, the Administrator stated that the plans for utilizing the Territory's physical resources, particularly land, which were expected to be completed before September 1971, would include an interim territorial plan and a master plan for Tortola, Virgin Gorda and Road Town.

Financial institutions

25. In the late 1960s, there was a great upsurge of interest in the Territory by overseas investors. They took advantage of tax concessions offered by the Government, g/ and the use of the United States dollar as the sole legal tender with no restriction on its transfer. In order to meet the need of these investors and others for financial services, four international banks were established 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). These banks grew rapidly between the end of 1966 and the beginning of 1970, when their total deposits rose from \$US 3 million to \$US 20 million, and their outstanding loans from \$US 2.9 million to \$US 17.5 million. 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. The latter, in October 1971, moved into new premises in the newly completed Nova Scotia Bank Building on Wickham's Cay, the first commercial building in the area.

26. According to the administering Power, there was a progressive decline in long-term financing by commercial banks in 1970. Actual conversion by United Kingdom investors of sterling to the United States dollar for investment in the Territory also decreased by \$US 4.1 million to \$US 2.6 million.

27. At the end of June 1971, it was announced that the United Kingdom Government had given notice that its agreement with the British Virgin Islands Government for double taxation relief would be terminated. Certain provisions of the Agreement would cease to have effect as from 1 January 1972, and others would lapse in 1972 or 1973. It was also announced that the two Governments had expressed their willingness to continue to negotiate a new agreement.

28. In his speech to the Legislative Council, the Administrator announced that the Government would introduce a bill to regulate banking institutions and insurance companies.

Agriculture

29. 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, limes, coconuts, bananas, vegetables and

g/ For information on the tax system of the Territory, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, annex I.C., para. 52.

food crops. 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. Although farmers have become more aware of the need to increase food production, the Territory has yet to become self-supporting in necessary food-stuffs.

30. In his recent speech to the Legislative Council, the Administrator said that the Government intended to embark on a project aimed at reducing imports of food to a minimum. The Government believed that emphasis on increasing the local production of food crops should go hand in hand with the development of tourism. The Administrator also said that every effort would be made to develop the livestock industry mainly through: (a) arranging for the restoration of deteriorating cattle dips; (b) recruiting a qualified livestock officer; (c) encouraging intensive farming; and (d) improving the abbatoir. The Administrator further stated that the Government intended to support the fishing industry by: (a) maintaining the Fisheries Credit Scheme; (b) improving production methods and marketing facilities; (c) establishing secondary industries for the benefit of the fishermen; and (d) introducing legislation to protect the industry.

Industry

31. Industrial activity in the Territory is limited to a rum distillery, 15 plants making hollow concrete blocks, a mineral water factory, three stone-crushing plants, one paint factory, two printing shops and a joinery works. A bulk cement bagging plant was expected to be in operation during early 1971. There are some handicrafts, including the manufacture of straw goods and baskets. The Government's announced policy is to encourage the development of handicrafts, cottage-type industries and, where feasible, the light manufacturing of goods which have a high import ratio.

Communications and other basic facilities

32. Efforts have been made to expand the infrastructure necessary for further development. In his speech to the Legislative Council, the Administrator stated that there were about 43 miles of motorable roads in the Territory. A large part of these roads had been severely damaged by flooding in late 1971 and the United Kingdom Government had provided financial assistance for the reconstruction of the West End Road from Road Town. He said that it was the policy of the Government to pursue continued road programmes until surfaced roads were constructed throughout the Territory.

33. The Administrator pointed out that a feasibility study was being undertaken of the water resources, water schemes and sewage disposal facilities for Road Town and East End. The Government also intended to build a sewage disposal system for other areas.

34. The main airport on Beef Island has recently been extended. The Territory is also served by 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 communication with Puerto Rico and the Eastern Caribbean. With regard to the development of air communications, the Administrator, in his speech to the Legislative Council, said that the Government intended to improve airport facilities as much as possible, including in particular the main airport at Beef Island, where work on the erection of a terminal building financed by the United Kingdom was expected to commence shortly.

35. Regarding port development, the Administrator said that the construction of a deep water port in the Purcell area of Road Town to accommodate ocean freighters and other cargo vessels would be completed by the Government in association with a local businessman. Subject to technical advice, it was proposed that a statutory port authority should be appointed to manage the undertaking. At present, six shipping lines provide regular services to the Territory.

36. At the end of 1970, the completion of the electricity extension programme was in sight. During the year, the total number of units generated rose by 44 per cent and the amount of electricity consumed increased by 22 per cent.

37. Cable and Wireless (West Indies), Ltd. continue to operate the Territory's telephone and telegram communications. In 1971, there were about 1,200 telephones in use and the company also maintained a telex service.

38. In his speech to the Legislative Council, the Administrator said that it was proposed to establish a public utilities board to examine the rates charged for basic facilities provided or regulated by the Government before they were made effective.

Anegada and Wickham's Cay Agreements

39. Information on this subject prior to May 1971 is contained in the reports of the Special Committee to the General Assembly at its twenty-fifth and twenty-sixth sessions. ^{h/} It will be recalled that, in September 1969, the Administrator appointed a Commission of Inquiry to look into the terms of agreements which the Government of the Territory had concluded with the Development Corporation of Anegada, Ltd. and Wickham's Cay Company, Ltd., and to make recommendations for the future development of the properties of these two foreign-owned companies. The recommendations which the Commission made in its report, published in December 1969, mainly concerned the revision of the agreements referred to above. Subsequently, action was taken on the basis of the Commission's report.

^{h/} Ibid., paras. 25-33; ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.C., paras. 20-23.

40. In his speech at the opening of the Legislative Council, the Administrator stated that with assistance from the United Kingdom, the Government would soon be able to buy the properties controlled by the two companies. It was seeking, through the United Kingdom Government, the services of competent consultants to advise on the future development of those properties.

41. According to a statement issued later by Mr. W. Wheatley, the Chief Minister, the transactions concerning Anegada and Wickham's Cay were completed in London on 22 July 1971. The Government of the British Virgin Islands had entered into an agreement with the companies concerned for the acquisition of their assets and interests. Under this agreement, the total amount of compensation paid to these companies was \$US 5.8 million, a sum advanced by the United Kingdom Government. The United Kingdom Secretary of State for Foreign and Commonwealth Affairs had informed Mr. Wheatley that the terms of this loan would soon be determined after consultation between the two Governments, and that the services of a firm of development consultants were being made available to the Territory under United Kingdom technical assistance arrangements to advise on the best utilization of the assets for the benefit of the British Virgin Islanders generally.

42. In September, the Chief Minister's Office announced that Shankland Cox and Associates, in collaboration with experts from three other firms, would prepare plans for the development of Anegada and Wickham's Cay, which were expected to be made public in 1972.

Public finance

43. During 1970, an upsurge in economic activity strengthened the financial position of the Territory. In that year, recurrent revenue amounted to \$US 3,141,277 and recurrent expenditure to \$US 3,450,285, compared with \$US 2,145,926 and \$US 2,542,314 respectively in 1969. During the same period, revenue on capital account increased from \$US 786,001 to \$US 3,211,165 and expenditure on capital account from \$US 1,130,044 to \$US 3,335,954.

44. Owing to the vigorous expansion of local revenue, derived mainly from import duties, the Territory received no grant-in-aid from the United Kingdom in 1970. Capital expenditure for the year, however, was financed partly by United Kingdom development aid, amounting to \$US 1,247,366, and partly by local loans, amounting to \$US 1,963,799. It will be recalled that the Territory's development plan, covering the period 1966-1971, provided for a total expenditure of about \$US 18 million and had as its objective the development of tourism and the attraction of investment in the private sector.

45. In 1971, as a result of economic slowdown, the Territory was again operating on a deficit budget and thus reverted to grant-aided status. Pointing this out in his speech at the opening of the Legislative Council, the Administrator stated that it was the aim of the Government to reduce or eliminate dependence on budgetary aid and to improve the Territory's financial situation to the point

where there would be a portion of local revenue available for development purposes. To achieve this aim, the Government realized that it must stimulate investment and also review its policies with regard to the collection of revenue while maintaining strict control over expenditure.

46. Referring to the role of external funds in the financing of capital expenditure, the Administrator said that the main source of development aid to the Territory so far had been the United Kingdom. The Government now intended to seek such aid from other sources as well, including in particular Canada, the Caribbean Development Bank and the United Nations Development Programme (UNDP). He believed that, broadly speaking, there would be no problem of access to financing backing for any project in the public sector which was economically and technically feasible. It was proposed therefore that a comprehensive development plan for the Territory should be prepared as soon as possible.

47. In a radio broadcast on 6 October 1971, the Administrator said that the Government had recently decided upon measures to raise some additional revenue locally so as to ensure that the gap between recurrent revenue and expenditure in 1971 would not exceed the grant-in-aid of \$US 659,000 furnished by the United Kingdom. As the Territory was still in deficit on its recurrent budget, there were no funds available from that source for capital expenditure. Most of the development projects were being financed from external funds, which were being made available to the Territory in considerably greater volume than hitherto.

4. SOCIAL CONDITIONS

Labour

48. The labour situation deteriorated in 1970, owing mainly to the decline in the construction industry. At the end of the year, many foreign workers left the Territory. The Labour Department, recently established as a separate unit of the government, registered 141 unemployed persons. Minimum wage rates for Government daily paid workers were increased substantially to bring such rates generally into conformity with those prevailing in the construction industry. The number of labour disputes recorded was 70.

49. In examining the labour problems of the Territory, the Administrator, in his speech at the opening of the Legislative Council, stated that the Government was considering taking new legislative measures to protect the basic rights of workers; such legislation would include a bill providing for the establishment of a social insurance system. The Government would nevertheless continue to adhere to the general principle that work permits for immigrants should be issued only in respect of jobs for which no local persons were available or qualified. He stated subsequently that there would be a tendency to place emphasis on development projects which would contribute to maintaining a fair level of employment in the construction industry.

Public health

50. Government expenditure on public health in 1970 totalled \$US 444,894, an increase of \$US 182,162 over the previous year. Government medical institutions consisted of Peebles Hospital in Road Town (with 38 beds) and six clinics. The health of the population was generally good.

51. In his speech to the Legislative Council, the Administrator stated that during the preceding months, medical services, particularly in the fields of general practice and preventive medicine, had increased considerably. Three new clinics had been opened and others were planned. Special clinics for immigrants and others were held weekly at the Public Health Centre in Road Town. Plans for a new hospital had been prepared. More nurses were being recruited so that trained staff could be provided for the district clinics.

52. The Administrator also said that the integrated health programme sponsored by the United Nations Children's Fund (UNICEF) had made considerable progress and that provision would be made for two additional projects, the construction of latrines and the eradication of mosquitoes. The Government was seeking to make further improvements in the collection and disposal of garbage as well as the control of wandering livestock.

5. EDUCATIONAL CONDITIONS

53. The control of 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.

54. In 1970, recurrent expenditure on education amounted to \$US 615,411, compared with \$US 524,460 in the previous year. The Government continued to assist the missions in operating 12 primary schools. In addition, it maintained two government primary schools and one secondary school. Enrolment in all schools totalled 2,723, down from 2,900 in 1969. The number of teachers also showed a slight decrease from the 124 reported in 1969. The United Kingdom Government awarded 10 scholarships for institutions of higher education in Commonwealth countries in the Caribbean.

55. The Administrator, in his speech to the Legislative Council, stated that there was a continuing need for a huge investment in educational and training facilities. The Government intended to prepare a well-organized plan for the development of education based on the advice obtainable from its advisory bodies which would be enlarged for the purpose. Special emphasis would be given to improving infant and primary education as well as to increasing the competence of teachers at all levels. He also drew attention to the following: (a) grants had been made, mainly by the United Kingdom, for the establishment of nine new primary schools, the extension and improvement of several others, and the expansion of the secondary school; (b) it was expected that the government

secondary school would offer an increased number of pre-vocational courses in September 1971; (c) a review was being undertaken of the curricula of schools in the Territory; (d) there was a proposal to establish a scheme for the provision of loans to qualified students in order to enable them to take courses of higher education abroad; (e) the needs of Virgin Gorda in respect of secondary school facilities would be re-examined; (f) the possibility of introducing fees in certain institutions would be explored; (g) programmes were being formulated for the development of adult education; and (h) steps were being taken to promote closer co-operation with the United States Virgin Islands and certain other Eastern Caribbean countries in the educational field.

D. CAYMAN ISLANDS*

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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-sixth sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1971 in regard to the Territory and subsequently approved by the General Assembly at its twenty-sixth session, and the text of General Assembly resolution 2896 (XXVI) of 20 December 1971, which concerned 17 Territories, including the Cayman Islands, have been made available to the Committee.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 23 (A/7623/Rev.1), chap. XXVIII, para. 9; ibid., 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. XXIV, para. 10.

B. INFORMATION ON THE TERRITORY^{b/}

3. Basic information on the Cayman Islands is contained in the report of the Special Committee to the General Assembly at its twenty-fifth and twenty-sixth sessions. (See foot-note a/ above.) Supplementary information is set out below.

1. GENERAL

4. 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 (259 square kilometres). 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.

5. At the 1960 census, the population of the Territory totalled 7,622 divided as follows: Grand Cayman, 6,359; Cayman Brac, 1,240; and Little Cayman, 23. Sixty per cent of the population were of mixed origin, 20 per cent were African and 20 per cent were European. During the ensuing decade, the population increased by some 36 per cent. The provisional results of the latest census, held in 1970, revealed a total population of 10,423, of whom 9,084 were on Grand Cayman; 1,323 on Cayman Brac; and 16 on Little Cayman. Precise data on the present composition of the population is not yet available. George Town, the capital, which is located on Grand Cayman, had some 4,000 inhabitants in 1970.

6. Not included in the census figures were Caymanians who had emigrated to work abroad. In 1960, they numbered 1,187, mainly skilled seamen serving on foreign ships. In the late 1960s, the discovery of the Territory as a tourist resort and its popularity as a tax haven resulted in rapid economic expansion. This has created a number of problems, among which was an immediate need for a far more sophisticated type of territorial administration. Furthermore, the heavy influx of foreigners has not slowed down the exodus of local people. In 1971, about 1,000 Caymanians were working on ships abroad and a much larger number were residing in Central America and the United States of America. During the same year, some 2,000 foreigners were reported to be living in the Territory, including 700 Jamaicans.

^{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 on 24 June 1971 for the year ending 31 December 1970.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

7. There has been no fundamental 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. c/ Briefly, the Cayman Islands Government consists of an Administrator (a designation changed by a constitutional amendment to that of Governor on 3 November 1971), a Legislative Assembly and an Executive Council. The Governor is empowered to enact laws with the advice and consent of the Legislative Assembly, subject to the retention by the Crown of the power to disallow or to refuse consent. The Assembly is presided over by the Governor and consists of two or three official members, two or three nominated members appointed by the Governor and 12 other members elected by universal adult suffrage. The last general election was held on 7 November 1968, and was not contested on a party basis. The next general election was due to take place in April 1972, but the life of the Assembly has since been extended by up to one year to make it possible to introduce the revised Constitution before the next election. The Executive Council is the main executive authority in the Territory. It consists of two elected members, chosen by the Legislative Assembly from among its elected members, two official members and one nominated member appointed by the Governor. The Council is presided over by the Governor, who is required to act on the advice of the Council, except as otherwise provided.

Recent constitutional developments

8. As previously noted, d/ the Earl of Oxford and Asquith, former Governor of the Seychelles, 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, taking into account the recommendations of the Constitutional Committee of the Legislative Assembly presented on 23 June 1970, the wishes of the people and the realities of the local situation. The report prepared by the Constitutional Commissioner together with a covering dispatch from the Secretary of State to the then Administrator of the Cayman Islands, was published in October 1971. e/ Following is a summary of the main observations and recommendations made by the Constitutional Commissioner.

c/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, annex I.D, paras. 7-16.

d/ Ibid., Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.D, paras. 9-10.

e/ United Kingdom. Cayman Islands, Proposals for Constitutional Advance: Report by the Constitutional Commissioner, the Earl of Oxford and Asquith, Foreign and Commonwealth Office, London, 1971; ibid., Cayman Islands, Despatch from the Secretary of State on Proposals for Constitutional Advance, London, 1971.

Problem of constitutional planning

9. The Constitutional Commissioner stated in his report that the Caymanians were conservative by temperament; preserved a tradition of forthright, sturdy individualism; had established a homogeneous society, firmly attached to the British connexion; and wished to have a protective government that would give them substantial autonomy. He considered, however, that in the modern interdependent world into which the Territory was now emerging, the requirements of good government often ruled out a policy of laissez-faire. Therefore, the problem of constitutional planning was a complex one: to secure for the Caymanians the efficient system of administration which they needed and wanted, while taking due account of their susceptibilities and traditions and, at the same time, of the responsibilities of the United Kingdom Government towards the Territory.

Views of the people concerning their constitutional future

10. According to the Constitutional Commissioner, the Legislative Assembly of the Territory began to study constitutional changes in 1966. In June 1970, a Constitutional Committee of the Assembly submitted majority and minority reports, both of which recommended the enlargement of the Executive Council, the appointment of a speaker to preside over the Assembly, the abolition of nominated members in the two bodies, and the modification of the qualifications for voting and candidature in favour of persons of Caymanian origin. The chief divergence in the reports was the attitude towards the powers and functions of the Executive Council and its members. The minority report tended towards a whittling down of these powers, while the majority report proposed that the expanded Council should contain a majority of elected members and that these members should be formally associated with particular subjects and departments of government. On 23 June 1970, it was resolved unanimously by ~~the Assembly to transmit~~ the reports of its Constitutional Committee to the Secretary of State through the then Administrator and to ask that an expert visit the Cayman Islands to meet with the Committee and discuss the difficulties and implementation of recommendations.

11. In preparing his report, the Constitutional Commissioner spent a month in the Cayman Islands holding substantial discussions with local leaders of all shades of opinion as well as with the then Administrator. Most Caymanians wanted certain changes of a cautious and not very far-reaching kind, and were in general agreement with the opinion expressed in the majority report of the Constitutional Committee.

Proposed constitutional amendments

(a) Office of the Governor

12. The Constitutional Commissioner stated that it was usual in constitutions of this type for defence, external affairs, internal security and the police to be explicitly excluded from the subjects on which the Governor was to consult the Executive Council. The Constitutional Commissioner therefore recommended that the Constitution should be amended in order to exclude these subjects and also any power conferred upon him which he was empowered to exercise in his discretion.

13. The Constitutional Commissioner further recommended that in any case in which the Governor was required to consult the Executive Council, he should be bound to act in accordance with the Council's advice unless, in the interests of public order, public faith or good government, he considered it inexpedient to do so. With regard to the definition of the expression "public order, public faith or good government", the Constitutional Commissioner recommended that it should include the honouring of commitments or undertakings lawfully entered into by the Cayman Islands Government.

(b) Executive Council

14. The Constitutional Commissioner advocated the following reforms of the Executive Council: (i) it should in future be composed of three official members (the Deputy Administrator, the Attorney-General and the Financial Secretary) and four others selected by the elected members of the Legislative Assembly from among their number; (ii) the seat of an elected member of the Council should become vacant if his election is revoked by a three-quarters majority of the Assembly, and the tenure of office of such a member should be subject to termination by the Governor at his discretion; (iii) the Governor should be given discretion to charge any member of the Council with responsibility for any subjects or departments of government (other than subjects on which he was not required to consult the Council); (iv) in the exercise of his responsibility, the member so charged should act in accordance with the policies of the Government of the Cayman Islands and with such directions as might be given by the Governor; (v) the responsibilities with which a member might be charged should be expressed as including a general responsibility for the interests of any geographical area of the Territory; and (vi) the possibility of voting in the Council should be mentioned in the Constitution.

(c, Legislative Assembly

15. The Constitutional Commissioner proposed the following innovations in the Legislative Assembly: (i) it should in future be composed of the Governor (if presiding), 12 elected members and three official members (the Deputy Administrator, the Attorney-General and the Financial Secretary); (ii) the Governor should have the discretionary power to establish consultative committees of the Assembly, each of which should consist of a chairman and such number of other members as the Governor in his discretion might decide, provided that a majority of these members are elected members of the Assembly and that the Chairman is a member of the Executive Council; (iii) at meetings of the Assembly the Governor or an appointee of his choice should preside; and (iv) the normal life of the Assembly should be four years.

(d) Electoral system

16. On the question of reorganizing the electoral system, the Constitutional Commissioner recommended, inter alia: (i) during the life of the next Assembly a change should be made in this system, to provide either for the abolition of multi-member constituencies or, if preferred, for the introduction of a system of

proportional representation; (ii) subject to an exception (any person having a contract with the Government) and to age and domiciliary requirements, candidature for election to the Assembly should be restricted to a person having the required residential qualification (five of the preceding seven years spent in the Cayman Islands), and birth in the Territory or of parents who at the time of his birth had been domiciled or ordinarily resident in the Islands; and (iii) to be eligible for registration as an elector, a person should meet age and domiciliary requirements and have been resident in the Islands for five of the preceding seven years.

Observations of the United Kingdom Government

17. In a dispatch of 22 September 1971, addressed to the then Administrator of the Cayman Islands, the United Kingdom Secretary of State for Foreign and Commonwealth Affairs, Sir Alec Douglas-Home, stated that, broadly speaking, his Government accepted the recommendations contained in the report of the Constitutional Commissioner, with certain reservations on some details. He further stated that, subject to these reservations and the broad acceptance by the Territory of the recommendations of the Constitutional Commissioner, he would be prepared to advise his Government that the proposed changes should be made in the present Constitution. Among the reservations were the following.

18. In regard to the Executive Council, the Secretary of State expressed great reluctance concerning the possibility that voting in the Council should be mentioned in the Constitution (see para. 14 (vi) above). Based on experience elsewhere, he suggested that the Executive Council could best exercise its collective responsibility for determining policy under a "Westminster type" constitution, if it proceeded by consensus.

19. In regard to the electoral system and the organization of constituencies (see para. 16 above), the Secretary of State said that the subject was important but controversial and that it would not be appropriate to prejudge the matter at that time. If, after the next general election in the Territory, the Government of the Cayman Islands were to so recommend, the Government of the United Kingdom would be prepared to agree to a review of the electoral system, but entirely without prejudice to what changes, if any, should be made as a result of such a review.

20. The proposals of the Constitutional Commissioner to modify the qualifications for elected membership of the Legislature (see para. 16 (ii) above), went somewhat beyond the provision to which the United Kingdom had been prepared to agree in other Territories in the Caribbean region. The Secretary of State concluded, nevertheless, in the light of the particular circumstances in the Cayman Islands, that his Government would not stand in the way if the Executive Council and the Legislative Assembly considered such a change to be appropriate.

21. Concerning birth requirements, the Secretary of State expressed the view that it would be adequate to require that only one of the parents, at the time of the person's birth, had been domiciled or ordinarily resident in the Islands. On the question of the franchise, he said that he would only support a requirement for three-year ordinary residence in the Territory as a qualification for the vote.

Other developments

22. It will be recalled f/ that in September 1967, the Legislative Assembly appointed a select committee to consider and report on immigration procedures. This action was taken because of the recent influx of expatriates to the Cayman Islands and the concern expressed by the local people over the possibility of eventual control of the Territory by foreigners. In May 1968, the Assembly adopted the recommendation contained in the committee's report that legislative measures should be taken to tighten the immigration laws of the Territory. In an address delivered to the Assembly in March 1971, the then Administrator said that laws would be presented to it to put under a Caymanian Protection Board decisions regarding the status of citizenship, the control of immigration, the granting of work permits and trade or business licences. Subsequently, it was reported that a quota system to control immigrants by national origin and occupation had been established and well received. Jamaica received an annual quota of 100 persons. An annual quota of 75 was allocated to other countries, including Canada, the United Kingdom and the United States. The Government was considering the exemption of certain professionals in order not to interfere with the development of the activities related to the role of the Territory as a tax haven.

23. In 1970, there were 341 positions in the civil service, of which 77 were held by overseas contract officers and the remainder by local and other officers (including 247 Caymanians). In his recent address, the then Administrator stated that the civil service was being expanded, reorganized and strengthened to meet the more onerous burdens placed on it by the recent rapid expansion of the Territory's economy. According to reports, the Government in 1971 gave a 12 per cent increase in the cost of living allowance for civil servants and appealed to the private sector not to attract public officers by offering them higher pay. Nevertheless, the Government continued to encounter difficulties in the recruitment of suitable overseas contract officers to fill posts for which there were no qualified Caymanians.

3. ECONOMIC CONDITIONS

General

24. As noted in paragraph 6 above, many Caymanians work for foreign shipping companies. Until recently, their remittances largely supported the economy, enabling the Territory to pay its way, without poverty or distress, though leaving little or no margin for development. The late 1960s witnessed the beginning of an economic revolution brought about by spectacular progress in the sectors of finance, construction and tourism. Since 1967, the economy as a whole has been growing in real terms by about 20 per cent a year. This phenomenal growth has been

f/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, annex I.D, para. 19.

reflected by a continued substantial increase in the level of local income and the standard of living. Average per capita income (estimated to have risen from \$J 800 in 1969 to \$J 1,000 in 1971 g/) is among the highest in the Caribbean. It is predicted that between 1972 and 1976, the gross domestic product will double to \$J 24 million. In his report, the Constitutional Commissioner stated that the recent prosperity of the Cayman Islands had been due to external factors: foreign businessmen attracted by the tax haven and foreign tourists. Its continuance depended on external confidence in the political stability of the Islands and in the good faith of the territorial Government in honouring commercial undertakings.

25. Apart from the economic activities referred to above, the Territory has few resources and is not self-supporting in food-stuffs. Food production is restricted by a rocky and swampy terrain and by a limited supply of skilled agricultural labour. Livestock is limited to cattle, pigs and poultry. The commercial production of milk and poultry has been declining because of marketing difficulties. Forest products are of little significance. The traditional turtle fishing by local people in Nicaraguan waters ceased in 1970, but Mariculture, Ltd., formed in 1969 by a group of foreign investors, has established a turtle farm near George Town, which could become an important world supplier of turtle products. The Government has been encouraging the establishment of light industry. In George Town, there are two concrete block manufacturing plants and a tile factory. Recently some manufacturers of garments, furniture and plastics have had their applications for pioneer status approved by the Legislative Assembly. They are permitted to import building materials and equipment duty free.

26. The value of imports exceeds that of exports, but the adverse balance is normally offset by inflows on capital accounts, property purchased by foreigners, tourist spending and remittances from abroad. Imports increased from \$J 5,733,001 in 1969 to \$J 7,766,578 in 1970, while exports decreased from \$J 11,115 to \$J 9,276 during this period. The principal imports were food-stuffs, fuels and textiles and the only exports were dried turtle meat and turtle shell. As in the past, approximately two thirds of the Territory's external trade was conducted with the United States.

Financial institutions

27. 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 a survey, the finance and insurance sector increased the gross domestic product by 75.4 per cent between 1967 and 1969. Over half of the gross receipts of this sector were the result of external transactions related to tax haven activities.

28. At the end of 1970, over 2,000 international companies (about 900 in 1969) and over 300 trusts (about the same as in 1969) were established in George Town on Grand Cayman. In 1971, two new trust companies opened offices in George Town -

g/ One Jamaican dollar (\$J 1) equals \$US 1.18.

