UN LIBRARY
NOV - 1977
UN/SA COLLECTION

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 IV

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTY-SECOND SESSION

SUPPLEMENT No. 23 (A/32/23/Rev.1)

UNITED NATIONS

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 IV

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTY-SECOND SESSION

SUPPLEMENT No. 23 (A/32/23/Rev.1)

UNITED NATIONS

New York, 1979

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 four volumes. The present volume contains chapters XXVI to XXXII;* volume I, chapters I-VI; volume II, chapters VII-XI; and volume III, chapters XII-XXV.

* The present version of chapters XXVI to XXXII is a consolidation of the following documents as they appeared in provisional form: A/32/23/Add.6 (Parts I and II) of 10 October and 4 October 1977, A/32/23/Add.7 of 14 October 1977, A/32/23/Add.8 of 7 September 1977 and A/32/23/Add.9 of 4 October 1977.

/Original: English/French/Spanish/

CONTENTS

VOLUME I

(Chapters I to VI)

LETTER OF TRANSMITTAL

Chapter

I. ESTABLISHMENT' ORGANIZATION AND ACTIVITIES OF THE SPECIAL COMMITTEE (A/32/23 (Part I))

II. DISSEMINATION OF INFORMATION ON DECOLONIZATION (A/32/23 (Part II))

III. QUESTION OF SENDING VISITING MISSIONS TO TERRITORIES (A/32/23 (Part II))

IV. ACTIVITIES OF FOREIGN ECONOMIC AND OTHER INTERESTS WHICH ARE IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES IN SOUTHERN RHODESIA AND NAMIBIA AND IN ALL OTHER TERRITORIES UNDER COLONIAL DOMINATION AND EFFORTS TO ELIMINATE COLONIALISM, APARTHEID AND RACIAL DISCRIMINATION IN SOUTHERN AFRICA (A/32/23 (Part III) and Corr.1 and 2)

V. MILITARY ACTIVITIES AND ARRANGEMENTS BY COLONIAL POWERS IN TERRITORIES UNDER THEIR ADMINISTRATION WHICH MIGHT BE IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES (A/32/23 (Part IV))

VI. IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS (A/32/23 (Part V))

VOLUME II

(Chapters VII-XI)

VII. SOUTHERN RHODESIA (A/32/23/Add.1)

VIII. NAMIBIA (A/32/23/Add.2)

IX. WESTERN SAHARA (A/32/23/Add.3)

X. EAST TIMOR (A/32/23/Add.3)

XI. GIBRALTAR (A/32/23/Add.3)

VOLUME III

(Chapters XII-XXV)

XII. COCOS (KEELING) ISLANDS (A/32/23/Add.4)

XIII. NEW HEBRIDES (A/32/23/Add.4)

XIV. TOKELAU (A/32/23/Add.4)

XV. BRUNEI (A/32/23/Add.4)

XVI. SOLOMON ISLANDS (A/32/23/Add.4)

XVII. PITCAIRN (A/32/23/Add.4)

XVIII. TUVALU (A/32/23/Add.4)

XIX. GILBERT ISLANDS (A/32/23/Add.4)

XX. ST. HELENA (A/32/23/Add.4)

XXI. AMERICAN SAMOA (A/32/23/Add.4)

XXII. GUAM (A/32/23/Add.4)

XXIII. TRUST TERRITORY OF THE PACIFIC ISLANDS (A/32/23/Add.4)

XXIV. BERMUDA (A/32/23/Add.5)

XXV. BRITISH VIRGIN ISLANDS, MONTSERRAT AND TURKS AND CAICOS ISLANDS (A/32/23/Add.5)

VOLUME IV

(Chapters XXVI-XXXII)

Chapter		Paragraphs	Page
XXVI.	CAYMAN ISLANDS (A/32/23/Add.6 (Part I))	1 - 12	1
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 11	2
	B. DECISION OF THE SPECIAL COMMITTEE	12	3
	ANNEX: REPORT OF THE UNITED NATIONS VISITING MISSION TO THE CAYMAN ISLANDS, 1977		6
XXVII.	UNITED STATES VIRGIN ISLANDS (A/32/23/Add.6 (Part II))	1 - 12	128
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 11	129
	B. DECISION OF THE SPECIAL COMMITTEE	12	130
	ANNEX: REPORT OF THE UNITED NATIONS VISITING MISSION TO THE UNITED STATES VIRGIN ISLANDS, 1977		132
XXVIII.	FALKLAND ISLANDS (MALVINAS) (A/32/23/Add.7)	1 - 4	219
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 3	220
	B. DECISION OF THE SPECIAL COMMITTEE	4	220
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		221
XXIX.	BELIZE (A/32/23/Add.7).	1 - 4	233
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 3	234
	B. DECISION OF THE SPECIAL COMMITTEE.	4	234
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		235
XXX.	ANTIGUA, DOMINICA, ST. KITTS-NEVIS-ANGUILLA, ST. LUCIA AND ST. VINCENT (A/32/23/Add.7)	1 - 5	249
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 4	250
	B. DECISION OF THE SPECIAL COMMITTEE	5	250
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		251

Chapter		Paragraphs	Page
XXXI.	FRENCH SOMALILAND* (A/32/23/Add.8)	1 - 7	268
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 6	269
	B. DECISION OF THE SPECIAL COMMITTEE	7	269
XXXII.	INFORMATION FROM NON-SELF-GOVERNING TERRITORIES TRANSMITTED UNDER ARTICLE 73 e OF THE CHARTER OF THE UNITED NATIONS (A/32/23/Add.9)	1 - 7	271
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 6	272
	B. DECISION OF THE SPECIAL COMMITTEE	7	272
	ANNEX: REPORT OF THE SECRETARY-GENERAL		274

* The Territory acceded to independence as the Republic of Djibouti on 27 June 1977.

CHAPTER XXVI

(A/32/23/Add.6 (Part I))

CAYMAN ISLANDS

CONTENTS

	Paragraphs	Page
A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 11	2
B. DECISION OF THE SPECIAL COMMITTEE.	12	3
ANNEX: REPORT OF THE UNITED NATIONS VISITING MISSION TO THE CAYMAN ISLANDS, 1977		6

CHAPTER XXVI

CAYMAN ISLANDS

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 1060th meeting, on 31 January 1977, by approving the eighteenth report of the Working Group (A/AC.109/L.1137), the Special Committee decided, inter alia, to refer the Cayman Islands to the Sub-Committee on Small Territories for consideration and report.

2. The Special Committee considered the item at its 1062nd, 1064th, 1067th and 1098th to 1100th meetings, between 25 February and 20 September.

3. In its consideration of the item, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 31/143 of 17 December 1976 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By paragraph 12 of this resolution, the Assembly requested the Special Committee, inter alia, "to continue to seek suitable means for the immediate and full implementation of General Assembly resolution 1514 (XV) 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 to report thereon to the General Assembly at its thirty-second session". The Special Committee also took into account General Assembly resolution 31/52 of 1 December 1976 concerning four Territories, including the Cayman Islands, by paragraph 9 of which the Assembly requested the Committee "to continue to seek the best ways and means for the implementation of the Declaration with respect to ... /the/ Cayman Islands ..., including the possible dispatch of visiting missions in consultation with the administering Power ...".

4. The representative of the United Kingdom of Great Britain and Northern Ireland, as the administering Power concerned, participated in the work of the Special Committee during its consideration of the item.

5. At the 1062nd meeting, on 25 February, the Chairman informed the Special Committee that, further to his consultations with the Permanent Representative of the United Kingdom to the United Nations concerning the question of sending visiting missions to Territories (see chap. III of the present report, annex (A/32/23/Rev.1, vol. I)) the Government of the United Kingdom had invited the Committee to send a three-member visiting mission to the Cayman Islands. At the same meeting, the Special Committee decided to accept the invitation and to request the Chairman to hold the necessary consultations regarding the composition of the mission. As a consequence of decisions taken in that regard at the 1064th and 1067th meetings, on 2 and 8 March, the Visiting Mission was composed of Fiji (Chairman), Trinidad and Tobago and Tunisia.