Butterfields Bank and Trust Company, Ltd., a subsidiary of the Bank of N. T. Butterfield and Son, Ltd. of Bermuda, and Arawak Trust Company, Ltd. of Nassau, the Bahamas. The latter's owners include the Canadian Imperial Bank of Commerce; Brown Brothers Harriman and Company; Goldman Sachs and Company; and Marine Midland Banks. Another firm based in the Bahamas, the Mercantile Bank and Trust Company, Ltd., transferred some of its business to a newly established sister company in George Town. As a result, there were in 1971 seven major trust companies operating in Grand Cayman. Three international commercial banks joined the George Town banking community, thus bringing the total to eight. These three banks were: the First National City Bank, of the United States; the Bank of Montreal, of Canada; and the Banque nationale de Paris - World Banking Corporation, a subsidiary of the Bank of America of the United States. h/

Tourism

29. The Cayman Islands Tourist Board, a public body set up in 1965, is responsible for the promotion of tourism. Owing mainly to improved air communications, there was an upsurge in the tourist trade between 1964 and 1970, averaging more than 40 per cent per year. At the end of this period, the Territory had 15 hotels or residential clubs (with a total of some 300 rooms) and about 76 cottages catering to tourists. However, the number of visitors during the first nine months of 1971 was 18,343, representing only a 3 per cent increase from the corresponding period in 1970. This was chiefly attributed to the following factors: (a) keen competition from other regions, principally Europe; (b) the recession in the United States, the origin of approximately 80 per cent of the tourists; and (c) the inadequacy of the communications system and other basic facilities including those for tourists.

30. Among the measures taken in 1971 to cope with these problems were: (a) the expansion of the promotion programme for visitors (including the maintenance of a main tourist office in Miami, Florida (United States), the establishment of a new office in New York and the authorization of the West India Committee to represent the Cayman Islands Tourist Board in London; (b) the implementation of programmes for the development of the economic infrastructure (see para. 40 below); (c) the construction of a \$J 2.5 million, 125-room luxury beach hotel near George Town, under the auspices of Holiday Inns, Inc. of the United States; and (d) the formulation of plans for further expansion of hotel accommodation.

Property development

31. All land is individually owned, with no restrictions imposed on alienation to foreigners. In the late 1960s, substantial investments were made in property development with the result that the prices paid for land rocketed. They have

h/ For information on financial institutions previously set up in the Territory, see Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.D, paras. 38-40.

levelled off since 1970 but are still very high, especially for sites on Seven-Mile Beach in Grand Cayman. Aware of excessive land speculation and indiscriminate building in certain areas, the Government has intended to bring order into the real estate industry. Subsequent to the passage of the Land Development (Interim Control) Law, 1969 and with the assistance of an expert from the United Nations, a Planning Department was established in May 1970, whose functions include the preparation of a comprehensive planning law. The Government also introduced in the Legislative Assembly a bill to protect landowners against insecure land titles. The bill was being considered by a select committee. In September 1971, the then Administrator was reported to have stated that the Government no longer had to seek out developers and investors as in the past, but still sought quality and a genuine interest in the future welfare of the Territory and its people.

32. Although speculation in the property market subsided to some extent during the period under review, the building boom, spurred mainly by the demand for office space and hotel accommodation, continued. In November 1971, the Royal Bank Building was opened. Work on three large construction projects (including two financed by the Government) advanced, and four others had been started or were being planned. There was a shortage of houses, however, owing to the lag in residential building. Among the problems facing developers were the high cost of labour and imported building materials. Despite the existence of a good market for cottages and villas in some tourist resorts, this potential has not been fully developed.

Communications and other basic facilities

33. In 1970, there were some 80 miles of roads on Grand Cayman and 25 miles on Cayman Brac; about half of these were bitumen-surfaced. Little Cayman was served by a motorable track and work had been started on a new coastal road. The total number of motor vehicles exceeded 2,500, compared with 2,000 in the previous year.

34. During 1970, Owen Roberts airport on Grand Cayman was used by British West Indian Airways (BWIA); Líneas Aéreas Costarricenses, S. A. (LACSA) and Cayman Airways, Ltd., a local airline in which the Government is the majority stockholder (51 per cent). BWIA operated services to Miami, United States, and Kingston, Jamaica; LACSA to Miami and San José, Costa Rica; and Cayman Airways, Ltd. to the lesser islands, Kingston and Miami. There were 2,519 aircraft movements (6,186 in 1969) handling a total of 70,606 passengers (65,687 in 1969). In April 1971, BWIA discontinued its regular services because the airport runway was not large enough for Boeing 707 aircraft. Subsequently LACSA provided the services originally offered by BWIA. In addition to the main airport on Grand Cayman, Cayman Brac and Little Cayman each have an airstrip capable of taking small aircraft. In his address to the Legislative Assembly in March 1971 the then Administrator said that the Government was seeking sources of finance for airport development.

35. At present, facilities at George Town, the principal port, cannot handle large ships. Therefore, sea communications are maintained by several motor vessels which ply regularly from the ports of Tampa and Miami in the United States

to the Cayman Islands and thence to Jamaica. There is also irregular communication with Honduras. Feasibility studies have been carried out with a view to constructing a deep-water harbour, which the Government considers to be of vital importance to the development of the Territory.

36. Cable and Wireless (West Indies), Ltd. owns and operates the Territory's telephone and telegraph system. In February 1972, the company completed two telecommunications projects, at a cost of \$J 9 million: a satellite earth station in Jamaica, and a new 350-mile coaxial cable linking the Cayman Islands with the rest of the world via Jamaica. The company also planned to invest a further \$1.8 million in the expansion of telephone service within the Territory before the end of 1973.

37. Electric power is provided by the Cayman Brac Power and Light Company, Ltd. and the Caribbean Utilities Company, Ltd. The latter supplies electricity to the densely populated western part of Grand Cayman, and a start has been made on the work necessary to extend the power lines to the eastern part of the Island. Present water sources are mainly wells and roof catchments.

Public finance

38. The budget estimates for 1970 envisaged an expenditure of £1.8 million (£1.1 million in 1969) of which £1.2 million (£0.7 million in 1969) was on recurrent and £0.6 million (£0.4 million in 1969) on capital accounts. During this period, recurrent revenue, derived mainly from import duties and the sale of postage stamps, was estimated to have risen from £800,000 to £1.3 million. These budgetary figures indicate the continuation of an uptrend in recent years, especially since 1964.

39. Capital expenditures were financed by Colonial Development and Welfare grants, loans and contributions from local funds. Total funds made available by the United Kingdom to the Territory as Colonial Development and Welfare grants for the period from April 1968 to March 1970 amounted to £220,000. These funds were spent on harbour and road projects, public buildings and the expansion of social services. Complete budgetary figures are not yet available for 1970. In a recent statement the then Administrator said that the financial position of the Territory was exceptionally sound, as it had always maintained a balanced recurrent budget, and that the Government had embarked on a comprehensive programme of infrastructure (including in particular a new complex of public buildings, an improved and enlarged airport, a new harbour, improved roads and water supplies, a new hospital and a new secondary school). The Government was reported to have decided to allocate \$2.75 million for this programme, or more than triple the 1970 outlay. For the years 1969-1972, the Governing Council of the United Nations Development Programme (UNDP) has approved as a target for assistance to the Territory the equivalent of approximately \$US 25,000 annually (the sum of \$US 30,000 was approved for 1970).

4. SOCIAL CONDITIONS

Labour

40. According to the administering Power, there is no administrative organization concerned with labour and complete labour statistics are therefore not available. Apart from seafaring, which each year draws about 900 islanders away from the local work force, there were until recent years only limited opportunities for employment in the islands. The influx of foreign investment capital which began in the late 1960s led rapidly to an acute shortage of local labour and to the inflow of workers, particularly skilled workers from overseas, which has continued despite the establishment of immigration quotas in 1971. Sharply rising wages accompanied by price increases have combined to produce severe inflationary pressures.

Public health

41. The Medical Department, in 1970, operated a 36-bed government hospital, a dental clinic in George Town, and six health centres of which four were in outlying districts of Grand Cayman and two on Cayman Brac. A new hospital was expected to be opened on Cayman Brac in 1971. There were four government medical officers and one government dental officer. The health of the islanders was generally good. One of the major problems of the Territory has been the prevalence of mosquitoes. The Mosquito Research and Control Unit, established by the Government on Grand Cayman in 1966, continued its work in the implementation of an Aedes aegypti eradication programme on Cayman Brac and Little Cayman. In George Town, the unit's activities have effected a 10-fold reduction in mosquito densities since 1966. A year after the Aedes aegypti campaign was started, the instances were brought down from 33 to 0.2 per cent. During 1970, the unit's total revenue was \$J 193,538 (including United Kingdom development aid totalling \$J 25,600).

42. Expenditure on public health during 1969 was \$J 153,955. The figure for 1970 is not yet available.

5. EDUCATIONAL CONDITIONS

43. The Educational Council, a statutory body constituted in 1968, is responsible for the formulation of educational policy and for regulating the management of government schools. Education is compulsory for all children between five and 15 years of age. It is provided free in nine government primary schools and three government secondary schools (one grammar and two secondary modern). In addition, there are four private schools, two of which have secondary departments. Total enrolment in all schools during 1969 was 2,181. In 1970, for which no comparable data are available, there were 1,789 pupils enrolled in the government schools.

44. The Government has decided: (a) to erect a new block on the site of the grammar school; (b) to phase out gradually one secondary modern school; (c) to provide education only at junior high level in the other secondary modern school; and (d) to set up a new, comprehensive secondary school.

45. The Territory is not able to meet the shortage of qualified teachers and some staff is therefore recruited from Canada, Jamaica and the United Kingdom. The majority of local teachers have been trained in Jamaica. The Government contributes to the University of the West Indies and some Caymanians are awarded scholarships to attend the University from aid funds provided by the United Kingdom.

46. Government expenditure on education in 1970 totalled \$J 438,438 (including development grants). Recurrent expenditure reportedly increased from \$J 204,548 in 1969 to \$J 235,786 in 1970.

E. MONTSERRAT*

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* Previously issued under the symbol A/AC.109/L.776.

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-sixth sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1971 concerning this Territory, which were subsequently approved by the General Assembly at its twenty-sixth session, and the text of General Assembly resolution 2869 (XXVI) of 20 December 1971 which concerned 17 Territories, including Montserrat, have been made available to the Special Committee.

B. INFORMATION ON THE TERRITORY b/

3. Basic information on the Territory is contained in the Special Committee's report to the General Assembly at its twenty-fifth and twenty-sixth sessions. c/ Supplementary information is set out below.

1. GENERAL

4. The preliminary results of the census held in April 1970 show that the population of the Territory as a whole at that time numbered 12,300 (mainly of African descent), an increase of only 192 over the 1960 census due to large-scale emigration in the early 1960s. In contrast to the negligible increase in the total population, the number of inhabitants in Plymouth, the capital, rose substantially during the decade of 1960-1970, from 1,911 to more than 3,000, as a result of migration from rural areas.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 23 (A/7623/Rev.1), chap. XXIX, para. 9; ibid., 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.

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 on 2 December 1971, for the year ending 31 December 1970.

c/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/3023/Rev.1), vol. IV, chap. XVIII; ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.E.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

5. The constitutional arrangements as described in the report of the Special Committee to the General Assembly at its twenty-fifth session have remained fundamentally unchanged. d/ Briefly, the present Constitution, which was introduced in 1960, provides for an Administrator (a designation changed by a constitutional amendment to that of Governor on 3 November 1971) as the chief administrative officer of the Territory, an Executive Council and a Legislative Council. The Executive Council is responsible for the general control and direction of the Government. It is presided over by the Governor and consists of two ex officio members, the Principal Law Officer and the Financial Secretary, and four unofficial members, the Chief Minister, two other Ministers and a member without portfolio, who, under a constitutional amendment made on 25 May 1971, can be designated Minister on the direction of the Governor. The latter appoints as Chief Minister the member of the Legislative Council who, in his judgement, is most likely to command a majority. The other unofficial members are appointed on the advice of the Chief Minister. Ministers are 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 Legislative Council consists of the Governor as President, 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. There is a Deputy President elected from among the members of the Council.

New Government and its basic objectives

6. In the last general election, held on 15 December 1970, the Progressive Democratic Party (PDP) gained a complete victory over the Montserrat Labour Party (MLP), which had been in power for over 15 years. After his party had won all seven elective seats in the Legislative Council, Mr. P. Austin Bramble, the leader of the PDP, was appointed Chief Minister. The election results reportedly reflected the dissatisfaction of the electorate with the leadership of the MLP.

7. On 2 July 1971, the Queen appointed Mr. W. H. Thompson, a former Commissioner in Anguilla, as the Administrator of Montserrat. As noted in paragraph 5 above, this title was changed to that of Governor on 3 November.

8. In a welcome address delivered to Mr. Thompson after his arrival in Montserrat, Chief Minister Bramble stressed the need for the United Kingdom Government, through its representative in the Territory, to account directly to the local people "for the decisions which it often imposes". Mr. Bramble said that the officials in the United Kingdom who were controlling the affairs of Montserrat should also 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

d/ Ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XVIII, annex I.E, paras. 6-9.

use the island's limited resources to the fullest. He also considered Montserrat to be the "most stable, quiet and secure" of the Caribbean Territories. Replying, Mr. Thompson pledged to work at his best for the further development of Montserrat. He stated that although he was the Queen's representative, he considered himself to be the servant of the people of the Territory.

Future status of the Territory

9. At a news conference, held in September 1971, Chief Minister Bramble said that "the time is always ripe for reviewing a constitution". By a review, he meant an examination "to ensure that the Constitution applying at the time is as good as is necessary and desirable". But he added that this examination would not include "any thought whatsoever of taking on the status of former British colonies in the Windward and Leeward Islands", because he saw no merit in statehood in association with the United Kingdom. The former Government of Montserrat had made the same decision on this matter following negotiations with the United Kingdom Government in 1966.

10. In a letter published in October by The Montserrat Mirror, the Territory's only newspaper, the Chief Minister stated that the powers of intervention and disallowance which the United Kingdom held offered a "safeguard for our people against abuse of power by Government and people". He further stated that in his view, Montserrat's present status had advantages over associated statehood since the United Kingdom had legal responsibilities "for us over and above any general moral obligations to her former colonies". In an interview held at about the same time, the Chief Minister was reported to have said that there was unlikely to be any change in the Territory's constitutional status in the foreseeable future.

3. ECONOMIC CONDITIONS

General

11. The Territory's economy has continued to grow very rapidly, as indicated by the official estimates of the gross domestic product, which increased substantially from \$EC 5.6 million ^{e/} in 1965 to \$EC 11.5 million in 1970, or by more than 100 per cent. During this period, the contributions of tourism and construction rose more sharply (from \$EC 1.8 million to \$EC 3.7 million) than government shares (from \$EC 1.4 million to \$EC 2.3 million); agriculture (from \$EC 1.4 million to \$EC 1.8 million); and retail distribution (from \$EC 756,000 to \$EC 1.8 million). Other segments of the economy, including manufacturing and transportation, also made encouraging progress, but their respective contribution was small. As noted

^{e/} One East Caribbean dollar (\$EC) equals \$US 0.50. For national income statistics for the years 1965-1969, see ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.E, para. 21.

above, there has been a negligible increase in the total population of the Territory. Therefore, per capita money income more than doubled in the same period. It is estimated that prices rose about 4 to 5 per cent a year, but this did not prevent a considerable increase in per capita real income. Although statistics on the distribution of national income among consuming units are not available, the Chief Minister pointed out in a recent statement that the incomes of most of the local people were still inadequate. At the end of October 1971, he made a visit to London, the main purpose of which was reportedly to discuss with the United Kingdom Government ways and means of promoting the further economic advancement of the population, particularly through agricultural and infrastructural improvements.

12. As previously noted, f/ 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. Imports were valued at \$EC 5.8 million in 1968, but figures for 1969 and 1970 are not yet available. Exports decreased from \$EC 117,891 in 1968 to \$EC 100,010 in 1969 and then rose to \$EC 231,303 in 1970. Most the the Territory's trade was conducted with the United Kingdom, the United States of America and other countries and Territories in the Caribbean area.

Land, real estate development and tourism

13. 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.

14. Under its land policy, the Government is not prepared to alienate good agricultural land for real estate development. All non-Montserratians are obliged to obtain a licence from the Government before obtaining any interest in land in the Territory. Between 1965 and 1970, they purchased some 2,000 acres for real estate development, dividing it into lots to satisfy the type of tourist who prefers Montserrat - those wishing to live retired on the island. Nearly 3,000 lots were sold to people from Canada, the United Kingdom and the United States. In 1970, the Government was actively engaged in the subdivision of lands in three development areas, and made over 400 residential plots available for sale to the public. The number of houses (excluding government quarters and non-residential buildings) built in seven other development areas increased from 257 in 1969 to 278 in 1970. Many owners of luxury homes (price ranging from \$EC 30,000 to \$EC 175,000) live in them only a few months and spend the rest of their time overseas. The owners rent out their homes for as much as \$EC 800 a month to tourists visiting the Territory, and collect their tax-free rentals usually in advance. Some are critical of this type of tourism, claiming that too much of the land is being sold to non-Montserratians who contribute little to the economic well-being of the local people. Under the existing taxation system, income tax rates are low (20 per cent is the maximum both for corporations and individuals) and a property tax of 0.75 per cent is based on the market value of the property. Furthermore, there are no estate duties or capital gains taxes.

f/ Ibid., paras. 27, 28, 45 and 46

15. In 1971, Montserrat had only 80 rooms at four small hotels. Plans have been made for a 200-unit condominium complex. Although the Government has not been encouraging the construction of luxury hotels, real estate development and tourism have been playing a leading role in the economic life of the Territory (see para. 11 above).

Agriculture, livestock and forestry

16. In 1967, 2,272 acres of the Territory's agricultural land were devoted to field crops, 3,195 acres to pasture, 300 acres to tree crops and 11,492 were unused. Since then, there has been no significant change in the utilization of agricultural land. Estate cultivation is now almost non-existent and most agriculture is in the hands of peasant farmers. According to an estimate, these farmers rent some 10,500 acres from owners for various uses.

17. Soil is rich, the water supply is generally good and the climate is ideal for the cultivation of almost any tropical crop. The principal exports in 1970 were: cotton lint, \$EC 192,956; tomatoes, \$EC 14,240; other vegetables (including carrots and peppers), \$EC 10,718; and mangoes, \$EC 12,546. Although cotton, the peasant farmer's main source of income, dominated the export sector of the economy, its production continued to decline owing to a variety of economic, agronomic and climatic factors. Between 1968/69 and 1970/71, this crop decreased from a total of 113,063 pounds, to 22,292 pounds.

18. The Government is aware that among the principal factors which have hampered agricultural development are: (a) the fragmentation which the existing land tenure system perpetuates (52 per cent of the holdings of peasant farmers being less than one acre); (b) the recent purchase, mainly by real estate developers, of arable lands; (c) unfavourable weather conditions, over-cropping and resulting erosion over a number of years; and (d) deficiencies in credit and marketing facilities. Efforts have been made to diversify and increase agricultural production and also to expand markets abroad for the Territory's produce.

19. Following a survey in 1970, a land settlement expert from the United Kingdom recommended the re-allocation of Crown land so as to provide small farmers with fully viable holdings and to decrease the number of part-time farmers who were being employed by the tourist industry. On the basis of this recommendation, the Government in late 1971 announced a plan for the establishment of a land settlement programme managed on behalf of the Government by a statutory body. This body would operate commercially with the objective of making profits from the development of land for non-agricultural purposes. These profits would then be turned back into agriculture. The Government also planned to set up another statutory body, the Development Finance and Marketing Corporation, with financial and technical assistance from the Caribbean Development Bank. This Corporation would provide credit facilities on more favourable terms than were available previously and would also be responsible for the marketing (including processing and packaging) of produce both in the Territory and outside.

20. During 1970, the estimated livestock population was: cattle, 10,000; sheep and goats, 7,000; pigs, 4,000; and poultry, 18,900. There has been a considerable increase in poultry production and the Territory is now self-supporting in eggs. The total catch of fish for 1970 was 106,576 pounds, compared with 186,722 pounds in 1969. Local fishermen have received training from the United Nations Development Programme and the Food and Agricultural Organization through the UNDP/FAO Caribbean Fisheries Development Project, and have been provided with assistance under a scheme financed by the Freedom from Hunger Campaign and the Colonial Development and Welfare Fund. Fishing has been confined to off-shore operations with small boats.

21. In 1970, there was no change in forestry conditions.

Industry

22. The Government is promoting the development of light industry. Manufacturing is characterized by the predominance of small-scale production, mainly by private concerns. Industrial enterprises include cotton ginning, lime juice processing, rum and liqueur distilling, the bottling of aerated waters, tire recapping, watch and clock assembling and the making of building materials for local consumption. The growth of these industries is chiefly associated with the expansion of tourism and construction.

Banking

23. As in the past, there were three banks in the Territory during 1970: Barclays Bank, D.C.O., 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 between 1969 and 1970, their deposits increased from \$EC 9.4 million to \$EC 11.1 million while loans rose from \$EC 5.0 million to \$EC 5.8 million. They will soon be joined by another bank, the Chase Manhattan Bank of New York, whose premises were under construction in Plymouth during late 1971.

Communications and other basic facilities

24. There are about 150 miles of roads open for traffic, of which some 90 miles are all-weather roads. Licensed vehicles numbered 901 in 1969 and 1,031 in 1970. Blackburne Airport, nine miles from Plymouth, has a 3,400 foot surfaced runway and a modern air terminal building. Leeward Islands Air Transport (LIAT) maintains 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 1970, there were 1,645 aircraft landings (2,060 in 1969); 14,912 arrivals (12,503 in 1969) and 13,414 departures (12,238 in 1969).

25. Plymouth is the only port: in 1970 304 steamers entered and cleared there, landing 27,704 tons of cargo and loading 370 tons. The corresponding figures for 1969 were 445 steamers, 23,199 tons and 301 tons. During 1970, consulting engineers

from the United Kingdom completed a survey of a deep-water harbour, marina and improved warehousing for Plymouth. An application was submitted to the Caribbean Development Bank for consideration of the financing of this project, the first stage of which was estimated to cost \$EC 1.7 million.

26. The total number of telephones installed by Cable and Wireless (West Indies) Ltd. in the Territory increased from 825 in 1969 to 860 in 1970. The company also provides international telephones, telegraph and telex services.

27. An island-wide electricity expansion scheme costing \$EC 1.27 million has been completed. The electricity undertaking is now operated by Montserrat Electricity Supplies, a company jointly owned by the Government and the Commonwealth Development Corporation. The Government of Canada has made a grant of \$EC 3.6 million for the improvement of the Territory's water supply system.

Public finance

28. In 1970, total recurrent revenue of the Territory amounted to \$EC 4.05 million (including a United Kingdom grant-in-aid of \$EC 1 million) and expenditure to \$EC 3.9 million, compared with \$EC 3.9 million (including a United Kingdom grant-in-aid of \$EC 720,000) and \$EC 3.7 million respectively in 1969. The principal items of local revenue are direct and indirect taxes which, in 1970, were \$EC 2 million. Of the total recurrent expenditure for the same year, social services accounted for \$EC 1.1 million, communications and works for \$EC 730,000 and agriculture and lands for \$EC 230,000. During the period 1969/70, capital revenue increased from \$EC 720,000 (an amount contributed by the Colonial Development and Welfare Fund) to \$EC 1.9 million (including a Colonial Development and Welfare grant of \$EC 1.5 million), and capital expenditure from \$EC 790,000 to \$EC 1.8 million. Of the latter sum, \$EC 980,000 was devoted to communications and works and \$EC 130,000 to agriculture and lands. The budgetary figures for the period under review indicate the continuation of a general uptrend in recent years, especially since 1967.

29. In 1970/71, the United Kingdom Government made available to the Territory funds totalling \$EC 2.02 million for the financing of certain economic and educational projects. These projects included: (a) the construction of roads that would provide means of communications with rural areas and tourist resorts; (b) the further expansion of facilities at Blackburne Airport; (c) the provision of vehicles and buildings for the marketing of agricultural produce; and (d) the erection of a new technical college and a new junior secondary school. The United Kingdom Government also provided the Territory with technical assistance for the further development of agriculture and the improvement of the harbour facilities and the water supply system. For the period 1969-1972, the Governing Council of the United Nations Development Programme (UNDP) has approved as a target for assistance to the Territory the equivalent of \$US 35,000 annually.

4. SOCIAL CONDITIONS

Labour

30. According to the administering Power, there has been no significant change in labour and employment conditions since 1969. The recent rapid expansion of the economy has been accompanied by a large volume of employment (5,251 in 1969). The widening of economic opportunity, notably in Plymouth, has encouraged people to move there from villages rather than to emigrate for work abroad as was the case in the early 1960s. Agriculture (including part-time workers) has maintained its dominant position as an employer of labour. The various industries (including construction, engineering, manufacturing and transport and communications), the second largest employer of labour, have absorbed relatively more workers than retail distribution and services. Government undertakings have employed only a small proportion (about 7 to 10 per cent) of the gainfully occupied. Workers in government employ receive the same earnings as those in the private sector. The trade union movement has been at an early stage of development; three unions have been registered with a small membership of about 440. As noted above, the United Kingdom was financing the construction of a new technical college, which was expected to be opened in September 1972.

Public health

31. Governmental activities in respect of public health and sanitation are the responsibility of the Senior Medical Officer, who is assisted by two district medical officers, one surgeon specialist and one dentist. There are also some private medical practitioners. The Territory is served by a general hospital (60 beds), three health centres and eight dispensaries in the country districts and an infirmary (35 beds). In statements to the United Kingdom House of Commons in July and December 1971, Mr. Richard Wood, Minister for Overseas Development, said that the Government of Montserrat would be provided with assistance for the construction of a new hospital (with 69 beds), on which work was expected to start in late 1972.

32. In 1970, the birth-rate was 24.55 per thousand (18.7 per thousand in 1969) and the death-rate 9.48 per thousand (9.43 per thousand in 1969). During this period, government expenditure on medical and health services increased from \$EC 132,749 (including \$EC 8,364 from Colonial Development and Welfare funds) to \$EC 164,081 (including \$EC 18,917 from Colonial Development and Welfare funds).

5. EDUCATIONAL CONDITIONS

33. Primary education is free for all children between the ages of 5 and 15 years. During the period 1969/70, there were 13 government schools, one aided school, one unaided school and two private schools. The total enrolment of these schools increased from 2,542 to 2,641. During the same period, the number of students enrolled in the government secondary school rose from 218 to 222. In 1970, the

commercial school, which provided a free two-year course with emphasis on typewriting, shorthand and bookkeeping, had 14 pupils; the corresponding figure for 1969 is not available.

34. In 1970, the primary schools were served by 120 teachers (an increase of seven over the previous year), of whom 50 were well qualified. Statistics of teachers employed in the other schools are not yet available. No teacher-training facilities exist in Montserrat, but students from the Territory receive training at two institutions in Antigua and Barbados respectively, where six Montserratians were studying in 1970.

35. Measures were being taken further to expand the educational system through the construction of: (a) a 15-classroom primary school in Plymouth provided by the Canadian Government; (b) a junior secondary school at Salem, constructed with grants from the United Kingdom Government, to serve all the north of the Territory; (c) a \$EC 134,000 extra-mural centre, jointly financed by the Governments of Canada and Montserrat as well as by the Ford Foundation of the United States; and (d) a technical college to be built in Plymouth at a cost of \$EC 404,000, with funds from the United Kingdom Government. A British technical education expert was appointed the first principal of this college which was expected to begin offering basic trade training as well as commercial, engineering and non-technical courses in September 1972. Plans were also made for the establishment of junior secondary schools in Plymouth and Harris.

36. Recurrent expenditure on primary education in 1970 was \$EC 262,771, and that on secondary education was \$EC 91,179, compared with \$EC 307,000 and \$EC 96,521 in 1969. Capital expenditure in 1970 amounted to \$EC 45,230, compared with \$EC 124,333 in 1969.

F. TURKS AND CAICOS ISLANDS*

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* Previously issued under the symbol A/AC.109/L.779.

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-sixth sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1971 in regard to the Territory and subsequently approved by the General Assembly at its twenty-sixth session, and the text of General Assembly resolution 2896 (XXVI) of 20 December 1971, which concerned 17 Territories, including the Turks and Caicos Islands, have been made available to the Committee.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 23 (A/7623/Rev.1), chap. XXVII, para. 9; ibid., 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. XXIV, para. 10.

B. INFORMATION ON THE TERRITORY^{b/}

3. Basic information on the Territory is contained in the Special Committee's report to the General Assembly at its twenty-sixth session. c/ Supplementary information is set out below.

1. GENERAL

Population

4. At the 1960 census, the total population of the Territory was 5,668, of whom 5,316 were of African descent, the remainder being of mixed or European origin. The seat of government is located at Grand Turk, which in 1960 had a population of 2,180. Since then, 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 estimated total population of the Territory in 1970 was 5,680 with an additional 6,000 to 8,000 living overseas, mainly in the Bahamas.

Future development of the Territory

5. As previously noted, the Administrator and representatives of the Government⁺ of the Turks and Caicos Islands visited London in November 1969 to discuss with the then Minister of State, Lord Shepherd, and other officials of the United Kingdom Foreign and Commonwealth Office certain issues which had arisen over proposals for economic and tourist development in the Territory. In consequence of this visit, the United Kingdom Government appointed a working team headed by Sir Derek Jakeway, former Governor of Fiji, to inquire into the Territory's potential for future development. In preparation for the team's work, Transport and Tourism Technicians, Ltd. (TTT), a commercial firm, was also commissioned by the Ministry of Overseas Development to examine and report on the development potential of the Territory. The summary report of TTT was made available to the team towards the end of February 1970. The report of the working team, known as the Jakeway report, was published in March 1970.

^{b/} The information contained in this section has been derived from published sources and information transmitted to the Secretary-General by the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter on 23 July 1971 for the year ending 31 December 1970.

^{c/} Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1) chap. XXIV, annex I.F.

6. The team's recommendations were accepted in principle by both the United Kingdom Government and the State Council of the Territory. These recommendations are summarized in succeeding sections of the present paper under the different headings to which they refer.

7. In the introduction to its report, the team stated that it had met representatives of the Government of the Turks and Caicos Islands and held well-attended meetings with the islanders. The team further stated that it generally concurred with TTT's findings. The two groups both reached the conclusion that the future development of the Territory would have to be based on tourism and real estate activities.

8. During the 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". He added that he was "surprised that there had been any doubt in anyone's mind about the British Government's intention to go ahead with tourist and real property development in the Islands".

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

9. There has been no change in the constitutional arrangements set out in the Turks and Caicos Islands (Constitution) Order, 1969, details of which are contained in the report of the Special Committee to the General Assembly at its twenty-fifth session. d/ Briefly, the Government's structure consists of a Governor, an Administrator and a State Council. Responsibility for the administration of the Territory continues to be exercised by the Governor of the Bahama Islands. He is appointed by the Queen and resides at Nassau, the capital of the Bahama Islands. When in the Turks and Caicos Islands, he may perform any of the functions conferred on the Administrator, the chief administrative officer of the Territory, with headquarters at Grand Turk. The State Council, which replaced the Executive Council and the Legislative Assembly, combines the functions of both. The State Council consists of a Speaker, three official members, two or three nominated members and nine elected members. The Administrator, who is appointed by 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 Administrator must consult with the State Council in the formulation of policy and the exercise of functions conferred upon him, but he is empowered to act otherwise than in accordance with its advice at his discretion.

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

10. Provision is made for the establishment of committees of the State Council. The Administrator has the right to charge a committee 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. He 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 to the Government of the Territory or of balancing its annual budget or otherwise.

11. At the end of October 1970, several members of the State Council were reported to have expressed dissatisfaction with the executive functions conferred on the Administrator by the present Constitution. At the end of April 1971, it was announced that Mr. A. G. Mitchell would succeed Mr. R. E. Wainwright (who would soon retire) as the Administrator of the Territory.

Electoral system

12. The nine elected members of the State Council are elected on a constituency basis, by universal adult suffrage, for a period of not more than five years. The Administrator, acting in his discretion but with the prior approval of the Governor, may appoint an earlier time for a general election of members of the Council. The last election was held on 2 September 1967. Thus far, party government has not been developed in the Territory.

13. In its report, the Jakeway team drew attention to the general acceptance of the fact that large-scale tourist and property development would involve the entry of thousands of foreigners, both as visitors and as residents, likely in time to outnumber the Turks and Caicos Islanders themselves. In the view of the team, this would not present any serious problem provided that voting rights were not granted to foreigners until residence had been established for a long period of time, say 10 years. The team proposed a constitutional amendment whereby no British subject other than a "belonger" (i.e., a person naturalized or born in the Turks and Caicos Islands or of island parentage) would be eligible for election to the State Council or qualified to vote until after 10 years' residence. The proposed amendment would have the effect of raising the residential qualifications required of "non-belongers" for membership in the Council by three years and those for their registration as voters by nine years.

Immigration

14. The Jakeway team stated in its report that at present there were no signs of racial tension in the Territory, but doubted very much whether this situation would continue if there were a rapid, uncontrolled influx of foreigners, particularly if they took all the better-paid jobs. Believing that immigration would have to be carefully yet judiciously controlled, the team noted that a new immigration ordinance was being drafted, providing for the issuance of permits to reside or to engage in gainful employment.

Military bases

15. The United States maintains a guided missile base and a naval facility on Grand Turk. There is also a United States Coast Guard Station on South Caicos. As noted previously, e/ the two military establishments employed about 80 islanders in 1970. An important development, also noted by the Special Committee in its previous report, was a review of the agreement between the United Kingdom and the United States of America concerning the Turks and Caicos Islands, undertaken since 1967 by representatives of the two countries. There is no information about the result of this review.

3. ECONOMIC CONDITIONS

General

16. Owing to the limited cultivable area and the meagreness of natural resources, the Territory imports most of its food supply and other goods. The agricultural potential is small because of the general poverty of the soil, the uncertain rainfall and the risk of hurricane damage. Subsistence farming is the main form of crop cultivation. Beans, corn and other food crops are grown mainly on North Caicos. Livestock is limited to cattle, pigs and poultry. There is little useful timber. The Jakeway team stated in its report that any major expansion of agricultural output would be a relatively long-term operation, and would depend on a combination of water made available at reasonable cost, the level of demand, and the ability to supply the markets expected to emerge with products of acceptable quality on a reasonably regular basis.

17. There is a very limited tradition of handicrafts and practically no processing. Given the smallness of the domestic market in the foreseeable future, even allowing for an increased rate of development, the Jakeway team considered that there would be limited scope for expanding the processing of imported raw materials. However, it envisaged the possibility of developing certain industries such as baking, soft drinks, ice cream, tailoring, dressmaking, building materials and handicrafts.

18. For many years, the salt industry was the main source of export earnings and employment. However, under the impact of declining markets and rising costs, the operations on Grand Turk and South Caicos were closed down at the end of 1964. Operations continue on a reduced scale on Salt Cay. In 1970, the value of salt exported amounted to \$J 8,721. f/ The proportion of the available labour force engaged in salt production has been declining sharply.

19. At present, the fishing industry dominates the export sector of the economy, the most important product being crayfish, followed by dried conch meat and

e/ Ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIV, annex I.F, paras. 14-16.

f/ Two Jamaican dollars equal one pound sterling or \$US 2.63.

scale-fish. At the end of 1970, there were three crayfish processing plants with exports totalling \$J 152,495. The Jakeway team agreed with the view expressed by the Fisheries Officer that with the right type of organization, the crayfish industry could be expanded without the risk of overfishing, that conch might be developed as a local delicacy, and that scale-fishing could meet the demand of a greatly enlarged local market.

20. 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 Air Force and Navy stationed in the Territory and remittances from emigrants. In 1969, the last year for which figures are available, it was estimated that imports would amount to \$J 1.2 million and exports to \$J 187,000. According to reports, the cost of living has continued to rise because of higher prices of imported goods.

21. In 1970, estimated government revenue and expenditure totalled, respectively, \$J 1.1 million (including a United Kingdom grant-in-aid of \$J 596,000) and \$J 1.2 million. The major portion of territorial revenue comes from customs duty which were estimated at \$J 250,500 during the year. In addition, the United Kingdom Government provided the Territory with development aid totalling \$J 227,176. Complete budgetary figures are not yet available for 1971. According to a statement recently made by the Government, customs duties for that year were expected to be \$J 45,000 down from the estimate of \$J 401,000.

22. The Jakeway team made a number of recommendations concerning the development of tourism and property, planning for economic development, the expansion and improvement of the communications system and other basic facilities and the establishment of the Territory as a tax haven. These recommendations and other relevant information are summarized below.

Tourism and real estate development

23. As noted in paragraph 7 above, the Jakeway team concluded in its report that the future development of the Territory would have to be based on tourism and real estate activities. The team noted that the territorial Government had already entered into agreements with private enterprises (mostly owned by foreign interests) for the development of 11,670 acres of Crown land. It further noted that agreements were being negotiated or in suspense, pending the outcome of the team's report, for 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.

24. The Jakeway team stated that it had confined its assessment of a feasible pace of build-up to the period 1970-1975. At the end of this period, it envisaged that there would be 15,000 tourist arrivals annually (compared with a negligible number in 1970), an additional 570 hotel rooms (40 in 1970) and 1,300 new housing units (fewer than 10 in 1970). It believed that development on the scale envisaged would not provide optimum benefits to the people of the

Territory, unless it was conducted under a comprehensive national development policy, incorporating a planned expansion of the infrastructure and social services (education in particular). It also believed that there would be serious disadvantages and dangers in leaving too much to private enterprise. Therefore, it recommended that the territorial Government should be given immediate assistance for setting up a development unit to prepare a comprehensive plan and to conduct outstanding negotiations with developers on more equal terms. The establishment of a development corporation was also recommended, the principal objective being to invest in projects which could be shown to offer a reasonable financial return either alone or alongside private enterprises.

Development planning

25. The team expected that during the period 1970-1975, an accelerated rate of economic growth would strengthen the Territory's financial position. Local revenue would rise from £254,000 to £1,380,000 and current expenditure (excluding new public debt servicing) from £540,000 to £1,340,000. On the other hand, grant-in-aid from the United Kingdom would decrease from £296,000 to £50,000. The team suggested that a capital expenditure of £4.6 million would be required for the implementation of the recommended infrastructure programme for the same period (see para. 31 below). Assuming that development and technical aid (excluding possible contributions to the proposed development corporation) from the United Kingdom would total £1.6 million, the team considered that the balance of the financing could be secured from a combination of loans, land sales and contractual arrangements with developers.

26. In this connexion, it may be noted that on 26 April 1971, Mr. Richard Wood, Minister of Overseas Development, said, in reply to a question in the United Kingdom House of Commons, that an outline development plan for the Territory was being prepared by consultants under United Kingdom technical assistance arrangements. He also said that their advice would have a bearing on the future level of development aid, which was expected to be increased. The report of the consultants is not yet available, but the outline development plan was due to be submitted to the territorial Government in March 1972.

Communications and other basic facilities

27. According to the administering Power, 1970 saw the completion of roads and airstrips in all the inhabited islands of the Territory. Out Islands Airways (OIA) provides a twice daily service round the islands and Mackey International, Inc., provides a twice weekly air service between the Territory and Miami, Florida (United States).

28. The main seaports, at Grand Turk, Salt Cay and Cockburn Harbour, can only take small vessels. Ships call from Jamaica, the Netherlands, the United Kingdom and the United States.

29. In 1970, Cable and Wireless (West Indies), Ltd. made plans to improve communications both internally and externally. A telex service was introduced, and planning started for the installation of an automatic telephone exchange on Grand Turk and a radio telephone link with the inhabited islands.

30. Limited electric power service is provided by the Government on Grand Turk and by a private company on South Caicos. The potable water supply is almost wholly from catchments.

31. With regard to the development of the economic infrastructure, the Jakeway team recommended, inter alia: (a) the connecting of all the isolated lengths of road in the Caicos group; (b) the preparation of future road construction programmes for consideration by the proposed development unit; (c) the construction of one medium-range airport, either on Providenciales or South Caicos, with the other island having an airport to feeder line standard possibly slightly extended to accept larger aircraft; (d) the inauguration of a scheduled air service operating southwards from the Territory; (e) the erection of wharves at Providenciales and South Caicos to accommodate vessels drawing up to 16 feet; (f) the extension of the United States base jetty at Grand Turk to deep water; (g) the authorization of all developers to supply their own power and the linking of these small supply areas on Providenciales and in the Caicos group eventually with central generating stations run by the proposed development corporation; (h) the provision of electric power to the various settlements; and (i) the use of roof and impermeable surface catchments to obtain as much water as possible, augmented from underground sources and desalination plants where necessary.

Establishment of a tax haven

32. The Jakeway team stated in its report that there was no direct taxation (defined as excluding taxes on land or property) in the Turks and Caicos Islands and that no such taxation was contemplated in the foreseeable future. It further stated that, given the introduction of up-to-date company and trust legislation, the Territory was already a potential tax haven. In order to compete more effectively with other tax-free Territories in the Caribbean, the team considered that the Turks and Caicos Government should make a declaration of intent not to introduce direct taxation, coupled with long-term guarantees. In the case of concerns other than trusts, some form of guarantee against taxation should be introduced, provided that it was limited in length to 15 or 20 years. Off-shore trusts should be offered guaranteed exemption from taxation for a maximum period of 50 years dating from a fixed base year.

33. The team noted the following arguments against the setting up of a tax haven in the Territory: (a) off-shore trust business was essentially volatile and subject to fashion; (b) the bulk of the business could move out overnight; and (c) the United Kingdom Government objected to the establishment of yet another tax haven, with all the implications this had, not so much to the loss of tax revenues as to potential leakages from the sterling area. Nevertheless, the team

believed that the Territory could derive certain economic benefits as a tax haven, and that if its people were denied the right now being exercised by other Territories in the Caribbean to create conditions in which they could secure these benefits, some offsetting advantages should be offered to them.

34. Later in 1970, the Government of the Territory enacted the Companies Ordinance; declared that no corporation, personal or withholding taxes would be imposed in the Territory for at least 20 years; and was reportedly negotiating with the United Kingdom Government for the acquisition of tax haven status. In June 1971, the First Federal Trust Company (Turks and Caicos), Ltd., with a paid-up capital of \$J 120,000, was registered under the above-mentioned Ordinance and initiated banking, loan and investment operations.

4. SOCIAL CONDITIONS

Labour

35. As noted in paragraph 4 above, between 6,000 and 8,000 Turks and Caicos islanders have migrated, mainly to the Bahamas, owing to limited job opportunities in the Territory. In its report, the Jakeway team said that development over the next five years on the scale and at the pace envisaged might imply an addition to the existing labour force of nearly 4,000 persons by 1975, of whom 1,500 could be drawn from indigenous sources. Some 650 out of the total of 1,500 might be employed by the construction industry, thus leaving a deficit of perhaps 1,500 in construction and 1,000 in other activities to be filled by immigrants, mostly from Haiti and the Dominican Republic. The team believed that skilled labour would have to be imported for a long time, and that construction workers which form the majority of the immigrant labour, tended to be temporary residents. It also believed that this pattern could change markedly by 1980, when the addition to the current labour force might be something over 12,000. By that time, Turks and Caicos Islanders might be providing roughly one third of the labour force. Bearing in mind the possible substantial expansion of this force over the period 1971-1980, the team stressed the need for the Government to set up an employment agency and labour registry as well as to review current labour legislation.

Public health

36. In 1970, medical facilities comprised one hospital located on Grand Turk with 22 beds, clinics with trained nurses at three settlements and partially trained nurses at most of the others. For a period of five months in 1970 there was no doctor either on Grand Turk or the Caicos Islands as a result of recruiting difficulties. During this period regular visits were made to the Territory by volunteer doctors from elsewhere. The hospital was also severely understaffed for several months with only the matron and two trained nurses on call. The only public health inspector retired, leaving the post vacant. However, in 1971 the Government succeeded in recruiting one doctor for the Territory and efforts are being made to recruit a second. In its report, the Jakeway team stated its convictions that improved medical services would accompany development on the scale envisaged.

37. Government expenditure on medical services in 1970 was estimated at \$J 87,432.

5. EDUCATIONAL CONDITIONS

38. The Board of Education is responsible for the control of the educational system and comprises the Administrator, as chairman, and members appointed by him. Primary education is compulsory and free throughout the Territory for children between the ages of 6 and 14 years. There is virtually no illiteracy. The following table shows the situation in regard to schools and pupil enrolment during 1970:

	<u>Schools</u>	<u>Enrolment</u>	<u>Teachers</u>
Primary education	16 ^{a/}	1,660	85
Secondary education	1 ^{b/}	225	12
Higher education	-	24	-

a/ Including 14 government and 2 independent schools.

b/ Government school.

39. Measures taken in 1970 for improving educational services included the following: (a) the appointment of a full-time education officer on the recommendation of the Jakeway report (see below) thus making it possible to separate his post from that of the headmaster of the government secondary school; (b) the recruitment of a headmaster for a school on South Caicos; (c) the elimination of the shortage of trained teachers in the secondary school; (d) the employment of trained volunteer teachers for five educational projects; (e) the implementation of a teacher-training programme; (f) a considerable increase in the number of students sent abroad for teacher training and technical and higher education, six of them to receive teacher training at San Salvador Training College in the Bahamas, as recommended by the Jakeway team (see below); and (g) the opening of two new public primary schools and formulation of plans for the enlargement of others and of the secondary school.

40. With regard to educational development, the Jakeway team observed in its report that many of the present deficiencies in the educational system arose from necessary financial restrictions. It made the following recommendations on the sole assumption that through the proposed development of the Territory and, possibly, from the developers themselves, more funds would be available for education:

(a) An able and well-qualified education officer should be appointed to provide sound advice on the essential reorganization of the system. This reorganization might take form in the establishment of three junior secondary schools to offer a three-year comprehensive course of education. Those showing distinct academic ability would then proceed to the government secondary school

for a further two-year course leading to the G.C.E. 'O' level examinations. Those who would not benefit from further secondary education would either leave or enter a vocational training centre. As the secondary school would no longer provide the present four-year course, the freed accommodation might then be modified for the development of 'A' level work. With the recent improvement of road communications, the isolated settlement, single-teacher school should be closed and the children transported to larger centres.

(b) To augment the present teacher-training programme, consideration might be given to the short-term appointment of a peripatetic teacher trainer. School leavers wishing to enter the teaching profession but not possessing the necessary 'O' level G.C.E. subjects for entry to more conventional teacher-training colleges might be sent for training to San Salvador Training College in the Bahamas.

(c) A handicraft supervisor should be appointed to encourage and develop this work throughout the schools, so that a system of post-school vocational training could be successfully initiated.

(d) A vocational training centre should be established to provide courses in building trades, electrical installation, motor vehicle repair and maintenance, hotel trade work and commerce. The centre could also provide courses for older unskilled persons wishing to improve their proficiency in certain jobs. The courses at the centre would probably need to be full-time and of two years' duration. The centre would also be responsible for organizing a graded system of local trade testing. To establish the centre, a training supervisor, to be assisted by six or seven instructors, would be required.

(e) Efforts should be made to meet the need for modernization of the existing school buildings and the expansion of other educational facilities.

41. Since the publication of the Jakeway team's report a vocational training adviser has been appointed under United Kingdom technical assistance arrangements and is now in the Territory.

42. Recent figures on educational expenditure are not available.

CHAPTER XXIII*

UNITED STATES VIRGIN ISLANDS

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 841st meeting, on 16 March 1972, the Special Committee, by approving the sixty-fifth report of the Working Group (A/AC.109/L.763), decided, inter alia, to refer the United States Virgin Islands to Sub-Committee III for consideration and report.
2. The Special Committee considered the Territory at its 887th and 889th meetings, on 25 and 28 August respectively.
3. In its consideration of the Territory, the Special Committee took into account the relevant provisions of General Assembly resolution 2878 (XXVI) of 20 December 1971 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By paragraph 10 of that resolution the General 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-seventh session". The Special Committee also took into account other resolutions of the General Assembly, particularly resolutions 2869 (XXVI) of 20 December 1971 concerning 17 Territories, including the United States Virgin Islands, by paragraph 8 of which the General Assembly requested the Special Committee "to continue to give full consideration to this question, including in particular the dispatch of visiting missions to these 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 Special 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 887th meeting, on 25 August, the Chairman of Sub-Committee III, in a statement to the Special Committee (A/AC.109/PV.887), introduced the report of that Sub-Committee (A/AC.109/L.834) containing an account of its consideration of the

* The following chapters also relate to the present chapter: chapters III and IV (A/8723 (Part II)); and chapter VI (A/8723 (Part IV)).

Territory (A/AC.109/SC.4/SR.180-184). Statements were also made by the representatives of Sweden and of the United States of America (A/AC.109/PV.887).

7. At its 889th meeting, on 28 August, the Special Committee adopted the report without objection and endorsed the conclusions and recommendations contained therein (see paragraph 9 below), it being understood that the reservations expressed by the representative of the administering Power and by the representative of Sweden would be reflected in the records of the relevant meetings.

8. On 31 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 889th meeting on 28 August, to which reference is made in paragraph 7 above, is reproduced below:

(1) The Special Committee recalls and reaffirms its conclusions and recommendations concerning the United States Virgin Islands, in particular those adopted at its session in 1971 and approved by the General Assembly at its twenty-sixth session.

(2) 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, which applies fully to the Territory.

(3) Fully aware of the special circumstances of geographical location, economic conditions and other specific factors pertaining to the Territory, the Special Committee reiterates its view that the question of territorial size, limited population and restricted resources should in no way delay the full implementation of the Declaration with respect to the Territory.

(4) The Special Committee regrets that the administering Power has not so far implemented the provisions of the Declaration and other relevant resolutions of the General Assembly with respect to the Territory. The Committee again invites the administering Power to take immediately all measures for the transfer of powers to the people of the Territory.

(5) The Special Committee notes the statement of the representative of the administering Power concerning the adoption of various political measures such as the extension of the suffrage to a greater number of the local inhabitants, the enactment of legislation by the United States Congress providing for a non-voting delegate from the Territory to the United States House of Representatives and the holding of a Constitutional Convention.

(6) The Special Committee was informed that the proposals of the Constitutional Convention were being finalized and would then be put to the Virgin Islands electorate for approval in a general referendum scheduled for 7 November 1972. While hoping that these proposals would help prepare the people

of the Territory for a more active role in its political affairs, it nevertheless expresses its deep concern over the fact that they tend to perpetuate the Territory's association with the United States and that the administering Power has not acquainted the local people with their right to self-determination and independence as provided for in the Declaration. Accordingly, it urges the administering Power not to prejudge and prejudice the future of the Territory.

(7) In view of the present phase in the constitutional development, the Special Committee urges the administering Power to take concrete measures in order to encourage the people of the Territory to begin discussing all alternatives available to them for the realization of their aspirations for the political future of their Territory, with the objective of a full and speedy implementation of the Declaration.

(8) Noting with concern that the information transmitted by the administering Power, particularly as concerns constitutional and political developments, is insufficient, the Special Committee hopes that more detailed information will be provided so as to permit a more comprehensive assessment of the progress towards the full and speedy implementation of the Declaration in the Territory, and that such information will include a description of the work to be performed by the non-voting delegate from the Territory with a view to ensuring effective representation of its people in the United States House of Representatives.

(9) The Special Committee once again stresses the importance it attaches to the dispatch of a visiting mission to the Territory. Noting the statement by the representative of the administering Power that it is the responsibility of the islanders to determine the rate and direction of their political development, and recalling the provisions of the relevant General Assembly resolutions, the Special Committee again urges the administering Power to reconsider its position on this question and follow the example of other administering Powers by permitting the access of a visiting mission to the Territory and by extending its full co-operation and assistance to the mission:

(10) The Special Committee also stresses the importance of inviting representatives of various local groups representing all shades of opinion to participate in the work of the Committee and its sub-committees, taking into account that only through direct contact can the true attitude, aspirations and wishes of the people of the Territory as well as its actual situation be ascertained.

(11) The Special Committee expresses the hope that the Territorial Government will continue to intensify its efforts toward economic diversification and take concrete measures to reduce the Territory's dependence on the economy of the United States as well as to ensure the participation of the people of the Territory in its economic development on an ever-increasing scale.

(12) The Special Committee notes that a policy of limited immigration was instituted in May 1970 in order to cope with serious economic and social problems resulting from the influx of non-resident or non-immigrant aliens into the Territory in recent years. In this respect, it stresses the continuing need to improve labour relations in the Territory.

WORKING PAPER PREPARED BY THE SECRETARIAT

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* Previously issued under the symbol A/AC.109/L.800.

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 report to the General Assembly at its nineteenth and twenty-first to twenty-sixth sessions. a/

2. The text of the conclusions and recommendations adopted by the Special Committee in 1971 concerning this Territory and subsequently approved by the General Assembly at its twenty-sixth session, and the text of General Assembly resolution 2869 (XXVI) of 20 December 1971 concerning 17 Territories, including the United States Virgin Islands, have been made available to the Special Committee.

B. INFORMATION ON THE TERRITORY^{b/}

3. Basic information on the Territory is contained in the Special Committee's report to the General Assembly at its twenty-sixth session. c/ Supplementary information is set out below.

1. GENERAL

4. The United States Virgin Islands, which lie about 40 miles east of Puerto Rico, comprise about 50 islands and small islets, the most important of which are St. Thomas, St. John and St. Croix. The total land area of the three main islands is 132 square miles (341.9 square kilometres).

5. The Territory is in the middle of a population explosion. Unofficial census figures compiled by the United States Government in 1970 revealed a total population at that time of 85,000 of whom 43,000 lived on St. Thomas, 40,000 on St. Croix and 2,000 on St. John. Comparison of these 1970 figures with those of the previous census held in 1960, indicates that the total population had increased by 52,901, or 165 per cent, over the decade.

a/ For the most recent, see Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 23 (A/7623/Rev.1), chap. XXIV, para. 9; *ibid.*, 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.

b/ The information contained in this section has been derived from published reports and from the 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-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIII.

6. Furthermore, according to calculations by the Territorial Government, the 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 must be set on their future growth, with particular emphasis on the control of immigration and economic expansion.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

7. The basis of the Territory's administrative, legislative, and judicial system is the Revised Organic Act of 1954, which has since been modified by several enactments of the United States Congress. The most recent legislation, approved in October 1970, permitted the Legislature of the Territory to lower its minimal voting age, after approval by the majority of the Virgin Islands' electorate in a general referendum (see para. 13 below).

8. As previously noted, d/ the Legislature in early 1971 passed a bill calling for a constitutional convention to meet in September 1971 for the purpose of amending and renaming the Revised Organic Act of 1954 (the proposed new title is the Virgin Islands Federal Relations Act). The Convention began its work on 7 September 1971 and was still meeting during early 1972, having already approved a series of constitutional proposals (see paras. 15-22 below). For ease of reference, the main features of the present constitutional arrangements are outlined below. e/

Administration

9. The executive power of the Territorial Government is vested in a Governor. There is also a Lieutenant Governor who serves as Acting Governor in the absence of the Governor. Both are elected for a period of four years by a majority of the votes cast by the people who are qualified to vote for the members of the Legislature. The Governor and the Lieutenant Governor are chosen jointly by a single vote applicable to both officers. 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 (PRVI) and the Independent Citizens Movement (ICM). As no candidate received a majority of the votes cast, a run-off election took place on 17 November. As a result of this, Messrs. Melvin H. Evans and David G. Maas were elected Governor and Lieutenant Governor respectively, both running on the Republican ticket. 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.

d/ Ibid., para. 11.

e/ For further details, see ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, annex I.G, paras. 6-24.