6. At its 1098th meeting, on 13 September, in the light of consultations undertaken by the Chairman, the Special Committee took up the question of the Cayman Islands directly in plenary meeting.

7. At the same meeting, the Chairman of the Visiting Mission introduced the report of the Mission (see annex to the present chapter). At the same meeting, the Chairman welcomed Thomas Russell, Governor of the Cayman Islands, Truman M. Bodden, Member of the Executive Council for Health, Education and Social Services, and George Smith, Member of the Legislative Assembly. Statements were made by the representative of Trinidad and Tobago and by Mr. Bodden and Mr. Smith (A/AC.109/PV.1098).

8. At the 1099th meeting, on 16 September, the Chairman of the Special Committee drew attention to draft resolution A/AC.109/L.1202 submitted by Fiji, Trinidad and Tobago and Tunisia. Statements were made by the representatives of Australia, Cuba, Mali, the Ivory Coast, Iraq and the United Kingdom, as well as by the Chairman (A/AC.109/PV.1099).

9. At the 1100th meeting, on 20 September, the Chairman informed the Special Committee of a revision to paragraph 2 of draft resolution A/AC.109/L.1202 (A/AC.109/PV.1100).

10. At the same meeting, the Special Committee adopted the draft resolution without objection, as orally revised (see para. 12 below). Statements were made by the representative of the United Kingdom and by the Chairman (A/AC.109/PV.1100).

11. On 21 September, the text of the resolution (A/AC.109/556) was transmitted to the Permanent Representative of the United Kingdom to the United Nations for the attention of his Government.

B. DECISION OF THE SPECIAL COMMITTEE

12. The text of the resolution (A/AC.109/556) adopted by the Special Committee at its 1100th meeting, on 20 September, to which reference is made in paragraph 10 above, is reproduced below:

The Special Committee,

Recalling General Assembly resolution 1514 (XV) of 14 December 1960, containing the Declaration on the Granting of Independence to Colonial Countries and Peoples,

Having examined the report of the United Nations Visiting Mission which was dispatched to the Cayman Islands in April 1977 1/ at the invitation of the administering Power, the United Kingdom of Great Britain and Northern Ireland, and having heard the statement of the Chairman of the Visiting Mission, 2/

1/ See annex to the present chapter.

2/ A/AC.109/PV.1098.

Having also heard the statements of the administering Power 3/ and of the representatives of the Cayman Islands 4/,

Welcoming the continuing participation of the administering Power in the work of the Special Committee related to Territories under United Kingdom administration and the readiness of the administering Power to permit access by United Nations visiting missions to the Territories under its administration,

1. Reaffirms the inalienable right of the people of the Cayman Islands to self-determination and independence in accordance with the Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in General Assembly resolution 1514 (XV);

2. Accepts the report of the United Nations Visiting Mission to the Cayman Islands, 1977;

3. Invites the attention of the administering Power to the observations, conclusions and recommendations of the Visiting Mission for implementation, as appropriate, bearing in mind the expressed wishes of the Caymanian people;

4. Expresses its appreciation to the members of the Visiting Mission for the constructive work accomplished and to the administering Power and the Government of the Cayman Islands for the close co-operation and assistance extended to the Mission;

5. Requests the administering Power to undertake any measures in accordance with the expressed wishes of the people of the Cayman Islands to expedite the process of decolonization in the Territory in accordance with the relevant provisions of the Charter of the United Nations and the Declaration;

6. Recommends that urgent attention be given to the diversification of the economy of the Cayman Islands, particularly in the agricultural sector, where expansion would provide employment opportunities and conserve foreign exchange;

7. Endorses the view of the Visiting Mission concerning the importance of attaching a high priority to the training and localization of the civil service, the educational system and the private sector;

8. Recommends that continuing efforts be made by the administering Power and the territorial Government to publicize the work of the United Nations;

3/ A/AC.109/PV.1100.

4/ A/AC.109/PV.1098.