10. The Governor is responsible for the administration of all activities of the executive branch, the appointment and removal of all officers and employees of this 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 unincorporated Territory of the United States). The Governor may recommend bills to the Legislature and veto any legislation as provided in the amended Act. He submits an annual report to the United States Secretary of the Interior on the state of the Territory for transmission to the Congress.

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

Legislature

12. There is a unicameral Legislature consisting of 15 senators elected by universal adult suffrage for a two-year term: 5 from St. Croix, 5 from St. Thomas, 1 from St. John, and 4 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 or over and a resident of the Territory for at least three years. Each bill passed by the Legislature must be signed by the Governor before it becomes law. A two-thirds vote of the Legislature is necessary to override the Governor's veto. In this event, the Governor must approve the bill or submit it to the President of the United States for final action.

13. The three political parties of the Territory all contested the last general election held on 3 November 1970, the results of which are set out in paragraph 23 below. At the same election, a referendum was conducted, resulting in the lowering of the voting age from 21 to 18. A bill to enfranchise the 18-year-olds was passed by the Legislature on 14 May 1971 and was signed by the Governor 14 days later.

Judiciary

14. The Judiciary consists of a district court and a municipal court. The judge of the district court of the Virgin Islands and the United States district attorney are appointed by the President of the United States. 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.

Constitutional Convention

15. As noted above, a constitutional convention, which held its first meeting in September 1971, was called for the purpose of amending and renaming the Revised Organic Act of 1954. It was authorized to draft and approve a constitution for

the Territory (including a bill of rights) and a Federal Relations Act. The latter would take the place of the Revised Organic Act. Of the 33 delegates sent to the Convention, 15 were members of the Legislature and the others were equally divided among the three political parties with the territorial committee of each party choosing its own delegates. The Convention established seven special committees dealing respectively with executive powers and functions; legislative powers; local government; judiciary; bill of rights, social and economic rights; taxation, finance and federal relations; and drafting, submission and information. In formulating their proposals for submission to the Convention, the various committees conducted a number of public hearings. The Convention itself met intermittently between September 1971 and April 1972 and decided to recess until 31 July when it could vote on the final draft of the proposed Constitution and Federal Relations Act. A referendum on whether or not to accept the proposals put forward by the Convention will be held on 7 November at the time of a new general election for the Legislature. Following approval by the Virgin Islanders, the proposed Constitution and Federal Relations Act will be submitted to the Congress and the President of the United States.

16. A summary of those proposals already endorsed by the Convention follows.

17. The draft Constitution would be entitled "Constitution of the United States Virgin Islands". The Convention made this recommendation after it had rejected the proposed terms "the associated Territory" or "the Commonwealth" of the Virgin Islands of the United States, mainly on the ground that the use of a new terminology would not make a real change in the relationship between the Virgin Islands and the United States, and did not carry with it any particular benefits.

18. Under this Constitution, the Virgin Islands would be known as "the Territory of Virgin Islands". A republican form of government would be established, consisting of executive, legislative and judicial branches subject to the sovereignty of the people, with political authority extending to all the domain acquired by the United States from Denmark according to the Treaty of 1916. The capital and seat of Government would continue to be located at Charlotte Amalie on St. Thomas.

19. In the elections for Governor, the winning candidate must receive at least 40 per cent of the valid votes cast instead of the current 50 per cent plus one. A run-off election would be held within two weeks, if necessary. Provision would be made for the recall of the Governor and the Lieutenant Governor by means of a referendum. The Governor would be given power to veto legislation within 10 days of passage but would have no power to reduce appropriation items. If supported by a two-thirds majority, the Legislature would have the right to override a veto, but it would not be permitted to repass vetoed appropriation items. In calling special sessions, the Governor would be required to give 10 days' notice, except in cases of emergency. 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. Upon receipt of this report, the Legislature would immediately act to re-evaluate agencies and boards of the Government.

20. A Comptroller, responsible to the Government of the Virgin Islands alone, would be appointed for a five-year term by the Governor with the advice and consent of two-thirds of the Legislature. An auditing team from the Territory's General Services Administration would take over the present federally appointed Comptroller's duty to audit and oversee the use of federal funds.

21. The unicameral Legislature would be maintained, and would consist of 15 senators elected for four-year terms beginning in 1976. To be eligible for membership in the Legislature, a person must be a citizen of the United States, aged 21 or over, in addition to fulfilling the required residential qualification. A survey of electoral districts would be undertaken every 10 years, beginning in 1980, with the implication that a reapportionment of these districts would follow each survey. Legislative elections would not be in the same year as gubernatorial elections. Provision would be made for the Legislature to set up absentee voting procedures.

22. The proposed Constitution would provide for the establishment of a Territorial Superior Court. It would contain provisions regarding impeachment of members of the executive, legislative, and judicial branches of the Territorial Government, 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 of 1954 as amended, 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 Supreme Court decisions.

Political parties and elections

23. The state of the parties in the Legislature following the 1970 general election is (1968 figures in brackets): the DPVI, 6 (15); the PRPVI, 3 (0); and the ICM, 6 (0). The DPVI is the largest party, followed by the PRPVI and the ICM. On 30 November 1971, there were 18,790 eligible voters on the rolls at the Board of Elections headquarters. It was reported on 17 February 1972 that another 108 voters had been registered, bringing the total to 18,898. Of these, members of the DPVI accounted for 13,328; those of the PRPVI for 1,708; those of ICM for 1,483; and registered voters without party affiliation numbered 2,349. Campaigns to win the next legislative election scheduled for 7 November had just begun. According to Mrs. Henrita Todman, Supervisor of Elections, registrations had been lower than anticipated but might be increased when campaign activities generated more enthusiasm.

New legislation

24. During a visit to the Territory from 9 to 18 April 1971, the Sub-Committee on Territorial and Insular Affairs of the Committee on Interior and Insular Affairs of the United States House of Representatives conferred with various local leaders and numerous individual citizens. At a meeting held on 13 April, members of the Legislature drew the Sub-Committee's attention to certain important questions, among which were the question of granting the Virgin Islander the right to vote in the election for the President of the United States and the question of sending a non-voting delegate from the Territory to the United States Congress. At present, Mr. Ronald de Lugo serves as a representative of the Virgin Islands in Washington, D.C. He was re-elected to the post in the 1970 general election. His function is to work to bring about an understanding of local affairs in the United States. A bill to permit the Virgin Islands to send a non-voting delegate to the Congress of the United States was passed by the United States House of Representatives on 18 January 1972 and by the Senate on 28 March.

25. On 6 March, the House of Representatives passed another bill permitting the Legislature of the Virgin Islands to set a minimum age for its members. In early May, however, the Senate passed a somewhat different bill according to which the minimum age would be reduced from 25 to 21. The Senate was reported to have felt that the House version would have the effect of automatically lowering the minimum age to 18, the age of a qualified voter, until such time as the Legislature decided to set a new minimum. The Senate version was expected to be sent to the House of Representatives for consideration.

26. Thus far, the Senate has not acted upon a third bill passed by the House on 1 November 1971. According to the bill, a 450-man National Guard Unit would be established in the Virgin Islands, and it would be under the direct control of the Governor.

27. On 7 May, the Legislature of the Territory passed a bill which would provide for seven seats each for the districts of St. Croix and St. Thomas-St. John and one at-large seat for a resident of St. John. If the Governor signs the bill, the reapportionment formula contained therein will be used in the forthcoming legislative election.

Military activities

28. The male population of the United States Virgin Islands continued to be subject to the Military Selective Service Act of 1967 during the period under review. f/ The total draft registration in the two local boards increased from 11,597 in 1969/1970 to 12,594 in 1970/1971. In the same period, the induction quota allocated to the Territory decreased from 97 to 58 and the total number of inductions from 87 to 63. On 1 January 1970, a new system of selecting men for the military service was established. Under this system, a national lottery was held on 1 July for men born in 1951, to set forth the order of induction of this age group commencing the following January. On 28 September 1971, the United States Congress passed a revised Selective Service Law, depending more wholly on a true lottery system by eliminating occupational and student deferments and by seeking to initiate an all voluntary armed force.

29. As previously noted, g/ the United States Government transferred its former naval base on St. Thomas to the Territorial Government in early 1967, but retained the right to reoccupy the facilities at the base. During early 1972, five naval vessels owned respectively by the Governments of Canada, the Federal Republic of Germany, the Netherlands, the United Kingdom and the United States called on St. Thomas. These vessels constituted a North Atlantic Treaty Organization (NATO) task force and conducted exercises in the Caribbean and South Atlantic.

f/ For information concerning the application of the 1967 Act in the Territory during previous years, see ibid., para. 36; ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXIII, paras. 24-25.

g/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, para. 34.

3. ECONOMIC CONDITIONS

General

30. The Territory's economy was once based mainly on the production of sugar. During the late 1950s, however, the Territorial Government embarked upon a programme of economic development which led to a significant growth and diversification of the economy. The period from 1960 to 1970 saw a spectacular expansion of tourism as well as a marked growth of other business activities and manufacturing. However, in 1970, under the impact of the recession in the United States, the average yearly rate of growth of the gross domestic product slowed from about 24 per cent to 19 per cent. In 1970, the net domestic product was estimated at \$US 332.2 million, h/ and average per capita income was reported to be \$US 3,880, which was among the highest in the world. A cost-of-living index published by the United States Government reveals that in 1969 and 1970 prices in the Territory were comparatively stable but were about 3 per cent higher than in Washington, D.C. The declining trend continued into 1971 as indicated by reports that the growth rate of public revenue for 1970/71 declined by 14 per cent and that there was a steady increase in unemployment. In March 1971, Governor Evans estimated that about 2 per cent of the labour force was unemployed. The economic slowdown during the past two years was primarily attributed to a decrease in the tourist trade.

31. The Territory has a number of industrial concerns. The leading ones are engaged in oil refining, aluminium production, watch assembling, the processing of foreign-made wool fabrics and rum distilling. They export all their products except for a small part of rum consumed locally. Since the closure of the sugar industry, agriculture has contributed only marginally to the economy, but efforts have been made to create a broader agricultural base. Apart from some building materials produced for the local market, there are no minerals of commercial significance.

32. Owing to the lack of natural resources, nearly all the Territory's requirements are imported. Imports were valued at \$US 327.2 million in 1969 and \$US 400.6 million in 1970; exports totalled \$US 199.9 million and \$US 260.6 million respectively. During 1970, therefore, the Territory's unfavourable balance of trade widened, but, as in the past years, it was offset by the inflow of capital and tourist spending.

33. There are now over 2,000 corporations trading in the islands (2,184 at the end of June 1970), of which over 80 per cent are domestic. Seven commercial banks operate in the Territory: Bank of America, Bank of Nova Scotia, Barclays Bank D.C.O., Chase Manhattan Bank, First National City Corporation, Royal Bank of Canada and Virgin Islands National Bank. In addition, there is the First Federal Savings and Loan Association.

34. In a general comment on the economic development of the Virgin Islands, the Congressional Group referred to in paragraph 2^h above stated that: (a) the Territorial Government had been "hard-pressed" to provide the public services necessary to meet the demands of momentous economic growth and population expansion;

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

(b) the development of the economy appeared to have "ignored" the social and historical traditions of the islands, their ecological limitation and the expense of governmental services required to support the expanded economy; (c) the Government had difficulty in balancing its accounts or preparing statistics; and (d) there was a need to improve labour relations.

35. Reviewing the Territory's economy as a whole, Governor Evans stated in a budget message delivered to the Legislature on 7 April 1972 that in line with favourable economic developments generally expected to occur in the United States, he foresaw a considerable acceleration of tourism and corresponding invigorating influences upon, particularly, the trade and service sectors of the economy in 1972/73. He assumed that there would also be advances in manufacturing and construction. He also stated that, in previous years, the Government had not responded affirmatively and sufficiently to the constantly rising demands for public services. The resultant backlog of accumulated need for public services was so large that it could not be eliminated in the immediate future.

Tourism

36. The earnings of the tourist industry, the mainstay of the economy, increased at an average rate of about 20 per cent a year between 1964/65 and 1968/69. As noted above, the industry suffered a setback in 1969/70 and 1970/71, when there was a decrease in both the number of tourists and in the amount spent by them in the Territory which declined by 14 per cent, to \$US 91 million in 1970/71.

37. An important development affecting the industry was the signing by Governor Evans on 8 June 1970 of a bill to create the Virgin Islands Tourist Development Council. The Council's functions include, inter alia: (a) the formulation of a comprehensive policy on tourism; (b) the carrying out of a study of the long-range impact of tourism on the culture and economic resources of the Territory; and (c) the establishment of a master plan for the co-ordinated and controlled development of tourism. Another important development was the commencement in October 1971 by American Motor Inns of the United States of the construction of a 300-room hotel on St. Thomas at a cost of \$US 12 million. The hotel, which was expected to be completed by mid-1973, will increase the total number of hotel rooms to 4,753. A third important development was the decision to cut government spending for the financial year 1973 by among other things reducing the appropriation for the Department of Commerce, a Division of which is responsible for the regulation and development of tourism. The Department will receive \$US 3.9 million (or \$US 600,000 less than in the previous year) with the result that a smaller sum will be available for the promotion of tourism.

Industry

38. As previously noted, i/ measures taken in recent years by the Governments of the United States and the Virgin Islands for the purpose of stimulating industrial development in the Territory have included the omission of import duty and other trade

i/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XVIII, paras. 57-60.

concessions and fiscal incentives. Under an industrial incentive programme, the Territorial Government has given private enterprises tax exemptions and return of Federal levies. In the financial year 1971, more than \$US 41 million in subsidies was paid under this programme. At the end of 1971 there were 104 enterprises (81 in 1970) holding certificates of tax exemption and subsidy; most of these enterprises operated on a small scale.

39. The measures referred to above have facilitated the establishment and operation of certain important industrial facilities. These have included: (a) an alumina plant owned by the Harvey Aluminium Corporation, a subsidiary of Martin Marietta Corporation of the United States; (b) an oil refinery (with an initial capacity of 50,000 barrels a day) controlled by the Hess Oil Corporation, a subsidiary of Amerada Hess Corporation of the United States; and (c) factories for assembling watches and processing woollen goods.

40. The Congressional Group referred to above was informed that the Harvey Aluminium Corporation had been given a substantial amount of land as well as tax relief as an inducement to locate its alumina plant on St. Croix. The Group also found that the Hess Oil Corporation was expanding its refinery and other facilities on St. Croix. Within a year, the refinery would be six or seven times the size originally planned. Under the existing arrangements, the Corporation exported a quota of 15,000 barrels of oil per day to the United States and was required to pay the Virgin Islands Government 50 cents a barrel on this quota, but not on any additional amount. The Congressional Group felt that these arrangements should be investigated in detail as the benefit of the refinery to the community seemed minimal. It also noted that the Corporation regarded itself entitled to 100 per cent of the customs duties paid to the United States on oil exports from the Territory, although the Virgin Islands Government only received 90 per cent of these duties; upon rejection of its demand for the remission of the duties, the Corporation had ceased to make its royalty payments to the Territorial Government. In August 1971, after the Congressional Group's visit to the Territory, the Corporation was notified of the proposed revocation of the quota allocated to it. Toward the end of the year, however, the Governor said that the United States Government had agreed not to withhold the 10 per cent handling charge imposed by the Customs, and had expressed confidence that the Corporation's quota "will be saved".

41. In 1970/71, the watch industry experienced a recession under the impact of falling demand and strong competition from Switzerland and Japan. The value of watch movements and parts exported to the United States was \$US 20 million, or \$US 4 million less than in the previous year. During a discussion held in January 1972, representatives of 10 of the 15 watch companies in the Territory informed officials of the Department of Commerce that as a result of the devaluation of the United States dollar the cost of most raw materials imported by the industry had risen by 8 to 15 per cent, thereby making locally assembled watches that much less competitive with foreign producers. Other problems confronting the industry arose from delays caused by the United States Government in the release of import quotas and their reassignment. These representatives were told that an interim import quota had been set for the period from January to April 1972, permitting a total of 1,252,513 watch movements and parts to be shipped into the United States customs territory, and that the Department would soon meet with all other interested parties with a view to improving the operation of the quota system.

42. Limitation of the flow of foreign-made wool textile fabrics into the Territory for processing and re-export to the United States is effected by the imposition of a quota system. Control is maintained by levying an import tax of 1 cent per linear yard on fabric within the quota, and 65 cents per linear yard on fabric imported outside the quota. In 1970, the Territory received a quota (including carry-over) of 5.4 million linear yards (3 million in 1968), but the actual amount processed and shipped totalled 3.8 million linear yards.

43. The sale of rum, which has long been a popular product, is promoted through the Virgin Islands Rum Council, supported jointly by the distillers and the Territorial Government. In 1971, the Territory shipped 1.9 million proof gallons of rum to the United States, an increase of 18.4 per cent over the previous year.

44. In May 1972, a United States concern was reported to have made plans for the construction of a new oil refinery on St. Croix.

Assistance to indigenous entrepreneurs

45. In late 1969, the Small Business Development Agency (SBDA) was established to encourage increased participation by Virgin Islanders in the economic and commercial development of the Territory. On 3 February 1972, the Legislature passed a bill broadening the conditions under which firms may be eligible for SBDA loans. On 25 May, Mr. Victor Schneider, Director of the SBDA, said that it had received two appropriations of \$US 500,000 each in 1969 and 1970. An additional \$US 500,000 had been appropriated in early 1971 but had not yet been released. Of the \$US 1 million received, the SBDA had deposited \$US 600,000 as guarantees for the repayment of bank loans by borrowers, and had made direct loans of \$US 400,000. Some \$US 200,000 in guaranteed bank loans was delinquent. Mr. Schneider also said that in the light of its financial condition, the SBDA had decided to accept no new applications for loans in the immediate future and to shift its emphasis to managerial and technical assistance and collection of delinquent accounts.

Agriculture and fisheries

46. Because of the mountainous terrain and poor soil, very little land on St. Thomas and St. John is tillable. However, both islands produce a considerable number of cattle mainly for local consumption. St. Croix is well suited for agriculture. Crops currently grown include food crops, vegetables and all the semi-tropical fruits. The Government is implementing a comprehensive agricultural plan, details of which are contained in the report of the Special Committee to the twenty-fifth session of the General Assembly. j/

47. Members of the Legislature informed the above-mentioned Congressional Group during its visit to the Territory that there was an urgent need for agricultural development, particularly on St. Croix, where one corporation, Harv Land, had not cultivated a large area of agricultural land recently purchased from the United States Government. They suggested that such land could be used to grow tomatoes.

j/ Ibid., paras. 51-52.

48. Realizing that the waters around the Territory can provide a substantial yield of edible fish enough to support a small, viable fish business, the Government has been promoting the development of commercial fishing. As a result, two associations of commercial fishermen were formed in 1970.

Communications and other basic facilities

49. In 1970, the Virgin Islands Government made vigorous efforts to expand the Territory's road system. The Congressional Group referred to above noted, however, that the roads on St. John and St. Thomas were still in need of improvement.

50. Ocean-going ships use Charlotte Amalie harbour on St. Thomas or Frederiksted harbour on St. Croix. A third seaport, Christiansted, which is also located on St. Croix, can take only smaller vessels. At present, 11 shipping lines provide regular services to the Territory. The total tonnage of ships entering the Virgin Islands in 1969/70 was 26.9 million. While in the Territory, the Congressional Group was told that new port facilities were needed on St. Croix; that neither of the existing ports there was considered suitable for expansion; and that a proposal had been made to construct port facilities in an area adjacent to the facilities established by the Hess Oil Corporation.

51. There are two main airports: Harry S. Truman Airport on St. Thomas and Alexander Hamilton Airport on St. Croix. The Territory is served by six certificated air carriers, two scheduled air taxis, and 13 non-scheduled air taxis and charters. In 1970/71, a total of 659,118 passengers and 9 million pounds of cargo arrived by air. Governor Evans informed the Congressional Group that Harry S. Truman Airport was inadequate and that although Alexander Hamilton Airport had a 7,000-foot runway, an alternate runway was needed for private planes. He noted that consideration had been given to enlarging the St. Croix airport as a solution to the problem of air communications. He believed, however, that the Government should not act on this proposal because to do so might possibly harm the tourist trade. He said that there were two alternatives: (a) the realignment and extension of Harry S. Truman Airport at a cost of about \$US 15 million; (b) the construction of a new airport on St. Thomas with a runway of at least 8,000 feet, the estimated costs of which would range from \$US 30 to \$US 100 million. In March 1972, the Governor was reported to have said that the United States Department of Transportation was willing to provide assistance only for improving Harry S. Truman Airport, but that the Territorial Government had not abandoned its plan for a new airport on St. Thomas.

52. The Virgin Islands Telephone Corporation provides all three main islands with automatic dial systems. On 30 June 1971, it reported 24,644 telephones in service, a net gain of 4,446 over the previous year. Its parent company, International Telephone and Telegraph Corporation, and Cable and Wireless/Western Union International together operate external telecommunications services.

53. The Territorial Government has sought to provide adequate supplies of water and power. In 1970/71, the Virgin Islands Water and Power Authority, a public body established in 1965, was operating four sea-water distillation plants (three on St. Thomas and one on St. Croix) capable of producing 4.75 million gallons of water daily. The Authority had no facilities for producing water on St. John,

which depended on rainfall and catchment areas and water barged from St. Thomas. Water sales totalled \$US 1.65 million, compared with \$US 1.04 million in the previous year. The Authority also operated 11 generating units (six on St. Croix and five on St. Thomas) with a total gross capacity of 99,000 kW. Electricity thus generated was distributed through submarine cables to three other islands (including St. John). Gross sales of electric energy amounted to \$US 9.16 million, compared with \$US 7.71 million in the previous year.

54. On 5 October 1971, the United States House of Representatives approved a bill to set up a Water Resources Institute in the Territory. The amount authorized for the first year would be \$US 100,000, with an increase to \$US 200,000 during the second year and \$US 250,000 each year thereafter. The United States Senate scheduled a hearing on the bill for 13 October.

55. In his recent budget message, the Governor stressed that further efforts should be made to meet the continually rising demands for public services (see para. 35 above). He noted in particular that the Territory's roads had long been left in a state of constant deterioration, and that very little had been done to meet the vital need of residential districts for the supply of water, lighting and other necessities.

Public finance

56. In 1970/71, total net revenue of the Territory amounted to \$US 118.5 million (an increase of \$US 16 million over the previous year) and total expenditure to \$US 104.5 million (an increase of \$US 20 million over the previous year). Capital expenditure for the year was \$US 20.7 million (an increase of \$US 10 million over the previous year).

57. On 7 April 1972, the Governor submitted a budget for the financial year starting 1 July to the Legislature for approval. Revenue was expected to total \$US 122.2 million (or about 15 per cent more than in 1971/72) and expenditure \$US 121.1 million (or 13 per cent more than in 1971/72). The total estimated revenue would be derived from the following sources: income taxes, 69.1 per cent; gross receipts taxes, 10.8 per cent; excise taxes, 6.1 per cent; real property and other taxes, 5 per cent; and licences, fees, fines and customs dues, 6.7 per cent. Of the total estimated expenditure, education would account for \$US 26.4 million, health for \$US 17.9 million, public works for \$US 11.4 million; public safety for \$US 7.5 million; social welfare for \$US 6 million; finance and the College of the Virgin Islands each for \$US 4 million; commerce for \$US 3.9 million; conservation and cultural affairs for \$US 2.7 million.

58. In reviewing the Government's financial position, the Governor said that during the past decade revenues had risen at an average annual rate of 24.7 per cent. This strong uptrend had slowed down in the financial year 1971 when revenues had exceeded the level reached in the previous year by only 11 per cent, reflecting the effect of the economic slowdown on tax yields. The reduced rate of growth had continued in 1971/72. Nevertheless, he predicted that revenues for 1972/73 would increase more rapidly because he was relatively optimistic about the economy, and that most units of the Government would be able to widen their scope of operations.

59. The Governor also proposed to spend \$US 17.5 million for capital development of which 25 per cent would be devoted to the construction and improvement of roads.

4. SOCIAL CONDITIONS

Labour

60. The Territory's labour force in the first half of 1971 was estimated at about 33,000, nearly half of which was employed in the tourist and related industries and 10 per cent in manufacturing. As noted in paragraph 30 above, there was a steady increase in unemployment resulting from the economic slowdown in 1970 and 1971. In order to cope with this problem, a new unemployment compensation law was enacted in April 1971. The new law operates on a sliding scale, giving each unemployed worker a sum equal to two thirds of the average weekly wage in his category of work. Those whose earnings had been less than this average receive proportionately reduced benefits. Between March and December, unemployment was estimated to have risen from 2.0 per cent to 3.4 per cent of the labour force. The average weekly number of unemployed during December was put at approximately 1,100.

61. In a general comment on the labour situation in the Territory, the Congressional Group referred to above stated that: (a) most indigenous workers were employed by the Territorial Government; (b) aliens were employed, and sometimes "exploited", to do the manual and services tasks; (c) while the Government had eliminated the system of bonding an alien worker to one employer, and had granted aliens access to social services including schools, additional measures seemed to be required to protect these workers from "exploitation"; (d) a high proportion of the managerial positions, except in the Government, were occupied by persons from the United States; (e) the newly-developed industries, such as hotels, the Harvey Aluminium Corporation and the Hess Oil Corporation, had not fulfilled their expected role of attracting indigenous workers; (f) social tensions existed between aliens, immigrants from the United States and Virgin Islanders; and (g) the United States Immigration and Naturalization Service in the Territory had recently deported some 7,000 illegal aliens.

Alien workers

62. Between May 1970, when the Alien Certification Office of the United States Department of Labour was established on St. Thomas, and April 1971, 10,511 alien workers in the Territory were granted labour certificates. By October, 12,538 aliens were certified to work, of whom over 80 per cent were men. Employment by major industrial groups was as follows: commercial services (including hotels and restaurants), 42 per cent; private households, 14 per cent; and retail distribution, 12 per cent. Of all aliens registered at the Office, 99 per cent came from other Caribbean countries. Of these Caribbean workers, St. Kitts-Nevis-Anguilla accounted for 32 per cent; Antigua for 20 per cent; St. Lucia for 16 per cent; Trinidad and Tobago for 10 per cent and Dominica for 10 per cent.

63. The Congressional Group noted that the main features of the new policy of the United States Department of Labour are among other things that: (a) aliens are certified as migrant workers; (b) they are allowed to seek new employment

during a period of two months before they can be deported; (c) they are entitled to bring their families with them; and (d) their children, 16 years of age or older, are permitted to find work. The Congressional Group believed that aliens were not being adequately informed of their rights under the above-mentioned policy and recommended the preparation of a leaflet containing such information. It also believed that the methods used to deport some 1,400 of the illegal immigrants had been "callous and insensitive", and that the aliens were in need of legal services to assure protection of their rights both in civil and criminal cases. Finally, it observed that there was only minimal co-operation between the United States Department of Labour, the United States Immigration and Naturalization Service and the Virgin Islands Department of Labour in enforcing the laws and exchanging information concerning alien workers.

Housing

64. Housing the rapidly growing population is a problem to which the Government is giving high priority. The Department of Housing and Community Renewal administers certain programmes, including in particular those concerning moderate income housing, loans for the purchase of homesteads and homes, emergency housing, loans for veterans, community development and rent control. In addition, the Commissioner of Housing and Community Renewal is also chairman of the Virgin Islands Housing Authority, a public corporation established under the United States Housing Act, as amended, to develop the low-cost housing projects, and the Virgin Islands Urban Renewal Board.

65. According to the information transmitted by the administering Power, 1,110 units of new housing were completed and another 1,977 were under construction during 1970/71. However, results still fell short of projected goals. These goals have been based on population projections, slum clearance and increased family income. At present, housing development is hampered by the freezing of federal funds for the construction of low-income housing and the high cost of land, labour and materials.

Public health

66. Expenditure on public health in 1970/71 was \$US 18.4 million, compared with \$US 14.5 million in 1969/70. According to the administering Power, health programmes and services continued to be expanded to meet the additional demands of a continually increasing population.

67. At present, the medical institutions in the Territory comprise two general hospitals (one on St. Thomas with 157 beds and the other on St. Croix with 120 beds) and two clinics (one each on St. Croix and St. John) with a total of 20 beds. The ratio of physicians to population is one to 1,000.

68. The birth-rate in 1970 was 38.9 per thousand (36.3 in 1969). The death-rate was 6.2 per thousand (6.8 in 1969), while the infant mortality rate was 26.4 per thousand (27.7 in 1969).

69. In a report published in April 1972, the Department of Health Bureau of Comprehensive Health Planning said that the general state of potable water supply

and sewage treatment and disposal in the Virgin Islands were "totally inadequate and hazardous to public health". During the same month, Governor Evans stated in his budget speech that apart from considering plans, no practical measures had been taken or initiated to deal with the ever growing problems of pollution, sanitation and health care. Because of the lack of sufficient funds, the Government proposed to spend only \$US 17.9 million on public health, a sum which represented the second largest share of the budget for the financial year 1973.

5. EDUCATIONAL CONDITIONS

70. Education is compulsory between the ages of 5 1/2 and 16. There are public and non-public (private and parochial) schools, which provide primary, junior and secondary education, and kindergartens on St. Thomas and St. Croix. On St. John, the Government operates only kindergartens and primary and junior schools. In 1970/71, the number of pupils enrolled in the public schools was 17,362 (compared with 15,101 in the previous year) and in the non-public schools 5,705 (compared with 5,932 in the previous year). The growing importance of the public schools was partly linked to a ruling of the district court of the Virgin Islands that all non-citizen children legally living in the Territory are eligible to attend such schools. Projects carried out during 1970/71 included a bilingual programme in St. Croix, the expansion of technical/vocational and special education, new reading emphasis and the initiation of the environmental studies and drug education programme. Furthermore, educational facilities were enlarged by the addition of two elementary schools and the construction of four other schools (including one secondary school) was begun. A total of 341 scholarships were also approved for applicants studying in the Territory, Puerto Rico and the United States.

71. Higher education and degree courses are provided at the College of the Virgin Islands on St. Thomas, which has an extension centre on St. Croix. Courses currently offered in the four-year baccalaureate programme include business administration, English, natural and social sciences, social welfare services, humanities and teacher education. In the two-year occupational programme, associate in arts degrees are awarded for accounting, business management, construction technology, executive secretariat administration, hotel and restaurant management, nursing and police science and administration. Basic courses in engineering, medical technology and pharmacy are also provided. In 1970/71, the College had 416 full-time (420 in 1969/70) and 1,500 part-time (1,000 in 1969/70) students. To keep pace with the steady growth in curricula and enrolment, facilities at the College were being expanded further. Major projects started or completed were a Science Building, a supervisor's residence, six additional dormitories and 12 faculty apartments.

72. Expenditure on education increased from \$US 17.8 million (including a contribution by the Territorial Government, totalling \$US 2.1 million, to the College of the Virgin Islands) in 1969/70 to \$US 22.0 million (including a contribution, totalling \$US 3.2 million, to the College of the Virgin Islands) in 1970/71.

73. In introducing the budget for the financial year 1973 in the Legislature, Governor Evans said that the Government was aware of the need to provide additional school facilities and proposed to spend \$US 30.4 million on education (including a contribution, totalling \$US 4 million, to the College of the Virgin Islands). This represented the largest appropriation in the budget.

CHAPTERS XXIV-XXVI

(A/8723/Add.6 (Part II))

ANTIGUA, DOMINICA, GRENADA, ST. KITTS-NEVIS-ANGUILLA, ST. LUCIA,
ST. VINCENT, FALKLAND ISLANDS (MALVINAS) AND BRITISH HONDURAS

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CHAPTER XXIV

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

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 841st meeting, on 16 March 1972, the Special Committee, by approving the sixty-fifth report of its Working Group (A/AC.109/L.763), decided, inter alia, to take up the question of Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent as a separate item and to consider it at its plenary meetings.
2. The Special Committee considered the item at its 887th meeting, on 25 August.
3. In its consideration of the item, the Special Committee took into account the provisions of relevant General Assembly resolutions including in particular resolution 2878 (XXVI) of 20 December 1971 on the question of the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By paragraph 10 of that resolution, the Special Committee was requested by the General Assembly "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-seventh session". The Special Committee also took into account the provisions of General Assembly resolution 2867 (XXVI) of 20 December 1971, concerning Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent.
4. 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 Special Committee and the General Assembly, and on the latest developments concerning the Territories.
5. The Special Committee also had before it a written petition dated 23 November 1971 from Mr. Frank Rojas, representative, People's Political Party (PPP) of St. Vincent concerning the item (A/AC.109/PET.1196).

B. DECISION OF THE SPECIAL COMMITTEE

6. At the 887th meeting, on 25 August 1972, following statements by the representative of Trinidad and Tobago and by the Chairman (A/AC.109/PV.887), the Special Committee decided, without objection, to transmit to the General Assembly the working paper referred to in paragraph 4 above in order to facilitate the consideration of the item by the Fourth Committee and, subject to any directives that the General Assembly might give in that connexion at its twenty-seventh session, to give consideration to the item at its next session.

ANNEX*

WORKING PAPER PREPARED BY THE SECRETARIAT

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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-sixth sessions. a/
2. On a proposal by its chairman, the Special Committee, at its 828th meeting on 6 October 1971, decided to submit 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 the consideration of the question relating to these Territories by the Fourth Committee, and giving consideration to this question at the Committee's session in 1972, subject to any directives which the General Assembly might give in that connexion.
3. The text of General Assembly resolution 2867 (XXVI) of 20 December 1971 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-fourth Session, Supplement No. 23, chap. XXIII, paras. 17 and 18; *ibid.*, Twenty-fifth Session, Supplement No. 23, chap. XVII, para. 7; *ibid.*, Twenty-sixth Session, Supplement No. 23, (A/8423/Rev.1), chap. XXII, para. 6.

B. INFORMATION ON THE TERRITORIES b/

4. Basic information on the Territories is contained in the Special Committee's report to the General Assembly at its twenty-fifth and twenty-sixth sessions. Supplementary information is set out below.

1. THE ASSOCIATED STATES IN GENERAL

Political developments

Introduction

5. 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 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 external affairs and defence of the Territories.

6. 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.

7. In resolution 2710 (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".

The Grenada Declaration of 1971

8. Nearly two years after the dissolution of the British-sponsored West Indies Federation, new proposals for political unification emerged in 1971 at a special

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

meeting of the government leaders held at Great Anse, Grenada, on 25 July 1971. The meeting, which was originally called for the purpose of discussing developments relating to Anguilla (see paras. 94-97), was attended by the Heads of Government, or their representatives of five of the Associated States, Dominica, Grenada, St. Kitts-Nevis-Anguilla, c/ St. Lucia and St. Vincent, as well as Guyana, Antigua and Trinidad and Tobago were represented by observers.

9. In the course of the meeting agreement was reached on procedures for the creation of a new political union. The agreement, known as the Grenada Declaration, was signed on 25 July by the Premiers of Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent and by the Prime Minister of Guyana, but its publication was withheld until 1 November 1971 so as to enable other Commonwealth countries in the Caribbean, notably the other former members of the West Indies Federation, to consider their attitude towards it.

10. Under the terms of the Declaration the signatory Governments declared their intention to seek to establish out of their territories a new State in the Caribbean and set out the procedures by which they intended to achieve this objective. It was agreed that a Preparatory Commission would be created by 30 November 1971. The Commission would be headed by a Chairman to be selected by agreement among the participating Governments and would in addition comprise commissioners nominated by the respective Governments. The Commission would function as a technical body and questions of policy affecting its work would be referred for decision to a Council of Ministers, which would meet periodically for this purpose.

11. The next step would be the creation by 1 January 1972 of a Constituent Assembly, comprising up to three members from each Participating Territory nominated by its Government. The Constituent Assembly would have a life of not more than 16 months and its responsibility would be to prepare a draft Constitution for the new State. The Assembly would be serviced by the Preparatory Commission and would rotate its sessions throughout the Participating Territories, holding at least one public session in each Territory. It would be the aim of the Constituent Assembly to complete a draft Constitution by 31 December 1972 and the participating Governments would endeavour to obtain parliamentary approval for the establishment of the new State and take the necessary constitutional steps towards its establishment by 31 March 1973.

12. Thereafter, the new Constitution would be promulgated on 22 April 1973 and elections would be held throughout the new State by 30 June - assuming this to be the arrangement for assembling the first Government of the State provided for in the Constitution. If the respective parliaments approved the creation of the new State, the Associated States participating in the agreement would terminate their status of association with the United Kingdom as from 22 April 1973. The Declaration concluded with an invitation to other Commonwealth countries in the Caribbean to participate in it.

c/ Under the terms of the Anguilla Act, 1971, the United Kingdom Government resumed direct responsibility for the affairs of Anguilla (see para. 96).

Subsequent developments

13. When the Declaration was published on 1 November, it was immediately apparent that efforts to convince the six other Commonwealth Caribbean Governments, members of the Caribbean Free Trade Area, to subscribe to it had so far not succeeded. The position of the Government of Trinidad and Tobago was revealed in a statement issued on 1 November. The Government stated that, although it was committed to the goal of economic and political unity in the Caribbean and applauded the efforts of the signatories to achieve this goal, it had concluded that it could not participate in the plan as outlined in the Declaration. The Government added that it could not do so without the fullest possible consultation with the people of Trinidad and Tobago. However, because of its support for West Indian unity, the Government stated that it had decided to contribute financial and technical aid to assist the Preparatory Commission in its work. The other Governments concerned made no official statements.

14. The announcement by the Government of Trinidad and Tobago was followed two days later by statements on the part of the Premiers of Grenada and St. Lucia, two of the signatories of the Declaration, indicating that they would reconsider their position in the light of Trinidad and Tobago's non-participation. Mr. Gairy, the Premier of Grenada, said that he could not see a "meaningful and effective" regional political entity without the participation of both Trinidad and Tobago and Barbados.

15. 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, between 8 and 10 November. The meeting was attended by four Heads of Government; St. Lucia did not send a representative and Grenada was represented by its Minister of Health in an observer capacity. 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 Caribbean governments. In the communiqué the four Governments expressed the hope that "the spirit of fraternity which pervades the Declaration may yet find expression in the establishment of a West Indian nation of which the vast majority, if indeed not all of the peoples of the West Indies, may be a part from the instant of its birth".

16. Meanwhile, a number of opposition parties in the States whose Governments had signed the Declaration had already expressed disagreement with the proposed plan for various reasons including lack of adequate prior consultation. Leaders of six opposition parties of Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent, held a meeting from 12 to 14 November in Roseau, Dominica, to discuss the implications of the Declaration. In a joint statement issued at the conclusion of the meeting (see A/AC.109/PET.1196), they expressed their disapproval at the absence of prior consultations and at the exclusion of the opposition parties from the discussions leading to the signing of the Declaration. They said however that they favoured the eventual creation of an independent and viable nation embracing the entire Caribbean and they recommended that steps be taken towards this goal as follows: (a) that in preparing the people of the five Associated States for total involvement in nation-building, an immediate intensive campaign of education should be launched with no restriction on the freedom of information and their participation in the national affairs, and with the reduction of the voting age to

eighteen; (b) that only after serious consideration had been given to the results of a study to be carried out by Caribbean experts of the political integration of the Associated States should the question of a wider political union in the Caribbean be explored; and (c) that in all deliberations on regional matters adequate representation should be given to opposition parties. Recommendations were also made concerning the need to further strengthen regional economic co-operation as well as to revise the immigration laws of the five Associated States to allow the free movement of their nationals between these States.

17. On 17 November, speaking in reply to questions in the United Kingdom Parliament, a Government spokesman, Earl Ferrers, said that the creation of any larger political entity among the Commonwealth countries in the Caribbean was for the peoples concerned to decide. Should they so decide, then the United Kingdom Government would look upon this with great favour and take such decisions as might be necessary, including those in regard to the maintenance of the aid programme for certain Commonwealth countries in the Caribbean and the promotion of economic integration in the area. He also said that it was up to the signatories to the Declaration to persuade their neighbours such as Antigua, Barbados, Jamaica and Trinidad and Tobago to join the proposed new political union, should those signatories so think fit. In the event of its joining such a union, any Associated State wishing to do so, could withdraw from its present association with the United Kingdom.

Agreement between Grenada, St. Lucia and St. Vincent

18. On 17 June 1972 at a meeting held on the island of Petit St. Vincent which was attended by their respective Premiers, the Governments of Grenada, St. Lucia and St. Vincent entered into an agreement concerning steps towards unification of their territories. Under the terms of the agreement, which was to enter into force on 1 August, the Governments agreed that there should be freedom of movement between the three territories for their nationals, permanent residents and visitors. Their nationals would, moreover, be permitted to work and to own land without restriction in any of the territories.

19. According to the announcement, the three Premiers further agreed to meet again in September 1972 to review the progress achieved and to consider what further steps should be taken to create increased harmony among their territories.

2. ANTIGUA

Political developments

Political parties

20. There are three political parties active in the Territory: the Progressive Labour Movement (PLM), the Antigua Labour Party (ALP) and the Antigua People's Party (APP). The PLM, which is led by the Premier, Mr. George Walter, was formed in 1967 by a merger of the Antigua-Barbuda Democratic Movement (ABDM) and the Antigua Progressive Movement (APM). The ALP, which is the principal opposition party, is headed by Mr. V.L. Bird. The third party, the APP, was formed in 1969 by Mr. Rowan Henry, a lawyer and hotel proprietor. The PLM has the active support of the Antigua Worker's Union (AWU), while the ALP is backed by the Antigua Trades

and Labour Union (ATLU). The APP is the only political group without trade union support.

General elections

21. Prior to the last general elections, held on 11 February 1971, the ruling party was the ALP, which in 1968 won 10 out of the then total of 14 elected seats in the House of Representatives, the remaining four being won by the opposition PLM. For the 1971 elections, the House was enlarged to 17 seats (16 in Antigua and one in Barbuda), for all of which candidates were presented by the two major parties, while the APP contested 14 seats.

22. Following an electoral campaign fought largely over issues relating to economic and social development, the general elections in 1971 resulted in a defeat for the ALP. The state of the parties following the elections is (1968 figures in brackets): the PLM, 13 (4); and the ALP 4 (10). The former Premier and head of the ALP, Mr. Bird, was defeated in his own district. The APP failed to win any of the seats which it contested.

23. Following the elections, Mr. George Walter, leader of the PLM, was appointed Premier and Mr. Ernest Williams (ALP) was appointed Leader of the Opposition. The Cabinet, as presently constituted, consists of eight ministers and three parliamentary secretaries. The PLM reportedly favours a policy of "Antigua for the Antiguan", a policy which apparently won the support of a majority of the electors. The present Government's policies and programmes in various fields are described below.

Future status of the Territory

24. In July 1971, Premier Walter was reported to have said that Antigua intended to help lay foundations for Caribbean unity but would not rush to do so because there was "so much poverty and unemployment" on many islands in the region. Before entering into discussions with the prospective participants on any political amalgamation, his Government would like to achieve unity within the Territory and solve its problems of poverty and unemployment. Subsequently, in a New Year message, the Premier, whose Government was formulating a development plan for Barbuda as promised previously, called on the Barbudans and other people of the Territory to act in unison in the promotion of its progress regardless of political affiliations. In February 1972, the Premier was reported to have mentioned the possibility that Antigua might formally sever its remaining ties with the United Kingdom and proclaim itself completely independent. He was also reported to have announced that plans had been made to recruit Antiguan to be trained for diplomatic appointments abroad, and that the Territory would soon open offices in Canada, Frankfurt, London and New York.

Freedom of the Press

25. Despite strong protests made by the Opposition ALP and others in the Caribbean region, the House of Representatives on 15 October 1971 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, requires each newspaper

to pay an annual licence fee of \$EC 600, d/ and to make a deposit in the Treasury 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, which supported the ALP and the APP respectively, closed down and only the Antigua Star, an organ of the ruling PLM, continued publication.

26. In a statement issued on 7 January, the Government maintained that its recent newspaper legislation did not suppress the freedom of the Press but simply demanded a greater degree of responsibility, and that the licence fee was not regarded as excessive. Nevertheless, a fact-finding mission of four leading journalists from the Caribbean which was sent to the Territory by the Inter-American Press Association (IAPA) at the invitation of the Premier, expressed concern at the enactment of the new legislation. The mission stated that: "We earnestly urge you to reconsider the wisdom of breaching the freedom to publish, which in all free and democratic countries is not only a right of the Press but concerns also the basic right of the people to be fully and freely informed. We therefore trust that you will restore this fundamental right to the newspapers, and the people of Antigua".

27. On 19 February, the Workers' Voice was reissued without charge, and thus it did not fall within the definition of a newspaper as laid down in the newly amended legislation. Five days later, the Government announced that this legislation would be further amended to deal with this situation. On 13 March, it was announced that the Antigua Times would not resume publication as planned, pending the outcome of a court hearing of the suit brought by these two newspapers against the legislation in question. The hearing was originally scheduled for 4 April but was postponed to a date to be fixed by the lawyers representing the Government and the two newspapers.

Economic conditions

General

28. For many years, the Territory's economy has been based on agriculture, the principal crops being sugar cane and sea island cotton. Between 1953 and 1967, considerable progress was achieved in the economic field as indicated by the fact that Antigua's gross domestic product increased by \$EC 32.6 million to \$EC 46.1 million or 240 per cent over the 15-year period. The recent economic growth was founded mainly on the related activities of tourism and construction, and to a lesser extent on the development of manufacturing industries. As a result, the level of local income and the standard of living of the people were raised substantially. However, under the impact of the recession in certain developed countries, the upsurge in the economy was followed by a decline in 1971, when the gross domestic product was \$EC 38.9 million.

29. Although the Territory exports sugar and sea island cotton, it shows a marked dependence on imports, particularly of certain food-stuffs. Antigua has been experiencing an unfavourable balance of trade, but the increase in invisible exports

d/ One pound sterling is equivalent to \$EC 4.80.

and capital inflows for industrial and tourist development has served to reduce considerably the over-all deficit on the balance of international payments.

30. In an interview in July 1971, Premier Walter expressed concern over the problems of the public debt, unemployment and inflation, and proposed to stimulate economic recovery through agricultural diversification, industrial expansion, the realistic development of tourist potential and the establishment of Government-owned power and other utility industries. Subsequently, the Governor said in his speech at the opening of the legislature, that efforts would be mainly directed towards the acceleration of economic development, the attraction of foreign investors and the encouragement of local participation in their enterprises.

Tourism

31. With improved air communications, the tourist industry has made rapid progress in recent years. For travellers from Europe and North America, Antigua is the most accessible of all East Caribbean islands. However, the industry suffered a setback in 1970. Although the number of tourists increased by 4,107 to 65,369, their average stay in hotels shortened by half a day and the occupancy rate dropped to well below a third. In 1971, the off season closure rate was higher than usual. The industry's annual earnings, amounting to about £4.5 million, were insufficient to meet the high cost of operation. In order to cope with this situation, the Government took measures to encourage the industry to operate on a year-round basis and to provide funds, totalling £65,000 (an increase of £45,000 over the previous year), to the Antigua Tourist Board (a public body) for financing publicity programmes for visitors. Immediate prospects were reported to be brightening as evidenced by strong booking trends for the forthcoming high season.

Water supplies

32. The largest and last of 19 dams, with a capacity of 100,000 million gallons of water, was completed in May 1970. In March 1972 it was announced that the United Kingdom Government would make a grant of \$EC 3 million, to be spent over a period of 10 years, in the construction of a scheme for linking the dams to distribution centres throughout the Territory.

Agriculture

33. As noted above, Antigua specializes in the production of sugar and sea island cotton for export. Various fruits and vegetables are also grown, but the Territory is not self-supporting in necessary food-stuffs. There are fair supplies of locally produced beef and an increasing output of eggs and poultry. Inshore fishing is confined mainly to the waters between Antigua and Barbuda, and deep-sea fishing to the areas west and south of the Territory. The bulk of the catch is consumed locally.

34. Both the sugar and cotton industries have in recent years encountered difficulties owing largely to rising costs, drought and low prices. Compared with an average annual output during the 1950's of 30,000 tons of sugar and more than one million pounds of cotton lint, production in 1970 amounted to only 10,000 tons and 11,000 pounds respectively. Since 1966, when the Government took over ownership of the sugar estates, efforts have been directed towards rehabilitating the sugar industry and have resulted in a gradual increase in production to 12,000 tons in 1971. In April 1972, the Minister of Home Affairs and Labour informed the

House of Representatives that, in view of the importance of the industry for the well-being of the Territory, the Government would continue these efforts and would seek the necessary funds (including a grant from the United Kingdom).

35. Because of the decline of these two basic crops, the Government has been seeking to diversify crop production and to strengthen the agricultural sector by, among other things: (a) improving credit and marketing facilities for farmers; (b) introducing land tenure reforms; (c) establishing a programme for livestock development; and (d) expanding water supplies to promote an increase in vegetable production.

Industries

36. Industrial activities are largely confined to the secondary processing of local agricultural produce and to certain light industries such as pottery, the production of cigarettes, mattresses, lingerie, furniture, paint, the bottling of whisky and carbonated drinks and the production of commercial and medicinal gases. The Territory's most important industrial activity is the oil refinery of the West Indies Oil Company, a wholly-owned subsidiary of Natomas Company of the United States, which was established in 1961 with an initial capital of about \$EC 40 million. By 1971, the company's total investment was well over \$EC 50 million, its production had reached 18,000 barrels a day and it employed 300 workers, of whom more than 80 per cent were Antiguan. Royalties paid to the Government and other outlays (including salaries, etc.) exceeded \$EC 2 million per annum. As part of its regional expansion programme, the company has extended its marketing operations to Dominica, Guyana and Surinam following the acquisition of a bunkering vessel.

37. Another significant development was the rapid expansion of the Antigua Distillery Ltd., a company owned and operated solely by Antiguan. It increased production from 49,000 imperial proof gallons in 1968 to 250,000 gallons in 1971.

Transport and communications

38. In November 1971, Court Line Ltd. (CLL) a British shipping, airline and travel group, announced that it had concluded an agreement to acquire Antiguan based Leeward Islands Air Transport (LIAT), jointly owned by its founder, Mr. Frank Delisle, and the British West Indies Airways (BWIA). Under the terms of the agreement, CLL will make an initial payment of £600,000 followed by a further payment of £1 million spread over the next ten years and will increase LIAT's seat capacity. According to reports, the Antigua Government had expressed the desire to become partners with CLL.

39. The Territory's air communications were further strengthened by the creation of Air Antigua International Ltd. (AAIL), a new company registered in February 1972. The company announced that it planned to initiate flights between Europe and the Caribbean by mid-1972.

Public finance

40. Since 1963, when the Territory's budget estimates first showed a surplus resulting from the expansion of local revenue, derived mainly from customs and

excise duties, income tax and licences, Antigua has received no grant-in-aid from the United Kingdom. The budget for 1971 envisaged an expenditure of \$EC 30.5 million (compared with \$EC 21.0 million in 1970) of which \$EC 27.6 million was on recurrent and \$EC 2.7 million on capital account. Of the total recurrent expenditure, finance and planning accounted for \$EC 10.7 million; education, health and culture for \$EC 5.6 million; public utilities and communications for \$EC 4.5 million; home affairs and labour for \$EC 2.1 million and public works and housing for \$EC 2.0 million. The principal items of capital expenditure were: public works and housing, \$EC 1.3 million and public utilities and communications, \$EC 1.0 million. According to reports, Antigua in 1971 had a public debt of \$EC 6.8 million, equivalent to nearly twice recurrent revenue, and servicing charges represented a third of total expenditure. The debt stemmed primarily from the former Government's policy of developing utilities at public expense and most of the loans raised had to be repaid within the next five years. Agreeing with Premier Walter that it was absolutely necessary to borrow money to "pull the State out of the chaotic financial situation", the House of Representatives in July passed the Antigua and Barbuda Development Loan Act, 1971, authorizing the Government to borrow \$EC 30 million from the United States.

41. At about the same time, the United Kingdom Government made a grant to Antigua for development purposes of \$EC 3.25 million, of which \$EC 900,000 was for projects already started. In March 1972, the United Kingdom Government announced that it would grant the Territory additional aid to a total of \$EC 17.0 million over a period of 10 years. Since 1965, Antigua has been provided with United Nations technical assistance. For the years 1969-1972, the Governing Council of the United Nations Development Programme (UNDP) approved as a target for assistance to the Territory the equivalent of \$US 45,000 annually.

Social conditions

42. 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. In September, about 200 members of the Antigua Trades and Labour Union (ATLU), which supported the Opposition Antigua Labour Party (ALP), staged a demonstration in St. John's, the capital, calling on the Government to find work for them. In October, the House of Representatives passed a bill entitled "The Work Permit Act", under which foreigners would be required to pay \$EC 10 for application for a work permit. In February 1972, the ALP made a three-hour demonstration in St. John's requesting the Government to increase employment opportunities for the Antiguanians. As in the past, the Territory's two general unions, i.e., the ATLU and the Antigua Workers' Union (AWU), the trade union wing of the ruling Progressive Labour Movement (PLM), held separate rallies and marches in the capital on Labour Day. Mr. D.A.S. Halstead, Minister of Home Affairs and Labour, said on that occasion that unemployment was a matter of constant concern to him, but that workers should be "optimistic" because the Government was making every effort to ease the unemployment situation.

Educational conditions

43. Education is compulsory for all children between the ages of 5 and 14. It is provided free in government primary and secondary schools. In January 1972,

a technical education specialist from the United Kingdom was sent to the Territory to serve as the first principal of the new Antigua Technical College. The College, built and equipped from United Kingdom development funds, was expected to begin formal courses in September. The extra-mural department of the University of the West Indies continues to conduct a variety of two-year courses with the co-operation of the Education Department. Qualified students are afforded opportunities for free education at this university and at universities in Canada and the United Kingdom.

3. DOMINICA

General

44. According to the last census, taken in April 1970, the population of the Territory was 70,302, of whom about 16,800 lived in the capital, Roseau.

Political developments

45. There are three political parties active in the Territory: the Dominican Labour Party (DLP), the Dominican United People's Party (DUPP) and the Dominican Freedom Party (DFP), the last-mentioned being a comparatively recent party, formed in 1968 in protest against certain policies of the Government. At the last general elections, held on 26 October 1970, the DLP, whose leader is the Premier, Mr. Edward Le Blanc, won 9 of the 11 seats in the House of Assembly. The DFP, led by Barrister Miss Eugenia Charles, won the remaining two seats and thus became the official Opposition. The electoral campaign preceding the elections was one of the most bitterly fought in the Territory.

46. A year later, on 26 October 1971, the DFP gained a landslide victory in elections to the Roseau Town Council, winning all five of the elected seats. After the victory, friction developed between the Opposition-controlled council and the Government over jurisdictional questions, culminating in a threat by the Government to dissolve the town council and in protest demonstrations at the House of Assembly. As a consequence of these disturbances a number of persons were arrested, including members of the DFP and the Allied and Waterfront Workers' Union which supports it. The dispute was later resolved when the Government withdrew its proposal to dissolve the town council and the charges of assault were dismissed.

Economic conditions

General

47. The economy of the Territory is based mainly on agricultural production, the principal export being bananas which account for approximately 70 per cent of exports by value and about 20 per cent of the Territory's national income. Other important economic activities are timber production from the extensive forests which reportedly cover approximately 140 square miles, or nearly half of the island's total area, canned fruits and juices, soap, pumice, cocoa, copra and rum. Tourism is still a nascent industry, although the number of tourist arrivals has increased substantially during the past decade and now averages over 10,000 yearly.

48. A five-year development programme begun in 1972 has as its principal goals the development of the Territory's economic infrastructure, notably the construction of harbour facilities, roads, bridges and water supplies. Other priorities, according to the Governor in his speech at the opening of the House of Assembly in December 1971, will include the development of tourism, the encouragement of light industries and the expansion and diversification of farming, particularly with the aim of achieving self-sufficiency in food-stuffs. At present, the Territory has an annual trade deficit of approximately \$EC 7 million due to its heavy dependence on imports of food-stuffs and other consumer goods, but this deficit is partly offset by capital grants, loans, remittances from Dominicans working abroad, tourism and private investments.

49. According to reports, the major part of the Territory's economy is controlled by four companies, Geest Industries, the L. Rose Company, Dom-Can Timbers and Dominica Mining, all of which are managed from outside the Territory.

Water resources

50. Although rainfall is heavy and there are numerous rivers and streams, the Territory still lacks sufficient supplies of potable water. Capital expenditure by the Government on the development of water supplies amounted to \$EC 286,000 in 1970. In addition, two major water projects are being constructed under the Canadian assistance programme at a cost of approximately \$300,000 (Canadian) and UNICEF is giving assistance in the development of rural water supplies. In September 1971 UNICEF approved an allocation of \$US 16,000 for the provision of piped water supplies to 13 rural communities.

Agriculture and livestock

51. It is estimated that farmlands occupy about 74,000 acres, of which about 20,000 acres are devoted to bananas. Other crops include coconuts, cocoa, limes, grapefruit, vanilla beans, mangoes and avocados. The majority of farmers are peasants whose properties average less than five acres, most of whom have one and a half acres or less under bananas.

52. Banana production averages over 50,000 tons yearly, the output being exported mostly to the United Kingdom by Geest Industries Ltd., which has an exclusive contract with the Dominica Banana Growers' Association. Owing to falling prices, the Government on 14 January 1972 agreed to subsidize payments to growers at the rate of one cent per pound.

53. The Government's policy is to strengthen the agricultural sector by (a) encouraging the development of locally-grown food-stuffs and livestock; (b) improving marketing arrangements; (c) expanding the acreage under export crops; (d) encouraging the development of co-operative farming; and (e) providing agricultural credit at reasonable rates. The Governor in his speech at the opening of the legislature said that an agreement had been entered into with the Caribbean Development Bank which would provide funds for the establishment of a territorial agricultural and industrial development bank to begin operations in 1972.

54. In October 1971, the Agricultural Adviser to the British Development Division in the Caribbean, completed a three-day visit to the Territory. Among the projects reportedly discussed were: the extension of the Plant Propagation Scheme initiated in 1968; the creation of a farm machinery pool; and the establishment of a land-use plan for the Territory.

Forestry and fisheries

55. Under an agreement concluded by the Government in 1968 the Territory's forest resources, which are considerable, are being exploited by Dom-Can Timbers, which operates a saw-mill on the Chekhall Estate, near Roseau. Timber exports, mainly to the United States, reportedly exceeded 2 million board/feet in 1970. In December 1971, it was reported that the company, formerly Canadian-owned, had been taken over by the Roywest Banking Corporation and that as a consequence the Government was envisaging its possible participation in the company.

56. An expert from the United Kingdom Overseas Development Administration is currently in the Territory on a two-year assignment to study and advise the Government on matters related to forestry development.

57. Commercial fishing is carried out by the Dominica Fisheries Corporation, with approximately 250 members and a share capital of \$EC 12,317.

Tourism

58. At the opening of the House of Assembly in December, it was announced that the Government would make efforts towards the gradual implementation of a tourism development strategy in 1972, and that a development and planning corporation had already been established for this purpose.

59. Although tourism has increased slowly over the past 10 years, hotel facilities are at present limited, amounting to only 186 beds. In 1971, the Territory's leading hotel announced plans to expand its facilities to a total of 96 beds. The hotel is entirely owned and operated by residents of Dominica.

Industries

60. Industries in the Territory are mainly concerned with the processing of local products and include the manufacture of citrus juices and canned fruits, oils and fats, soap, copra and coir fibre products, handicrafts and rum. Cigarettes are manufactured for the local market from imported tobacco.

61. The two largest industrial concerns are the L. Rose Company, which produces lime juice, and the Dominica Mining Company Ltd., which mines and processes pumice. On 30 September 1971 a new distillery was opened near Roseau. The company, Dominica Distillers Ltd., will blend whiskey, brandy and gin from imported alcohol and will also produce rum, mainly for export.

62. The Government is actively encouraging the establishment of new industries and new concerns are eligible for government assistance under the "Aid to Pioneer Industries Ordinance".

Transport and communications

63. Plans for the construction of a deep-water harbour at Roseau, the largest single project to be undertaken under the current development programme, are progressing. The engineering study was reportedly completed in early 1972 and is being considered by a harbour advisory committee appointed by the Government. The harbour will be built in two phases at an estimated cost of \$EC 6.5 million.

64. In January 1972, it was reported that the United Kingdom Government had authorized a supplementary grant of \$EC 58,000 for continued construction work on the Hutton Garden bridge. An additional grant of \$EC 45,000 was made from Colonial Development and Welfare funds for bridge construction in outlying areas.

Educational conditions

65. The British Development Division in the Caribbean announced in November 1971 that a British technical education expert, Mr. Hugh Gray, had taken up his appointment as the first principal of the new Dominica Technical College.

66. In March 1972, it was reported that the United Kingdom Government had authorized a grant of \$EC 71,323 for the construction of a teacher's training college.

4. GRENADA

General

67. At the last census taken in 1970, the population of the Territory was 94,821.

Political developments

68. There are two 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.

69. Prior to the last elections, which were held on 28 February 1972, the number of elected seats in the House of Representatives was increased from 10 to 15.

70. In the electoral campaign which preceded the elections, the overriding issue was the question of the Territory's future status. Mr. Gairy made it clear that if the 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 accompanied by economic independence; it stressed the need to strengthen the economy and to improve the public service.

71. In the election, the GULP won 13 seats and the GNP two. After the results were announced, Mr. Gairy said that: "full independence within the British Commonwealth, the chief point of our platform, will be sought at the earliest opportunity".

Economic conditions

General

72. Grenada's economy is based on a well diversified agricultural sector, a growing tourist industry and a small light industry sector. Exports consist mainly of nutmegs, cocoa and bananas. The Territory's trade deficit is offset by United Kingdom aid, tourist spending and remittances from workers abroad. The Government balanced its budget, and a rapid over-all growth was registered in nearly all sectors of the economy during the past year.

Water and power supplies

73. The Government is engaged on an extensive programme for the improvement of water supplies. In August 1971, the Canadian International Development Agency awarded a contract to a Canadian firm to build a water treatment plant to supply the capital, St. George's, and surrounding districts. The plant will have a capacity to treat 1.35 million gallons daily.

74. The Government's programme to extend electricity supplies to all districts was continued. During 1971 electricity was provided to two additional parishes.

Mineral deposits

75. In August 1971, Westrans Industries Inc., which is prospecting for oil and gas off the Territory's coast, reported that seismic surveys had revealed the existence of sedimentary rocks often associated with petroleum deposits off the south coast.

Agriculture and fisheries

76. The Government's programme in regard to agriculture calls for increased production, improved methods and an intensive effort to achieve self-sufficiency in food-stuffs. To counter the weaknesses of a farming industry largely dominated by peasant smallholders, the Government in September 1971 announced its decision to institute a system of co-operative farming which would place large acreages of land in the hands of young people. A first step in this direction was taken in December when the Government allocated 60 acres of land for a young persons co-operative farming venture. The Government was also reported to be exploring the possibility of establishing a single marketing organization for the export of nutmegs, cocoa and bananas.

(a) Nutmegs and mace

77. Grenada, which is one of the world's largest producers of this crop, produces at present an average of 4.6 million pounds of nutmeg and 600,000 pounds of mace yearly. The Government is seeking to increase this output by 2 million pounds and 850,000 pounds respectively over the next few years. In March 1971, legislation was enacted which, inter alia, provided that all nutmeg growers, large and small, should become automatically members of the Grenada Co-operative Nutmeg Growers Association, which processes and markets all nutmeg and mace on behalf of its members.

78. The Act also prohibited the Association from investing its funds outside the Territory, unless such transfer is approved by three fourths of the producers. This action was a reflection of severe criticism of the Association for having in 1970 transferred nearly \$EC 1 million of its funds to Barbados on fixed deposits. In 1971, reportedly as a result of higher advances received by producers and a fall in the market price, the Association found itself short of funds and was obliged to pay substantially reduced year-end bonuses to growers. Following protests from the producers, the Premier announced in December that the Government had authorized the Association to incur a bank loan of \$EC 480,000 to pay the bonus.

(b) Other agricultural products

79. Exports of cocoa and bananas decreased markedly in 1971, the former owing to a hurricane which damaged two thirds of the year's crop of 3,000 tons. As a consequence, the chairman of the Grenada Cocoa Board announced in January 1972 that the Board would pay out bonuses totalling \$EC 550,000 to growers from surplus funds accumulated during the preceding year.

80. On 13 April 1972 the Government prohibited the importation of cabbages, tomatoes and sweet potatoes. The move was intended to stimulate the production of locally grown vegetables.

(c) Fisheries

81. It was reported in 1971 that the Government was negotiating with a United States company, Poseidon International, with a view to setting up a large fishing and shrimping complex in the Territory, largely for the export market.

Tourism

82. The Government is devoting considerable effort to the development of the tourist industry which has expanded markedly in recent years. In 1971 a total of 84,278 tourists visited the Territory, representing an increase of nearly 12 per cent over the previous year. During the period January-March 1972, a total of 87 cruise ships carrying 38,240 passengers called at St. George's. It was estimated that in 1971 tourists spent \$EC 25.7 million in the Territory, compared with \$EC 21.3 million in 1970.

83. In mid-1971, the Territory possessed 800 rooms in hotels and guest houses and another 38 rooms were added during the year. Investment in tourist facilities is encouraged by legislation which provides incentives, including duty-free importation of building materials. In late 1971 it was announced that the Government would open a tourist office in Caracas, Venezuela, to attract visitors from South America.

Industries

84. The Development Incentives Ordinance permits the granting of concessions and other privileges to attract new industries. Existing industries include a sugar mill, seven rum distilleries, factories manufacturing soap, cigarettes, edible oil and mineral feed, cement tiles, dairy products, insecticides, carbonated beverages, toilet paper and furniture. There is also a cotton ginnery operated by the Government and a brewery. In 1971 a coffee factory was established to supply the local market which had hitherto relied on imports.

Transport and communications

85. A programme of road development is being carried out with funds provided by the United Kingdom (\$EC 500,000) and by the Territorial Government (\$EC 800,000). Following a survey by a team of British experts, work was started in early 1972 on the reconstruction of a three-mile stretch of road near the capital as the first phase in a four-year programme of reconstruction.

86. In early 1971, the Government entered into an agreement with a group of United States investors for the establishment of a jointly-owned national airline, to be known as Air Grenada. The company, which was to start operations in 1972, will operate six Corvair aircraft and provide passenger and freight services throughout the Caribbean area.

Social conditions

87. Unemployment is estimated at 20 to 30 per cent of the labour force. In early 1972 it was announced that stringent measures would be taken against non-nationals working in the Territory without work permits.

88. In May 1972, the Premier formally opened a new midwifery training unit and maternity clinic at Gouyave, in St. John's parish.

Educational conditions

89. It was reported in 1971 that the United Kingdom Government had allocated \$EC 1.1 million in aid funds for the development of educational facilities. The Government's programme provides for the construction of a technical school, a teacher training institute and the expansion of secondary school facilities.

90. In March 1972, work started on the construction of a new two-storey block at the Grenada Boys' Secondary School in St. George's. The new building, which will provide additional class rooms, will cost \$EC 320,803 to be financed out of United Kingdom aid.

5. ST. KITTS-NEVIS-ANGUILLA

General

91. According to the 1970 census, the population of St. Kitts and Nevis was 45,457, of whom about 16,000 lived in Basseterre, the capital, which is on St. Kitts. Anguilla, although not included in the census, has about 5,500 inhabitants. In all three islands the population decreased by about 10 per cent during the preceding decade, owing principally to emigration.

Political parties and elections

92. There are two main political parties in the Territory, the ruling Labour Party (LP), led by the Premier, Mr. Bradshaw, and the opposition People's Action Movement (PAM), led by Dr. William Herbert. There is also the United National Movement (UNM), which is affiliated to the LP, and the Nevis Reformation Party (NRP).

93. 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 one in Anguilla. At the last general elections, held on 10 May 1971, the Labour Party (LP) won all seven seats in St. Kitts and was again returned to office. The People's Action Movement (PAM) secured one of the two seats in Nevis, the other going to the Nevis Reformation Party (NRP). No election took place in Anguilla because of special circumstances affecting that island which are explained hereafter. Following the elections, Mr. Bradshaw was reappointed Premier of the Territory.

Special situation of Anguilla

94. 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. e/ These negotiations resulted, with the agreement of the Anguillans, in the enactment of the Anguilla Act, 1971, whereby the United Kingdom reassumed responsibility for the administration of the island pending a final test of the wishes of the Anguillans in regard to their future status.

95. Under the terms of the Anguilla Act, 1971, the securing of peace, order and good government in the island has become the direct responsibility of the United Kingdom Government. The Anguilla (Administration) Order, 1971, which was made on the basis of the 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 public safety and public order and, generally, to secure and maintain good government in the island. 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. Provisions are also made for the creation of courts of law and a local police force.

96. On 17 September, the remaining soldiers of the Royal Engineers, who had been stationed in Anguilla since March 1969, left for London. On 29 January 1972, after

e/ For details, see Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 23 (A/7623/Rev.1), chap. XXIII, annex I, paras. 181-213; ibid., Twenty-fifth Session, Supplement No. 23 (A/8423/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.

the establishment of a local police force, the members of the Metropolitan Police, who had been sent to Anguilla in March 1969, also withdrew. On 8 February, a High Court was set up on the island.

97. The two enactments referred to above were based on the proposals put forward by Mr. Joseph Godber, the United Kingdom Minister of State for Foreign and Commonwealth Affairs, after his visit to the Territory in June 1971. His proposals called for retention of the constitutional arrangements of St. Kitts-Nevis-Anguilla as one political unit, but envisaged direct administration of Anguilla by the United Kingdom Commissioner for a period of three years. At the end of this period, the wishes of the Anguillan people in regard to their future status would be tested, possibly through a referendum. In an interview held in May 1972, Mr. Ronald Webster, leader of the Anguilla Council, was reported to have said that there was "no question" of ever rejoining the Territory of St. Kitts-Nevis-Anguilla, although Anguilla was still constitutionally part of it. He considered it unnecessary to hold a referendum in 1974 and hoped that Anguilla would soon have its own constitution, although this would only happen if the Territory chose to terminate its status of association with the United Kingdom, as provided for in the Anguilla Act, 1971. He also said that Anguilla was not interested in political union with any other island in the Commonwealth Caribbean. It was reported that some Anguillans felt that their island needed more foreign investment than the group led by Mr. Webster was willing to allow, and that they hoped to win seats in the Anguilla Council at the next election expected to be held shortly.

Status of Nevis

98. In December 1971 the two opposition parties, the PAM and the NRP, which represent Nevis in the House of Assembly, called for change in the political relations between Nevis and St. Kitts. They believed that the Nevis Island Council should assume more responsibility for the island's affairs. Earlier, following elections to the Nevis Island Council in which the NRP won seven of the nine elected seats, the leader of the NRP, Mr. S. Daniel, is reported in the press to have said that the people of Nevis were dissatisfied with the "total disregard" for them on the part of the Territorial Government, and that the party would like a referendum to be conducted in Nevis on the question of secession.

99. Commenting on these reported statements by Mr. Daniels, the Labour Spokesman, a news organ of the St. Kitts-Nevis Trades and Labour Union, whose president is Premier Bradshaw, said that an attempt on the part of Nevis to break away from the Territorial Government would have serious consequences. The newspaper referred to a statement by Mr. C. A. P. Southwell, the Deputy Premier, in which he reportedly said that neither the Government of the Territory nor the Government of the United Kingdom would allow a situation similar to that in Anguilla to develop in Nevis.

Freedom of the press

100. On 23 November 1971, the House of Assembly passed the Press and Publications Board Bill, providing for the establishment of a statutory board to ensure "high standards of fairness, honesty, and integrity in news reporting and comment". According to the Bill, the following materials may not be written, printed, published, circulated, sold, distributed or caused to be written: (a) material

"deemed prejudicial to the defence of the state or to public safety, order, morality or health"; (b) material considered "scurrilous, seditious, or blasphemous and that which so distorts information as to be likely to deceive the public on matters of public interest"; and (c) anything "insulting to the Government as a whole or to ministers taken severally" or that which may malign or injure the reputation of the State or bring it into contempt, hatred or ridicule. The board has the power to suspend indefinitely from the publication or printing business anyone convicted of a number of offences that go beyond libel. He may be reprieved by depositing a bond of \$EC 5,000.

Economic conditions

General

101. The Territory's economy depends principally on agriculture and the earnings of workers employed abroad. There is also a growing tourist industry. Although the Territory is an exporter of agricultural products, principally sugar and cotton, it is dependent upon imports of certain food-stuffs and other consumer goods. In addition to an increasing trade deficit, the Territory faces problems of growing unemployment and rising living costs.

102. In late January 1972, when he represented the Government of the Territory at a conference of the Commonwealth Finance and Trade Ministers held in Barbados, Mr. C. A. P. Southwell, Deputy Premier and Minister of Finance, Trade, Development and Tourism, said that his Government was planning a new economic strategy to help restore prosperity to St. Kitts-Nevis-Anguilla. The highest priority would be given to the revitalization and strengthening of the sugar industry, which had recently been on the decline. Tourism would be developed as the second most important industry. Agricultural development would be accelerated to the extent that the Territory would be able to substitute local products for imports and to achieve self-sufficiency in food-stuffs. Finally, encouragement would be given to the establishment of light manufacturing industries, mainly consisting of assembly plants.

Agriculture

103. On St. Kitts, approximately 12,000 acres or 80 per cent of the arable land are devoted to the production of sugar cane, the Territory's chief export crop, on plantation scale. Most of the remainder of the cultivated land is used for growing food crops (mainly sweet potatoes and yams with smaller quantities of cabbages, carrots and tomatoes) primarily for local consumption. Apart from several large coconut estates, agriculture on Nevis is exclusively on a peasant smallholding basis and more than half the small farms in the Territory are on this island. Crops currently produced include cotton, coconuts, sugar cane and vegetables. Cotton, the peasant farmer's principal source of income, is the most important export crop of Nevis, but its production has continued to decline owing to a variety of economic, agronomic and climatic factors. Between 1968/69 and 1969/70, the total area under cotton decreased from 150 acres to 50 acres and output of clean lint from 17,000 pounds to 5,422 pounds. On Anguilla, the majority of inhabitants are also peasant proprietors. This island produces small quantities of food crops and considerable numbers of sheep and goats, in both of which trade is conducted with neighbouring islands.

104. Sugar. Nearly all sugar cane is produced on 35 estates in St. Kitts, which range in size from 5 to 1,200 acres. There is one sugar factory, the St. Kitts (Basseterre) Sugar Factory Ltd., which also processes the small amount of cane grown on Nevis. Sugar represents about 80 per cent of the Territory's exports, but the yield has been declining over the past 13 years and amounted to only 27,000 tons in 1970 and 25,000 tons in 1971. In both years the sugar factory suffered losses.

105. In May 1972, Premier Bradshaw announced the Government's acceptance of the recommendations of a United Kingdom firm of consultants aimed at improving the industry's efficiency. The recommendations call, inter alia, for the formation of a single integrated company, in which the Government would be a shareholder, which would purchase the existing estates and seek to achieve a target production of 40,000 tons per year. Hopes for the rehabilitation of the industry were further increased by a rise in the world price of sugar and an upward adjustment of the guaranteed price under the Commonwealth Sugar Agreement for the period 1972-1975.

Tourism

106. Much importance is attached to the development of the tourist trade, which has increased progressively since 1967. In 1971 there were 111 hotel rooms on St. Kitts, 155 on Nevis and 56 on Anguilla. In early 1972, a new 66-room hotel, to be operated by the Holiday Inns Inc. of the United States, was expected to open on the outskirts of Basseterre, the capital.

107. It is anticipated that tourism will play a more important role in the economic life of the Territory upon the completion of the following two projects. The first involves development of tourist facilities at Frigate Bay in St. Kitts (costing about £29 million and covering 850 acres). Part of the project was completed in 1971, and the Development and Finance Corporation was established to control and operate it. During the year, the Corporation leased two of the major hotel sites and began to sell house lots and land for other purposes. Negotiations were being conducted with a Canadian group for the construction of a marina complex, which would include a 400-room hotel, 200 apartments, a cinema and a number of shops. The second project involves the extension of the Golden Rock airport, situated about 1.5 miles from Basseterre, the largest in the Territory. In early 1973, when this work is scheduled to be completed, the airport will be capable of handling medium-sized jet aircraft.

Industry

108. As part of its diversification programme, the Government has been promoting industrial development. In 1971 several new industries began to operate, including factories for the manufacture of television component parts, cement blocks and garments. A rum distillery was under construction and production was scheduled for early 1972.

Communications and other basic facilities

109. The Government is aware of the need to accelerate the development of the economic infrastructure. In a radio broadcast on 24 May 1972, Premier Bradshaw drew particular attention to the following measures being taken to cope with the problem: (a) the 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; (b) the provision of an infrastructure for the Frigate Bay area; and (c) the establishment of a government-owned television station. At about the same time, it was reported that with financial and technical assistance from the United Kingdom Government, Anguilla now had its first surfaced roads, a jetty, a radio station, a telephone network, street lighting and water mains, and was extending the Wall Blake airfield. However, the supply of electricity and water in Anguilla was still insufficient for present requirements. During the period under review, efforts were also being made toward further development of basic facilities on Nevis, particularly its road and electricity systems.

Public finance

110. In April 1972, Mr. C. A. P. 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 probably would amount to \$EC 12.7 million and recurrent expenditure to \$EC 13.2 million and that revenue and expenditure on capital account were estimated at \$EC 8 million and \$EC 10 million respectively. He expected that the year-end results would show a deficit of \$EC 2.5 million (the largest since 1967). He also said that despite the weakening of its financial position, the Government intended to balance the budget for 1972 at \$EC 28 million. To this end, it proposed to amend the Income Tax Ordinance of 1966 to improve tax collections. But at the same time, he added, provision would be made for increases in personal allowances and tax reliefs for married women, when both the wife and husband were income earners. Moreover, he announced that a bill entitled "The Turn-over Tax Act, 1972" would soon be enacted to provide for the imposition and collection of taxes from people engaged in trade or other business in the Territory, and to require them to pay a licence fee. According to Mr. Southwell, the turn-over tax would contribute \$EC 1 million in revenue. Finally, he stated that a House and Land Tax Ordinance (Amendment) Act would soon be introduced in the House of Assembly, and that this Act would provide for an increase of tax on uncultivated arable land from \$EC 1 to \$EC 3 per acre per annum, but would continue to grant substantial concessions to Nevis land owners.

111. According to the budget estimates for 1972 approved by the Anguilla Council, that island's revenue will amount to \$EC 1,661,720 (including a United Kingdom grant-in-aid of \$EC 539,420) and expenditure to \$EC 1,177,700 (an increase of \$EC 250,673 over 1971).

112. Since 1965, the Territory has been provided with United Nations technical assistance. For the years 1969-1972, the Governing Council of the United Nations Development Programme (UNDP) has approved as a target for assistance to the Territory the equivalent of \$US 35,000 annually.

Social conditions

Labour

113. In 1970, there were 8,935 workers in the private sector of the economy. Of this number, 4,600 were employed by the sugar industry, the most important single source of employment. The remainder worked mainly for various concerns engaged in

commerce, construction, manufacture and transport. In addition, the Government, the second largest employer in the Territory, had, 3,421 employees. The workers in the sugar industry were reported to be suffering from a continued rise in the cost of living. Because of this and the decline of the industry, many such workers were seeking employment in Basseterre, the capital, and elsewhere, particularly the United States Virgin Islands. (Approximately 3,800 migrants were certified to work there between May 1970 and October 1971.) During this period, total unemployment was not reported, but the Government expected it to reach 3,000 by 1973. As noted in the preceding section, the Government has endeavoured to broaden employment opportunities by adopting a series of measures to accelerate economic development.

Educational conditions

114. The most important educational development in 1971 was the opening of the St. Kitts Technical College, the first institution of its kind in the Territory. In January 1972, the college had 134 full-time students. It offered nine full-time industrial training and technical courses, and part-time courses in machine shop work, motor vehicle engineering and welding. Later in the year, industrial safety courses were also expected to be provided. The Government said that the college would be the "hub of technical and commercial innovation" in the island.

6. ST. LUCIA

General

115. At the time of the last census in 1970, the population was 101,100, of whom 45,000 lived in the capital, Castries.

Political developments

116. As reported above (para. 18), the Governments of Grenada, St. Lucia and St. Vincent, at a meeting on 17 June 1972, agreed on certain steps towards the unification of the three Territories. The three Premiers agreed to meet again in September to consider, among other things, what further steps should be taken towards that objective.

117. There are three political parties in the Territory: 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. At the last elections in 1969, the UWP won six of the elected seats in the House of Assembly, the LP winning three seats and the UF one.

Economic conditions

General

118. St. Lucia is primarily an agricultural country but other sectors of the economy, especially tourism and construction are expanding. The chief crop is bananas, representing more than 80 per cent of all domestic exports. Banana

production reached a peak of 84,800 tons in 1969 and thereafter declined to 44,500 tons in 1971. During the same period the value of exports decreased from \$EC 10.9 million to \$EC 5.5. million. However, the depression in the banana industry was more than offset by spectacular expansion in the sectors of tourism and construction.

119. In recent years, the Territory has been faced with two economic problems. First, the tourism and building boom begun in 1969 has intensified inflationary pressures. The annual rate of inflation has since been 10 per cent, a gain of 7.5 per cent over that in the early 1960s. Second, there has been an increase in the number of people anxious to work. Many of them have found employment abroad, principally in the United States Virgin Islands. Between May 1970 and February 1971, 1,369 St. Lucians were certified to work there. Eight months later, the total was brought to approximately 1,900. In order to cope with these problems, the Government has established wage guidelines and has continued its efforts to encourage economic expansion and widen employment opportunities.

Agriculture, forestry and fisheries

120. Agriculture is the main industry and provides the basic livelihood of the majority of the population, who are small farmers. Apart from bananas, the principal crop, the other main products are coconuts, cocoa, limes, oranges, grapefruit and paprika. The production of coconuts, from which are derived copra, coconut oil and fats, soap and detergents, is increasing. There is a limited amount of timber, production and commercial fishing.

121. Despite efforts by the Government to promote crop diversification, bananas are expected to dominate the agricultural economy for some time. In his budget speech to the Legislature on 30 December 1971, Premier Compton announced a \$EC 1.6 million programme to revitalize the industry. Subsequently, the Territory received a grant of \$EC 530,000 from the United Kingdom Government as its contribution of \$EC 786,000 to the programme. The remaining \$EC 824,000 will be provided by the St. Lucia Government. The first part of the programme, which started at the beginning of March 1972, involves the distribution of fertilizers and nematicide to planters with less than 50 acres of land devoted to the production of bananas. The United Kingdom grant is used for financing a nematode control scheme. Also, in early March 1972, the Windward Islands Banana Growers' Association, which includes growers in St. Lucia, entered into an interim agreement with Geest Industries, Ltd., whereby a fixed price of \$EC 369.6 per ton of bananas will be paid during the next six months.

122. In the financial year 1970/71, the Government of the United Kingdom provided St. Lucia with grants totalling \$EC 377,000 for agricultural development. It was also reported in April 1971 that the Caribbean Development Bank had approved the Territory's application for a loan of \$EC 500,000 for the same purpose.

123. On 21 March 1972, the Government and the Food and Agriculture Organization of the United Nations (FAO) signed an agreement for a fisheries development project for St. Lucia. The project, which will cost \$EC 503,840, is to be financed jointly by the Government and certain organizations in the Federal Republic of Germany. The project, which will run for three years, involves the establishment of an exploratory fishing demonstration and training unit at Vieux Fort, where fishermen from St. Lucia and other neighbouring islands will be trained in the operation of inboard powered craft, in the construction of fishing gear and in the application of techniques to local conditions.

Tourism

124. Tourism has become the Territory's second largest industry. In 1970, a total of 70,400 tourists visited the island and spent \$EC 6 million.

125. A more than £1.9 million resort complex, covering over 500 acres, is being erected in the Rodney Bay area. The Commonwealth Development Corporation reportedly intends to invest £1.5 million in this project. The Territorial Government is providing land worth £375,000 and St. Lucia Marine Enterprises is putting up additional capital. Several other large hotels are also being constructed with group tourism in mind.

126. At present, the Territory has 15 hotels (including five opened in 1971). Of these, only two are locally owned and managed, while the other 13 have St. Lucians in middle-management positions. In January 1972, it was reported that local hotel managers and Mr. Joseph M. D. Bousquet, Minister of Community Development, Housing, Social Affairs and Labour had reached an agreement by which all hotels in the Territory would be managed by St. Lucians within the next five years. In preparation for this, the Government had allocated \$EC 600,000 in its 1972 budget for the establishment of a hotel training school at Mourné Fortune. Another important development was a decision recently taken by the Government and the Tourist Board that a greater percentage of the tourist spending should be retained locally (only 10 per cent of such spending being so retained in 1971).

Industry

127. The industrial sector of the economy is still very small, consisting mainly of secondary processing industries or light industries catering to the local market. New factories for the manufacture of electronic components, industrial gases, cartons and banana and breadfruit flour, are under construction or planned.

128. As part of its diversification programme, the Government is seeking to promote industrial development. A project exists for the creation of a tax-free industrial zone and preparations are under way for the establishment of two industrial estates which will cost \$EC 30 million. In 1971 the Government set up a National Development Corporation to which the Caribbean Development Bank has granted two loans totalling \$EC 580,000. Of this sum, \$EC 400,000 will be used to meet the demands of small industrial firms for credit. In April 1972, the Ministry of Trade, Industry, Agriculture and Tourism decided to form a committee to provide business consulting services to local enterprises. It was also announced that the Government would revise existing legislation relating to development incentives so that they would be available to local persons only, for the establishment of certain types of industries.

Communications and other basic facilities

129. During the financial year 1970/1971, the Government received development aid from the United Kingdom amounting to \$EC 2 million for road construction. A similar amount was allocated in the Territory's budget for 1972 for expenditure on further development of roads. Plans for the construction of a deep-water harbour at Castries are under consideration.

Public finance

130. On 30 December 1971, Premier Compton presented to the Legislature a record \$EC 29.4 million budget for 1972 (representing an increase of more than \$EC 4 million over the 1971 budget). He said that of this sum, \$EC 19.6 million would go for recurrent services and \$EC 9.7 million for capital development. Revenue for 1972 was estimated at \$EC 22.6 million (or \$EC 4.3 million more than in 1971), derived principally from customs and excise duties. Of the total expenditure for the year, \$EC 7.4 million would be devoted to communications and works, \$EC 6.5 million to education and \$EC 1.6 million to the revitalization of the banana industry.

131. The Territory's development programmes have been financed primarily from Colonial Development and Welfare Funds. Between 1966 and 1969, this aid totalled \$EC 5.3 million. It has since increased to over \$EC 4.7 million in 1970/1971, or about 80 per cent higher than the 1969/1970 level. Allocations were made for: infrastructural projects (aimed at further development of roads, airfields, urban areas and water supplies), \$EC 3.2 million; educational development, \$EC 960,000; agricultural development, more than \$EC 377,000; and the Royal St. Lucia Police Force, \$EC 206,500. In addition, the United Kingdom Government continued to provide the Territory with technical assistance on an increased scale, in order to improve the standards of living and economic well-being of its people.

132. Since 1964, St. Lucia has been provided with United Nations technical assistance. For the years 1969-1972, the Governing Council of the United Nations Development Programme (UNDP) has approved as a target for assistance to the Territory the equivalent of \$US 35,000 annually.

Social conditions

133. Within the Territory, the principal employment opportunities are provided by the banana and construction industries and the Government. In 1971, the banana industry supported 12,000 growers directly, and indirectly an estimated 20,000 persons who were engaged in activities linked to the industry. About 5,600 workers were employed in the building and allied industries. Many St. Lucians have secured employment overseas, notably in the United States Virgin Islands, where some 1,900 found work between May 1970 and October 1971. The recent upsurge in building activity has done much to improve the employment situation.

134. To meet an acute shortage of housing, it was announced on 20 September 1971 that the Commonwealth Development Corporation (CDC) would lend \$EC 2.4 million to its wholly-owned subsidiary, the St. Lucia Mortgage Finance Company Ltd. (SMFC). This new commitment brought CDC's investment in SMFC to \$EC 6.32 million. Since its establishment in early 1968, SMFC has made loans, totalling \$EC 4.3 million, to purchasers of houses erected by government authorities, CDC associated companies and individual builders. As a result of the concessions extended by the Government, SMFC has been permitted to make loans at the rate of 8 per cent per annum for up to 20 years and, in certain circumstances, of up to 90 per cent of the cost or valuation of the property. In his speech to the House of Assembly, the Acting Governor stated that the Government intended to introduce a bill to create a bank which would furnish housing loans.

Educational conditions

135. A hotel training school is being established at Mourné Fortune as part of an educational complex, financed largely by the Colonial Development and Welfare funds. At present, this complex includes a teachers' training college, a technical college, a secondary school, a domestic science centre and a centre of the University of the West Indies (UWI).

7. ST. VINCENT

General

136. At the last census, taken in 1970, the population numbered 89,632, of whom 23,645 lived in the capital, Kingston. The population is, however, increasing rapidly and on 12 June 1972, the Governor estimated it at 100,000.

137. The main island, St. Vincent, contains a volcano, Mount Soufrière. In 1971 the volcano showed signs of activity necessitating the evacuation of about 3,500 persons living in its vicinity. In May 1972 it was reported that about half of those evacuated had returned to their homes.

Political developments

Change of Government

138. Following the resignation of Mr. J. F. Mitchell as Minister for Agriculture, Trade and Tourism, a general election was held on 9 March 1972. As a result of the election, the St. Vincent Labour Party (SVLP), 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 Legislative Council. The thirteenth seat was won by Mr. Mitchell standing as an independent candidate. On 11 April the Governor, in a radio broadcast, announced that he had been advised that the election results provided no legal basis for a change in the premiership, and that having been reappointed as Premier, Mr. Cato had formed a Cabinet. Subsequently, Mr. Cato said that of the 42,407 registered voters, 32,257 had cast their votes and that the SVLP had received 50.4 per cent of the valid votes, the PPP and the independent candidate receiving respectively 45.4 per cent and 4.2 per cent. Emphasizing the need to improve the political situation in the Territory, he said that his Government intended to call for another general election at the earliest possible time.

139. The Governor's announcement and the appointment of Mr. Cato was opposed by the PPP on constitutional grounds. The PPP thereafter reached an agreement of alliance with Mr. Mitchell, calling for the appointment of the latter as Premier instead of Mr. Cato. Aware that he no longer commanded a majority in the House of Assembly, Mr. Cato resigned as Premier. Consequent upon Mr. Cato's resignation and in the light of the above-mentioned agreement presented to him, the Governor on 13 April invited Mr. Mitchell to form a new Government.

140. In addition to his duties as Premier, Mr. Mitchell also took over the Ministry of Trade, Agriculture and Grenadine Affairs. Five other Ministers were appointed to the Cabinet from among the members of the PPP. They were: Mr. Joshua, Minister of Finance and Information (who will also hold the Portfolio of Deputy Premier); Mr. Clive Tannis, Minister of Home Affairs, Labour and Tourism; Mr. Sylvester, Minister of Communications and Works; Mr. Victor Cuffy, Minister of Health, Housing and Local Government; and Mr. Alphonso Dennie, Minister of Education, Community Development and Youth Affairs. The appointment of a Parliamentary Secretary was also announced.

141. Premier Mitchell said in a radio broadcast on 16 April that during the period of uncertainty following the elections, he had tried to make a decision that could bring peace and stability to the Territory. In doing so, he had had discussions with both parties with a view to formulating a joint programme and policy, and setting up a government. He had contemplated the formation of a broadly-based coalition, made up of members from both parties with himself as chairman. However, this could not be achieved because of the precipitate action to create a minority government with the intention of returning to the polls. In this connexion, he praised Mr. Joshua for choosing to work with him rather than throw the Territory into more strife and confusion.

142. He also stressed that there was need to promote a just and efficient government for all the people of the Territory, and that St. Vincent was "too young, too poor, too small, for any of us to waste time".

Regional unification

143. Following his appointment as Premier, Mr. Mitchell said in a radio broadcast that he attached great importance to the creation of a new State with horizons beyond St. Vincent. This theme and the need for close economic co-operation with neighbouring Caribbean States, was again stressed both in the Governor's speech at the opening of the legislature and by Mr. Mitchell in an address delivered to the convention of the ruling United Workers' Party of St. Lucia, held in May 1972.

144. Subsequently, as noted above, the Governments of Grenada, St. Lucia and St. Vincent, at a meeting in June 1972, agreed on certain steps towards the unification of the three Territories.

Economic conditions

General

145. The economy is mainly agricultural, with tourism playing a lesser role. 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 agricultural products are bananas, which represent between 50 and 60 per cent of the value of all domestic exports, coconuts and arrowroot. Secondary products comprise cocoa, mace, nutmegs and food crops. Banana exports reached a peak of 75.7 million pounds (worth \$EC 4.5 million) in 1969 and then declined to 63.3 million pounds (\$EC 3.4 million) in 1970, owing mainly to adverse weather conditions. The growth of tourism also slowed in 1970 and declined slightly in 1971 due to the volcanic eruption on St. Vincent.

146. In a radio broadcast on 16 April 1972, Premier Mitchell said that he was under no illusion about the enormity of the problems confronting St. Vincent. He referred in particular to the problem of unemployment, the difficulty experienced by the banana industry, and the constraints on economic growth. Subsequently, the Governor stated in his speech at the opening of the legislature that the Government would take the following measures to cope with these problems: (a) the formulation of plans for increasing agricultural production, improving living conditions and dealing with unemployment; (b) the creation of a Department of Tourism with particular emphasis on an increase of off-season business; and (c) the completion of the project concerning harbour development and land reclamation in Kingstown, the capital and main port. In a further radio broadcast on 24 May, Premier Mitchell said that the Territory was in need of a massive injection of development capital from external sources. He added that he had discussed this question with representatives of the Caribbean Development Bank during their recent visit to the Territory. At the conclusion of the discussions, he said, they had decided that the Bank should make loans totalling \$EC 16.4 million towards a number of investment projects to be carried out during the period 1972-1975.

Agriculture and fishing .

147. All arable land is in the hands of local people and is more or less equally divided between large estates and small holdings. Statutory corporations handle about 97 per cent of the Territory's agricultural exports. Bananas, grown mostly by smallholders, occupy about 8,000 acres and are marketed exclusively by the St. Vincent Banana Growers' Association. Coconut palms, grown mainly on estates, occupy about 6,000 acres and the copra which is not exported is processed in two factories which manufacture edible oil, soap, margarine and animal feed. Arrowroot is grown on some 800 acres. Exports of starch from arrowroot amounted to 10,000 barrels in 1972. Fishing is relatively undeveloped, only 632,700 pounds of fish (worth \$EC 218,900) having been sold in 1970.

Tourism

148. After increasing rapidly from 1967 to 1969, the growth in the tourist trade slowed in 1970 and declined slightly the following year due to the volcanic eruptions. The number of tourists in 1971 was just over 17,000 and the amount spent by them was approximately \$EC 5 million. There are 25 hotels (with a total of about 700 beds).

149. In May 1972 it was announced that, after a temporary suspension, work had been resumed on the \$EC 2.2 million harbour development and land reclamation project initiated in 1970. At the same time it was announced that the Caribbean Development Bank would make funds available for the development of tourism mainly through improvement of air communications and the construction of tourist facilities, including a new hotel at Conouan.

Public finance

150. In 1970, government revenue amounted to \$EC 12.2 million (including a United Kingdom grant-in-aid of \$EC 1.9 million) and expenditure to \$EC 18.2 million, compared with \$EC 9.9 million and \$EC 9.8 million respectively in the previous year. The principal items of revenue are customs duties and income tax which, in 1970,

totalled \$EC 6.6 million. Of the total expenditure for 1970, education accounted for \$EC 2.6 million, medical services for \$EC 1.9 million, public works for \$EC 1.5 million and agriculture for \$EC 467,000.

151. On 31 January 1972, Mr. R. M. Cato, former 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. 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 it had announced 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. He stressed that: "we are being forced to stand on our feet even before we are ready to do so, but I am confident that we will meet this challenge, and while the road ahead may be difficult for some time, we should see light in the end".

152. Mr. Cato also announced a number of increases in tax allowances, including the exemption from tax of owner-occupied properties which would benefit approximately 3,000 taxpayers. Furthermore, he proposed to abolish all export duties on bananas and other export crops.

153. A development plan for the period from 1966 to 1970, which was primarily financed by the United Kingdom, provided for a capital expenditure of \$EC 41.2 million and a recurrent expenditure of \$EC 6.3 million. The plan placed emphasis on tourism as being the sector with the greatest growth potential and accordingly investment was devoted to the development of the infrastructure, especially in the Grenadines. Another main objective of the plan was to diversify and increase agricultural products. An Agricultural and Co-operative Bank was established in early 1969 to provide credit to farmers and fishermen. While it was recognized that the economy would remain largely dependent on agriculture in the foreseeable future, provision was made for setting up light industries to utilize local produce through the formation of a Development Corporation. United Kingdom aid for the financial year 1970/71 totalled \$EC 4.6 million of which \$EC 3.4 million was allocated to capital and \$EC 1.2 million to recurrent expenditure.

154. The Canadian Government has provided \$425,000 (Canadian) for a water development project to be carried out over a period of five years ending 1973. Moreover, the Caribbean Development Bank has decided to make loans totalling \$EC 16.4 million to accelerate economic development in the Territory over the years 1972-1975.

155. Since 1965, St. Vincent has been provided with United Nations technical assistance. For the period 1969-1972, the Governing Council of the United Nations Development Programme (UNDP) has approved as a target for assistance to the Territory the equivalent of \$US 35,000 annually.

Social conditions

156. The Territory's main problems in the social field are the population explosion, rising unemployment and a severe housing shortage. The labour situation was aggravated by the economic slowdown in 1970 and 1971. At present, the number of persons in employment is estimated at 32,000, about half of whom are engaged in agriculture, forestry and fishing.

157. In 1971, there were five registered trade unions in the Territory. In early June 1972, two of them (the Commercial, Technical and Allied Workers' Union and the St. Vincent Workers' Union) were reported to have formed a joint industrial council for the representation of about 200 water-front workers in Kingstown.

158. The Central Housing and Planning Authority, a statutory body, is responsible for preparing and approving housing development plans and for putting into effect schemes for rehousing families living in substandard housing and meeting the pressures for accommodation created by the increase in population. Priority has been given to the rural areas. The aim of the Authority has been twofold: to provide workers with building materials and assist them in creating their homes; and to build houses for allocation at low rentals. Under a new scheme, to be initiated at the end of 1972, the Government will construct houses, costing approximately \$EC 5,000 each, for people earning between \$EC 40 and \$EC 60 a week,

159. The St. Vincent Housing Finance Company, a subsidiary of the Commonwealth Development Corporation, opened its first housing project at Arnos Vale for public viewing towards the end of November 1971. The project covers four acres of land and comprises 42 houses for the middle income group; each house was offered for sale at \$EC 3,450, plus the cost of the land at \$EC 1 per square foot.

Educational conditions

160. The Technical College at Arnos Vale, built at a cost of \$EC 552,000 financed by the United Kingdom, was scheduled to begin classes in September 1971. Its principal, Mr. F. R. Caffray, said that the College would open with about 16 to 18 lecturers and about 200 students, but he expected that within two years there would be 35 lecturers and 350 students. He said that the lecturers would be all expatriates but St. Vincentians would be trained to take over positions in the College.

161. A new teachers' college is being built next to the technical college, with a United Kingdom grant of some \$EC 500,000. The two institutions, together with the adjacent primary school, form an educational complex. At its peak, the new teachers' college will have 200 students and will train 100 teachers annually in a two-year course for St. Vincent's primary and junior secondary schools.

162. The centre of the University of the West Indies (UWI) in Kingstown, which was opened in early December 1971, is responsible for programming external studies for students, who may do effective work leading to a degree through correspondence courses, lectures on tapes and vacation classes.

CHAPTER XXV

FALKLAND ISLANDS (MALVINAS)

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 841st meeting, on 16 March 1972, the Special Committee, by approving the sixty-fifth report of its Working Group (A/AC.109/L.763), decided, inter alia, to take up the question of the Falkland Islands (Malvinas) as a separate item and to consider it at its plenary meetings.
2. The Special Committee considered the item at its 887th meeting, on 25 August.
3. In its consideration of the item, the Special Committee took into account the provisions of relevant General Assembly resolutions, including in particular resolution 2878 (XXVI) of 20 December 1971 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By paragraph 10 of that resolution, the Special Committee was requested by the General Assembly "to continue to seek suitable means for the immediate and full implementation of General Assembly resolution 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-seventh session". The Special Committee also took into account the provisions of the consensus concerning the question of the Falkland Islands (Malvinas), adopted by the General Assembly on 20 December 1971.
4. 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 Special Committee and the General Assembly, and on the latest developments concerning the Territory.

B. DECISION OF THE SPECIAL COMMITTEE

5. At the 887th meeting, on 25 August 1972, following statements by the representative of Trinidad and Tobago and by the Chairman (A/AC.109/PV.887), the Special Committee decided, without objection, to transmit to the General Assembly the working paper, referred to in paragraph 4 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-seventh session, to give consideration to the item at its next session.

ANNEX

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

1. The Territory of the Falkland Islands (Malvinas) has been considered by the Special Committee since 1964 and by the General Assembly since 1965. The Special Committee's conclusions and recommendations, statements of consensus and decisions concerning the Territory are set out in its reports to the General Assembly at its nineteenth and twenty-first to twenty-sixth sessions. a/ The text of the consensus adopted by the General Assembly on 20 December 1971 concerning the question of the Falkland Islands (Malvinas) has been made available to the Special Committee.

B. INFORMATION ON THE TERRITORY^{b/}

2. Basic information on the Territory is contained in the Special Committee's report to the General Assembly at its twenty-sixth session. c/ Supplementary information is set out below.

1. GENERAL

3. In December 1970 the population of the Falkland Islands (Malvinas) excluding the Dependencies was 2,115, of whom almost all were of European descent and most were of British origin. More than half the inhabitants lived in Port Stanley, the capital.

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/ For the most recent, see Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 23 (A/7623/Rev.1), chap. XXXI, para. 6; ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XIX, para. 6; ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXV, para. 8.

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, on 23 June 1971 for the year ending 31 December 1970.

c/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXV, annex.

d/ Ibid., 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 the Argentine Republic 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. It will also be recalled that further special talks held in Buenos Aires during June 1971 were reported by the Permanent Representatives of Argentina and of the United Kingdom in identical letters of 12 August addressed to the Secretary-General. 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. e/

7. At the 1948th plenary meeting of the General Assembly, on 1 October 1971, f/ the Minister for Foreign Affairs of the Argentine Republic referred to the results of the above-mentioned talks and declared:

"This does not, however, close the chapter of negotiations. These negotiations should continue until full implementation is achieved of the terms of resolution 2065 (XX) and the objectives of decolonization carried out by the United Nations are duly attained. We are linked to the United Kingdom by traditional and close ties of friendship. Argentina will continue its endeavours with a spirit that is in keeping with this long relationship, in the assurance that the self-same spirit is shared by the United Kingdom and that, in an atmosphere of mutual understanding, the problem will soon be definitively solved' with the restoration of the Malvinas to the national territory of the Argentine Republic."

8. In a letter dated 17 November 1971, g/ addressed to the Secretary-General, the Permanent Representative of the United Kingdom referred to the above statement by the Minister for Foreign Affairs of Argentina and said 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".

e/ Ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXV, annex, paras. 9-13.

f/ A/PV.1948.

g/ Official Records of the General Assembly, Twenty-sixth Session, Annexes, agenda item 9, document A/8527.

9. The Permanent Representative of the United Kingdom added that this spirit had been evident in the above-mentioned joint statement on communications and movement. At the same time, he reiterated that the position of the United Kingdom Government on territorial sovereignty over the Islands remained as described in the letter which had been addressed to the Secretary-General on 26 September 1969. h/

10. On 27 March 1972, Mr. Joseph Godber, Minister of State for Foreign and Commonwealth Affairs, confirmed in reply to questions in the United Kingdom House of Commons that "there will be no change in the sovereignty or status of the Islands without the free consent of the inhabitants". He said that satisfactory progress was being made under the terms of the 1971 joint statement on communications and movement. Arrangements were being made with the Argentine Government for the construction of a temporary airstrip in the Territory. He hoped that this airstrip, which would take fairly small aircraft, would be established during the summer. He also said that the United Kingdom Government had appointed a firm of consulting engineers, to make a detailed survey of suitable sites for a permanent airfield in the Islands. The Government expected to receive their report shortly and hoped to have a sufficiently long airstrip to take aircraft of reasonable size.

11. According to the joint statement referred to above, the Argentine Government is to provide a regular air service between the Argentine mainland and the Islands. In January, Lade, an airline owned by the Argentine Government, began twice-monthly flights by small amphibious airplanes between Comodoro Rivadavia in Argentina and Port Stanley. Under an agreement signed in Buenos Aires on 2 May, the Argentine Government is to spend about £60,000 on the construction of a 2,500-foot long temporary airstrip in the Territory. Work on the airstrip was started soon after an Argentine ship had entered Port Stanley on 14 May, carrying 40 workmen and technicians, and 900 tons of equipment required. Upon the completion of the airstrip, Lade intends to use larger aircraft.

12. In statements to the United Kingdom House of Commons made on 10 May and 1 August, Mr. Anthony Kershaw, Parliamentary Under-Secretary for Foreign and Commonwealth Affairs, said that the consulting engineers' report on the siting of the permanent airfield was under study. The Territorial Government would control the airfield upon its completion. He had asked the Governor for his views on the report and hoped that a decision would be announced before long.

13. In the first half of the year, other steps were taken to encourage the establishment of 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. These included: (a) the inauguration by the United Kingdom of a bi-monthly shipping service; (b) the delivery by the Argentine postal service of mail bearing the postage stamps issued in the Islands; (c) the introduction of cruises to the Islands by an Argentine shipping line; (d) the stationing of a Lade representative in Port Stanley; (e) the granting of scholarships by the Argentine Government to eight pupils from the Territory, who were attending secondary schools in Buenos Aires; and (f) the promotion of the movement of persons in either direction by exempting them from taxation and military service.

h/ Ibid., Twenty-fourth Session, Annexes, agenda item 9, document A/7691.

3. ECONOMIC CONDITIONS

14. The economy is based almost entirely on the production of high quality wool, which is exported to the United Kingdom for sale on the London Wool Exchange. About 2.9 million acres are devoted to sheep farming, of which 1.3 million acres are owned by the Falkland Islands Company, registered in the United Kingdom. The company also controls much of the banking, commerce and shipping in the Territory.

15. In July 1972, Dundee Perth and London Securities (DPLS) was reported to be in the process of acquiring the Falkland Islands Company, having given assurances that, if it did so, the present level of economic activity in the Territory would be maintained. A spokesman for DPLS said that it was studying the possibility of giving the islanders some opportunity of acquiring a direct stake in its local operations.

16. Three other areas of possible economic development are being explored. Algimate Industries, Ltd., a company registered in the United Kingdom, has established an experimental laboratory in Port Stanley to determine the commercial potential for processing the local seaweed into a chemical for use in textiles, food products and soft drinks. As previously noted, i/ it was estimated that the company could harvest seaweed worth £12 million a year which, after processing in the United Kingdom, would then be worth £100 million. It is also thought that there is scope for the development of a tourist industry. In January 1972, the Argentine ship Libertad anchored at Port Stanley with 350 tourists on board. A further possibility is oil. Following the discovery of petroleum in Patagonia, a number of Canadian and United States companies have applied for oil exploration licences in the seas surrounding the Islands. Finally, there are chances of developing a deep sea fishing industry.

17. Exports consist almost exclusively of wool and skins. Nearly all consumer goods, including many food-stuffs, are imported.

18. Practically all territorial revenue is derived indirectly from sheep farming. The principal items of expenditure are education, public health and posts and telecommunications. In 1970/71, estimated government revenue amounted to £508,000 (including £50,000 from Colonial Development and Welfare funds) and expenditure to £533,000, compared with actual revenue and expenditure of £417,000 (including £21,000 from Colonial Development and Welfare funds) and £530,000 respectively, in the previous year.

4. SOCIAL CONDITIONS

Labour

19. The largest employers in the Territory are the Government and the Falkland Islands Company. Dundee Perth and London Securities (DPLS), which is reportedly in the process of acquiring the Falkland Islands Company, has given an assurance that it would not reduce the number of employees or change the conditions of employment.

i/ Ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XIX, annex, paras. 22-23.

Public health

20. During the period under review, the Government maintained a general hospital in Port Stanley, with 27 beds, which provided treatment for medical, surgical, obstetric and geriatric cases. The Medical Department employed one senior medical officer, three medical officers, two dental surgeons, one dental technician, one matron and nine nurses. Estimated government expenditure on public health in 1970/71 was £53,330, compared with £54,102 in the previous year.

5. EDUCATIONAL CONDITIONS

21. In 1970, there were 383 pupils (372 in 1969) attending schools in the Territory, which in principle are all primary schools catering for children between the ages of five and fifteen, though a number of pupils stay until their sixteenth year, and in some subjects reach General Certificate of Education standard. Attendance at school is compulsory. Education is free except at Darwin Boarding School on East Falkland, which can accommodate 42 boarders (who are required to pay a boarding fee) and caters for as many day pupils as there are in the two nearby settlements.

22. There are no facilities for secondary or higher education, but arrangements exist for pupils to continue their studies outside the Territory. A competitive overseas scholarship examination is held annually, successful candidates being granted places at secondary schools in the United Kingdom and Uruguay. Recently, the Argentine Government awarded scholarships for secondary education to eight students from the Territory.

23. The estimate for government expenditure on education in 1970/71 was £67,194 (compared with £60,738 in the previous year).

CHAPTER XXVI

BRITISH HONDURAS

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 841st meeting, on 16 March 1972, the Special Committee, by approving the sixty-fifth report of the Working Group (A/AC.109/L.763), decided, inter alia, to take up the question of British Honduras as a separate item and to consider it at its plenary meetings.
2. The Special Committee considered the item at its 887th meeting, on 25 August.
3. In its consideration of the item, the Special Committee took into account the provisions of relevant General Assembly resolutions, including, in particular, resolution 2878 (XXVI) of 20 December 1971 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By paragraph 10 of that resolution, the Special Committee was requested by the General Assembly "to continue to seek suitable means for the immediate and full implementation of General Assembly resolution 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-seventh session".
4. 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 Special Committee and on the latest developments concerning the Territory.

B. DECISION OF THE SPECIAL COMMITTEE

5. At the 887th meeting, on 25 August 1972, following statements by the representative of Trinidad and Tobago and by the Chairman (A/AC.109/PV.887), the Special Committee decided, without objection, to transmit to the General Assembly the working paper, referred to in paragraph 4 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-seventh session, to give consideration to the item at its next session.

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* Previously issued under the symbol A/AC.109/L.824.

A. CONSIDERATION BY THE SPECIAL COMMITTEE
AND THE GENERAL ASSEMBLY

1. On 6 October 1971, 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 20 December 1971, the General Assembly, on the recommendation of the Fourth Committee, b/ decided to defer consideration of the question of British Honduras until its twenty-seventh session.

B. INFORMATION ON THE TERRITORY^{c/}

2. Basic information on the Territory is contained in the report of the Special Committee to the General Assembly at its twenty-fifth and twenty-sixth sessions. d/ Supplementary information is set out below.

1. GENERAL

3. British Honduras is situated on the Caribbean coast of Central America, bounded on the north and north-west by Mexico and on the south and south-west by Guatemala. Its land area is about 8,866 square miles, which includes a number of islets (cays) lying off the coast.

4. The results of the latest census, held in 1970, revealed a total population of 119,863, of whom 39,332 or more than 30 per cent lived in Belize City. Belmopan had approximately 3,000 inhabitants in February 1972.

a/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXVI, para. 5.

b/ Official Records of the General Assembly, Twenty-sixth Session, Annexes, agenda item 23, document A/8616, para. 26.

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 11 August 1971 for the year ending 31 December 1970.

d/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XX, annex; Ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXVI, annex.

5. As reported earlier, e/ on 1 August 1970, the seat of Government was officially moved from Belize City to Belmopan. The United Kingdom Government has made available £5.63 million in grants and loans for the first phase of building the new capital. This phase is now almost complete.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

Constitution

6. The constitutional arrangements described in the report of the Special Committee to the General Assembly at its twenty-fifth and twenty-sixth sessions have remained unchanged. f/ Briefly, the present Constitution, which was introduced in January 1964, provides for a Governor appointed by the Queen, a Cabinet and a bi-cameral legislature consisting of a Senate and a House of Representatives. The Governor has special responsibilities for defence, external affairs, internal security and the public service.

7. The Cabinet consists of a Premier and other Ministers. The Governor appoints as Premier the member of the House of Representatives who appears best able to command a majority. The other Ministers are appointed on the advice of the Premier.

8. The Senate consists of eight members appointed by the Governor - five on the advice of the Premier, two on the advice of the leader of opposition and one after such consultations as the Governor considers appropriate. The House of Representatives consists of 18 members elected by universal adult suffrage.

Political parties and elections.

9. There are two major political parties in the Territory. The Peoples United Party (PUP), formed in the late 1940s, with Mr. George Price, the Premier, as its head; and the National Independence Party (NIP) established in 1958. There is also the Peoples Development Movement (PDM), made up in 1969 of former NIP members and the United Black Association for Development (UBAD), established as a political party in 1970.

10. The last general elections were held in December 1969. The ruling PUP won 17 of the 18 seats of the House of Representatives. The NIP won one seat which went to its leader, Mr. Philip S. W. Goldson. At the election, the main issue separating the two parties was the timing of independence. The PUP's policy reportedly called for speedy granting of independence coupled with a security guarantee from the United Kingdom and "other Commonwealth countries". The NIP advocated delaying independence because it did not believe that the United Kingdom would give such a guarantee under present circumstances.

e/ Ibid., Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXVI, annex, para. 4.

f/ Ibid., Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), chap. XX, annex, paras. 4 to 10, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXVI, annex, paras. 5 to 6.

Future status of the Territory

11. On 10 September 1971, Mr. George C. Price, Premier of the Territory, declared in the House of Representatives that the year of independence would most likely be 1972. He added that the time-table for independence with a suitable independence guarantee had taken longer than at first conceived, but that "undue speed can wreck our entire plans and aspirations." He called on the United Kingdom "to assist us in making the final arrangements consistent with our objective" and stressed the need "to reach honourable solution that will preserve and guarantee our status of sovereignty".

12. On 30 September 1971, at the 1947th meeting of the twenty-sixth session of the General Assembly, g/ the representative of Guatemala declared, inter alia:

"Guatemala has a very old dispute concerning the territory with the United Kingdom of Great Britain and Northern Ireland and, for its part, has made every effort to come to an agreement peacefully settling the controversy and taking account of the undeniable grounds for its complaint and, at the same time, the basic interests of the population of Belize, a people of America.

"My Government wishes to state that we shall continue to seek an adequate and just solution that will satisfy all parties to this dispute, but we wish also to state that, although we are determined to assist the people of Belize in its struggle to get free itself of colonial domination, we shall oppose any change in the juridical or political status of the territory unless the problem of Guatemala's rights thereto is first completely resolved."

13. In a letter of 4 October 1971 addressed to the Secretary-General, h/ , the Permanent Representative of the United Kingdom to the United Nations stated that his Government did 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 declared: "The United Kingdom Government has no doubt as to its sovereignty over the Territory of British Honduras, and I wish formally to reserve the rights of the United Kingdom Government on this question. Meanwhile, my Government will continue to explore means of resolving its differences with Guatemala with regard to British Honduras."

14. On 28 January 1972, Premier Price stated the following: "The United Kingdom should realize now the need to fulfil its duty and obligation to the United Nations and Belize (British Honduras) in accordance with the United Nations Charter recognizing the right of dependent territories to self-determination. This could only be fulfilled, given the political realities of today's world, by giving Belize an effective independence guarantee...". On 2 February, the Premier

g/ A/PV.1947.

h/ Official Records of the General Assembly, Twenty-sixth Session, Annexes, agenda item 9, document A/8453.

declared that he would like Canada, Mexico and the United States to join with the United Kingdom in a multilateral agreement in giving British Honduras a defence guarantee upon its accession to independence.

15. On 3 April 1972, the Premier declared that "independence for Belize continues to be our ultimate objective as we advance upon our road to greater economic development and social progress.... When independence comes, it must have a guarantee sufficient to maintain and strengthen our separate existence as an independent state of the Americas."

16. On 5 May 1972, Mr. Joseph Godber, the United Kingdom Secretary of State for Foreign and Commonwealth Affairs, in reply to questions in the House of Commons, declared, that "no date has been agreed for the independence of British Honduras" and that "a constitutional conference, to which representatives of both government and opposition parties would be invited, would be held before independence was granted"; he added that there were "no present plans for such a conference". According to Mr. Godber, "the question of the defence of British Honduras after independence would be a matter for discussion at an independence conference".

United Kingdom military exercises

17. On 27 January 1972, the United Kingdom Defence Ministry announced that 3,000 servicemen would carry out amphibious exercises in the Caribbean area (including British Honduras), in which five major naval units (including HMS Ark Royal, the 43,000-ton aircraft carrier, the assault ship Fearless, two frigates and a guided-missile destroyer), and auxiliaries would take part. The Second Battalion of the Grenadier Guards was being flown to British Honduras to back up the company of the regiment stationed there. The exercises had been originally planned to take place between 31 January and 31 March 1972, but actually started already before the end of January.

18. It was reported that on 27 January, the Government of Guatemala protested to the Government of the United Kingdom against the military exercises. In a statement issued on 31 January, Mr. Roberto Herrera Ibarguen, Guatemala's Minister of Foreign Affairs declared, inter alia:

"The presence and manoeuvring of naval units and land forces in the waters and territory of Central America constitutes a lamentable exhumation, by the Government of the United Kingdom, of the gunboat diplomacy which it used in the last century to terrorize and intimidate unjustly and vilely new nations which had just affirmed their sovereignty.... The attitude of the United Kingdom is a contrast with that of Guatemala, which has peacefully continued a long negotiation on the Belize problem...."

19. On 31 January, the Inter-American Juridical Committee of the Organization of American States (OAS), during its session in Rio de Janeiro, passed a motion proposed by the representative of Guatemala, condemning the exercises carried out by the United Kingdom as a threat to the peace and security of the continent.

20. On 14 February, Mr. Joseph Godber, the United Kingdom Minister of State for Foreign and Commonwealth Affairs, stated in reply to questions in the House of Commons:

"The Guatemalan authorities made representations to Her Majesty's Consul in Guatemala City about these exercises. British Honduras is, of course, a British dependent territory and Her Majesty's Consul has been instructed to make clear to the Guatemalan Government that the movement of troops in British territory is a matter for her Majesty's Government. The movements in question were part of a long planned exercise in the Caribbean area."

Mr. Godber also stated: "There is always a commitment in regard to British Honduras. We retain troops in British Honduras and we intend to continue to do so as long as we have a responsibility there."

21. In late March, the United Kingdom announced that its garrison in the Territory had increased from 250 to about 600.

22. The question of the United Kingdom troops in the Territory was brought before the General Assembly of the OAS at its session in Washington, D.C. in April 1972. The representative of Guatemala stated that the United Kingdom had sharply increased its forces in British Honduras and was "preparing to launch aggressive actions against his country". According to the above-mentioned statement, he found it advisable to withdraw its draft resolution calling for the removal of these troops and the imposition of sanctions, when the United Kingdom offered to invite an observer from the OAS to verify the number of troops stationed in British Honduras. A resolution proposed by the representative of Uruguay was then adopted, in which the General Assembly took note of the Guatemalan statement and the United Kingdom's offer, and decided to send an Observer to British Honduras to determine and report on the extent and type of United Kingdom forces there. (Premier Price, with whose views Mr. Philip Goldson, Leader of the Opposition, did not agree, stated that this decision in no way represented an enforced intervention of the OAS in the internal affairs of British Honduras, and that the Observer would perform his task with the distinct understanding that his mission in no sense constituted a precedent for any action by the OAS on the dispute between Guatemala and the United Kingdom.)

23. Major General Alvaro Valencia Tovar of the Colombian Army was appointed Observer by Senor Galo Plazo, the Secretary-General of the OAS and sent to British Honduras in mid-May to ascertain the level of United Kingdom troops. In a report to the Permanent Council of the OAS, published in June, the Observer listed the strength of United Kingdom forces, the British Honduras Volunteer Guard and the Para Military. He stated that United Kingdom troops were an understrength battalion; that the Volunteer Guard had a capacity for civil defence and local security type operations rather than for regular combat; and that the forces in the Territory were a ground force, basically infantry with supporting services to provide a suitable balance for self-sufficiency. The Observer concluded that "British forces in British Honduras are fundamentally of a defensive nature".

3. ECONOMIC CONDITIONS

General

24. The Territory's economy was once based almost entirely on the export of forest products. Since the mid-1950s, however, agriculture has become the dominant sector as a result of a rapid depletion of forest resources. Efforts to stimulate economic growth 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.

25. Reviewing the performance of the economy, Premier Price (who is also responsible for finance and economic development) stated in a budget speech delivered to the Legislature on 19 November 1971 that in 1970, the gross domestic product had risen by 14 per cent to \$BH 105 million ^{i/} at current market prices. He attributed this rise mainly to the upsurge in the activities of construction, distribution and manufacturing. He also drew attention to the expansion of the tourist industry and the volume of exports of agricultural products.

26. On 1 May 1971, British Honduras became the twelfth member of the Caribbean Free Trade Association (CARIFTA).

27. A serious problem confronting the Territory at present is the widespread unemployment and underemployment; in January 1972, 14 per cent of the labour force was reportedly unemployed and a further 8 to 10 per cent permanently underemployed.

Agriculture, forestry and fishing

28. The total land area in the Territory is estimated at 5,675,000 acres, of which 3,348,000 are owned by the Crown and mainly covered by forests, and 2,327,000 are in private ownership. Of the privately owned land, which is considered suitable for agricultural use, only some 110,000 acres are under cultivation.

29. Sugar in the form of raw sugar and molasses is the most important agricultural product and with the development projected, it is anticipated that production will eventually be raised to some 150,000 tons annually. In 1970, 66,785 tons (52,138 tons in 1969) of sugar and 26,397 tons (18,686 tons in 1969) of molasses were produced. The total acreage under sugar-cane increased from 38,900 to 42,300 during this period. In 1970, sugar exports amounted to \$BH 12 million and accounted for more than 50 per cent of all domestic exports.

^{i/} One pound sterling (£1) is equivalent to 4 British Honduras dollars (\$BH).

30. In 1969 and 1970, some 9,000 acres were under citrus, of which 6,600 were growing oranges and the remainder grapefruit. The industry continued to be plagued by pests and diseases. As a result, total production decreased from 988,000 boxes to 815,201 boxes. Other export crops which improved in 1970 were cocoa, cucumbers and papaw. On the domestic market, the output of rice, corn and red kidney beans increased significantly, while there was a modest expansion of beef and pork production.

31. Timber production in 1970 was estimated at 11 million board feet (10 million in 1969), of which some 4 million (3.5 million in 1969) were exported. The total export value of forest products rose by \$BH 44 million to \$BH 1.8 million.

32. The principal marine products are lobster tails, conch, shrimp and scale fish. Exports of these products in 1970 were valued at some \$BH 2 million (an increase of \$BH 0.3 million over 1969).

Manufacturing, mining and construction

33. The Government has been promoting industrial development mainly through tax exemptions of up to 12 years and import duty exemptions on capital goods and raw materials. The principal manufacturing industries are those concerned with the processing of the Territory's primary products for export - sugar manufacturing, citrus canning and saw milling. There are also a number of smaller industrial concerns engaged in the manufacture of furniture and garments, meat processing, the bottling of beer, mineral waters, oil refining, etc. In early 1972, three locally-owned enterprises were established, the largest being a \$BH 1.6 million brewery.

34. As previously noted, j/ three companies hold oil exploration and prospecting licences covering the whole off-shore region of the Territory with an area of approximately 2.8 million acres, while two other companies applied for concessions covering 4.1 million acres in the on-shore region. In early 1972, the Anschutz Overseas Corporation, one of the applicants, 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 make substantial investments in a drilling programme, which was expected to be initiated soon.

35. In 1970, activity in the construction industry continued to revolve mainly around Belmopan, the new capital, although government and private housing projects also expanded. In addition, several hotels and lodges were being built or extended to meet the growing demand of tourists for accommodation.

j/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXVI, annex, para. 21.

Transport and communications

36. There are 390 miles of all-weather, main and feeder 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. The mileage of roads in the Territory is increasing, particularly feeder roads to serve the sugar industry. There are no railways.

37. Belize City, the principal seaport, and Stann Creek, a second seaport, together handle about 1.3 million tons of cargo annually. A study has been completed by the United Kingdom Overseas Development Administration for a deep water port for which finance is being sought.

38. The Belize City International Airport is 10 miles north-west of Belize City. On completion of its resurfacing and lengthening to 6,300 feet in 1968, the runway was upgraded to accommodate all types of short-range and some medium-range jet aircraft. There are also airstrips situated in or near five principal municipalities.

39. Telephone installations include an automatic dial system serving Belize City, which is operated by Cable and Wireless Ltd. on behalf of the Government, and plans are being made to improve links to all district capitals. The company also operates external telecommunications services.

Foreign trade

40. British Honduras imports all its capital equipment and most of its consumer goods (including certain foodstuffs). Imports were valued at \$BH 49.35 million in 1969 and \$BH 56.7 million in 1970; exports totalled \$BH 28.1 million and \$BH 30.9 million respectively). During 1970, therefore, the Territory's trade deficit increased, but, as in the past, it was offset mainly by loans and investment funds from the United Kingdom and the United States. These two countries continued to provide the main markets and sources of imports.

Public finance

41. According to the budget estimates for 1971, recurrent revenue was expected to amount to \$BH 17.5 million and recurrent expenditure to \$BH 16.1 million. The principal items of revenue are customs duties and internal taxation which, in 1971, were estimated at \$BH 14.3 million. Of the total estimated expenditure for the year, education accounted for \$BH 2.91 million; medical services for \$BH 1.64 million; public works for \$BH 1.63 million; agriculture, forestry and lands for \$BH 1.52 million and police for \$BH 1.29 million. Expenditure on capital account for the year was estimated to be \$BH 13 million. The balance of the budget was made up by United Kingdom development aid, totalling \$BH 11.2 million and local loans, totalling \$BH 0.3 million. Most of the capital expenditure was used on the construction of the new capital city of Belmopan.

42. On 19 November 1971, Premier Price submitted a budget for 1972 to the Legislature for approval. Expenditure was expected to total \$BH 29.8 million, of which \$BH 17 million was on recurrent and \$BH 12.8 million on capital account. 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.

43. At the end of April 1972, the Government announced that the Caribbean Development Bank, of which British Honduras is a founding member, would lend the Territory up to \$BH 1 million in soft loans for small farmers and industrial concerns.

4. SOCIAL CONDITIONS

Labour

44. Approximately 42 per cent of the working population is engaged in agriculture, of which about a third are working on their own account. As noted in paragraph 27 above, there is considerable unemployment and underemployment in the Territory.

45. In 1970, there were nine registered trade unions with a membership of about 7,000.

Public health

46. 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 two of them exclusively for out-patients. In addition, the Territory had 24 maternity and child welfare clinics, a mental institution, a tuberculosis sanatorium and an infirmary. There were 25 government and 13 private registered physicians. There were also 170 nurses, of whom 78 (including 67 employed by the Government) were trained and 92 (including 77 employed by the Government) partially trained.

47. According to the Administering Power, British Honduras was relatively free from endemic diseases. Malaria, which had been most prevalent, was no longer a problem owing to an intensive programme of malaria eradication.

48. The Executive Director of the United Nations Children's Fund (UNICEF) in February 1972 made the following observations on a project proposed by the Government of British Honduras concerning the provision of services for the pre-school children (E/ICEF/P/L.1508): Nutritional deficiencies, diarrhoeal and respiratory diseases are among the principal health problems affecting children; the Health Department and the Education Department programmes each deal with some related aspects of these problems, but no national authority assumes full responsibility for the care and training of the pre-school child. The net result is that the majority of children in this age group receive indifferent and inadequate care; nor do they receive training designed to foster a good health, development and nutritional status.

49. UNICEF agreed to assist the Government in carrying out a four-year project starting in 1972, with a view to improving the situation of the pre-school children in the areas of health and nutrition, home and institutional care and education. The Government and UNICEF would allocate \$US 215,000 and \$US 82,000, respectively, for the project.

5. EDUCATIONAL CONDITIONS

50. Education is compulsory for children between the ages of 6 and 14. About 5 per cent of the population over the age of 10 years are illiterate.

51. In 1970, 30,350 pupils were enrolled-free of cost in the 2 government and 164 government-aided primary schools, with about 450 more pupils attending private primary schools. Secondary education was provided by 19 schools with a total enrolment of 3,620. All these, except two government-run institutions (the Belize Technical College and the Belize Junior Secondary School No. 1) were mission schools and school fees were charged; the Government provided 299 students with scholarships. There was also a mission secondary school, a mission vocational training centre and a government teacher-training college (the Belize Teachers' College). During the year, there were 1,864 teachers (including 510 uncertificated ones) serving in the primary schools or on training courses at the Belize Teachers' College.

CHAPTER XXVII

(A/8723/Add.7)

INFORMATION FROM NON-SELF-GOVERNING TERRITORIES TRANSMITTED
UNDER ARTICLE 73 e OF THE CHARTER OF THE UNITED NATIONS

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CHAPTER XXVII

INFORMATION FROM NON-SELF-GOVERNING TERRITORIES TRANSMITTED UNDER ARTICLE 73 e OF THE CHARTER OF THE UNITED NATIONS

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 885th and 886th meetings, on 21 and 23 August 1972.
2. In its consideration of the item, the Special Committee took into account the relevant provisions of General Assembly resolution 2878 (XXVI) of 20 December 1971 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 2870 (XXVI) of 20 December 1971 which requested the Special Committee to study, in accordance with the procedures established by it in 1964, 1/ the information from Non-Self-Governing Territories transmitted under Article 73 e of the Charter.
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 the Non-Self-Governing Territories concerned, called for under Article 73 e of the Charter, was transmitted for the years 1970 and 1971.
4. A draft resolution on the item (A/AC.109/L.828), which was finally sponsored by the representatives of Ecuador, India, Iraq, Mali, Sierra Leone, the Syrian Arab Republic, Trinidad and Tobago, the United Republic of Tanzania and Yugoslavia, was circulated on 18 August 1972. The Chairman made a statement (A/AC.109/PV.885).
5. At its 886th meeting, on 23 August, the Special Committee considered and adopted the draft resolution without objection (see paragraph 7 below), it being understood that the reservations expressed by the representative of Sweden would be reflected in the record of the meeting (A/AC.109/PV.886).
6. On 6 September the text of the resolution (A/AC.109/418) was transmitted to the Permanent Representatives of the administering Powers for the attention of their Governments.

1/ Official Records of the General Assembly, Nineteenth Session, Annexes, annex No. 8 (part I) (A/5800/Rev.1), chap. II.

B. DECISION OF THE SPECIAL COMMITTEE

7. The text of the resolution adopted by the Special Committee at its 886th meeting on 23 August, to which reference is made in paragraph 5 above, is reproduced below:

The Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples,

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 2870 (XXVI) of 20 December 1971, in which the General Assembly, inter alia, requested the Special Committee to continue to discharge the functions entrusted to it under resolution 1970 (XVIII), in accordance with established procedures,

Recalling further the provisions of paragraph 5 of resolution 2870 (XXVI) 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/

1. Deeply deplores 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 to transmit information under Article 73 e of the Charter, have transmitted insufficient information or have transmitted information too late;

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 concern at the 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 on several Territories under its administration for the year 1971;

2/ See annex to the present chapter.

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;

6. 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;

7. 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.

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 20 August 1971. The table at the end of the present report shows the dates on which such information was transmitted in respect of the years 1970 and 1971 up to 17 August 1972.
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 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 any information on Antigua, Dominica, Grenada St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent. With respect to the first five Territories, the representative of the United Kingdom stated at the 1752nd meeting of the Fourth Committee on 15 December 1967, that, having achieved the status of Associated States, they had achieved "a full measure of self-government" and that information on them would not be transmitted in future. A similar statement with respect to St. Vincent was made by the representative of the United Kingdom at the 1867th meeting of the Fourth Committee on 10 December 1969. b/

* Previously issued under the symbol A/AC.109/412.

a/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. XXVII, annex.

b/ See also documents A/AC.109/341, A/C.4/725 and A/AC.109/PV.762 and Corr.1 in respect of Dominica and St. Vincent.

Study of information transmitted under Article 73 e of the Charter

4. 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 2870 (XXVI) of 20 December 1971, the Secretariat has continued to use the information transmitted in the preparation of working papers in each Territory for the Special Committee.

TABLE

Dates of transmission of information under Article 73 e of the Charter for 1970 and 1971

This table includes all Territories listed in part one, annex II, of the report of the Committee on Information from Non-Self-Governing Territories to the General Assembly at its eighteenth session, a/ with the exception of Aden, Barbados, Basutoland, Bechuanaland, British Guiana, Cook Islands, Equatorial Guinea (Fernando Poo and Rio Muni), Fiji, Gambia, Ifni, Jamaica, Kenya, Malta, Mauritius, North Borneo, Northern Rhodesia, Nyasaland, Sarawak, Singapore, Swaziland, Trinidad and Tobago, Uganda and Zanzibar.

	<u>1970</u>	<u>1971</u>
AUSTRALIA (1 July-30 June) <u>b/</u>		
Cocos (Keeling) Islands	30 April 1971	
Papua New Guinea	13 July 1971	23 May 1972
FRANCE (calendar year)		
Comoro Archipelago <u>c/</u>		
French Somaliland <u>c/ d/</u>		
New Hebrides (condominium with the United Kingdom)	11 January 1972	
NEW ZEALAND (1 April-31 March) <u>e/</u>		
Niue Island	24 September 1971	
Tokelau Islands	24 September 1971	

a/ Official Records of the General Assembly, Eighteenth Session,
Supplement No. 14 (A/5514), part one, annex II.

b/ Period extends from 1 July of previous year to 30 June of 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.

	<u>1970</u>	<u>1971</u>
PORTUGAL		
Angola		
Cape Verde Archipelago	-	-
Guinea, called Portuguese Guinea	-	-
Macau and dependencies	-	-
Mozambique	-	-
São Tomé and Príncipe and dependencies	-	-
Timor (Portuguese) and dependencies	-	-
SPAIN (calendar year)		
Spanish Sahara	30 June 1971	1 July 1972
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (calendar year)		
Antigua	-	-
Bahamas	10 August 1971	17 July 1972
Bermuda	23 November 1971	
British Honduras	11 August 1971	16 August 1972
British Virgin Islands	25 June 1971	10 July 1972
Brunei	13 July 1971	
Cayman Islands	24 June 1971	10 July 1972
Dominica	-	-
Falkland Islands (Malvinas)	23 June 1971	
Gibraltar	22 June 1971 f/	
Gilbert and Ellice Islands	28 September 1971	
Grenada	-	-
Hong Kong	23 June 1971	10 July 1972
Montserrat	2 December 1971	10 July 1972
New Hebrides (condominium with France)	2 December 1971	
Pitcairn	31 May 1971	26 June 1972

f/ Additional information for 1970 was transmitted on 13 September and 9 November 1971.

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UNITED KINGDOM (calendar year) (continued)

St. Helena	8 July 1971 <u>g/</u>	
St. Kitts-Nevis-Anguilla	-	-
St. Lucia	-	-
St. Vincent	-	-
Seychelles	24 June 1971 <u>h/</u>	10 July 1972
Solomon Islands	24 June 1971	19 July 1972
Southern Rhodesia	1 December 1971	9 August 1972
Turks and Caicos Islands	23 July 1971	17 August 1972

UNITED STATES OF AMERICA

(1 July-30 June) b/

American Samoa	23 April 1971	26 May 1972
Guam	15 June 1971	26 May 1972
United States Virgin Islands	23 April 1971	7 June 1972

g/ Additional information for 1970 was transmitted on 26 August, 26 October and 16 November 1971.

h/ Additional information for 1970 was transmitted on 14 July 1971.

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