9. Requests the administering Power to continue to enlist the assistance of the specialized agencies and organizations within the United Nations system in the development and strengthening of the economy of the Cayman Islands;

10. Decides, subject to any directives which the General Assembly might give in this regard at its thirty-second session, to continue the examination of this question at its next session in the light of the findings of the Visiting Mission, including the possible dispatch of a further visiting mission in consultation with the administering Power, as appropriate.

ANNEX*

REPORT OF THE UNITED NATIONS VISITING MISSION TO THE CAYMAN ISLANDS, 1977

CONTENTS

		Paragraphs	Page
Introduction		1 - 42	8
I.	Information on the Territory	43 - 163	13
II.	Programme of visits and meetings	164 - 485	44
III.	Observations, conclusions and recommendations	486 - 511	95

Appendices

I.	Statement made by the Chairman of the Visiting Mission to the Cayman Islands, on 17 April 1977	98
II.	Cayman Islands: members of the Executive Council and of the Legislative Assembly	100
III.	Banks and trust companies licensed to operate by the Government of the Cayman Islands, 1977	101
IV.	Cayman Islands: government revenue and expenditure, 1974-1976	109
V.	Cayman Islands: public debt	110
VI.	Cayman Islands: students studying abroad under government sponsorship, 1977	112
VII.	Cayman Islands: students training abroad, 1976	113
VIII.	Members of the Cayman Islands Chamber of Commerce, 1977	115
IX.	Members of the public who met with the Visiting Mission to the Cayman Islands	119
X.	Letter dated 19 April 1977 from Stephen and Patricia Smith addressed to the members of the Visiting Mission	120

* Previously published under the symbol A/AC.109/L.1183 and Add.1.

CONTENTS (continued)

		Page
XI.	Letter dated 20 April 1977 from Dr. Roy E. McTaggart addressed to the Chairman of the Visiting Mission	123
XII.	Undated letter from James A. Laurence	124
XIII.	Letter dated 22 April 1977 relating to the civil service	125
XIV.	Organization chart of the Cayman Islands Government	126
Map of the Cayman Islands		127

INTRODUCTION

A. Terms of reference of the Visiting Mission

1. At its thirty-first session, the General Assembly adopted resolution 31/52 of 1 December 1976, concerning four Caribbean Territories (including the Cayman Islands), which read in part:

> "The General Assembly,
>
> ...
>
> "Bearing in mind the constructive results achieved as a consequence of the 1975 United Nations Visiting Mission to Montserrat and reiterating its conviction that the dispatch of such missions to colonial Territories is essential for securing adequate and first-hand information in regard to the political, economic and social conditions in those Territories and to the views, wishes and aspirations of the peoples therein,
>
> ...
>
> "7. Welcomes the positive attitude of the administering Power with respect to the receiving of United Nations visiting missions in the Territories under its administration and requests the Chairman of the Special Committee to continue his consultations with a view to the dispatch of such missions, as appropriate;
>
> ...
>
> "9. Requests the Special Committee to continue to seek the best ways and means for the implementation of the Declaration with respect to Bermuda, Cayman Islands, Montserrat and Turks and Caicos Islands, including the possible dispatch of visiting missions in consultation with the administering Power, and to report to the General Assembly at its thirty-second session on the implementation of the present resolution."

2. At the 1062nd meeting of the Special Committee, on 25 February 1977, the Chairman announced that the Government of the United Kingdom of Great Britain and Northern Ireland had invited the Committee to send a visiting mission to the Cayman Islands. The Committee decided without objection to request its Chairman to hold the necessary consultations regarding the composition of the mission (A/AC.109/PV.1062).

3. At the 1064th meeting on 2 March, the Chairman announced that His Excellency, Mr. Berenado Vunibobo, Permanent Representative of Fiji to the United Nations, had agreed to head the visiting mission to the Cayman Islands (A/AC.109/PV.1064).

4. At the 1067th meeting, on 8 March, the Chairman announced that, following consultations, the two other members of the Mission had been named (see below)

in accordance with the decision taken by the Committee at its 1064th meeting (A/AC.109/PV.1067).

B. Composition of the Visiting Mission

5. The Mission was composed as follows:

Mr. Berenado Vunibobo	Fiji (Chairman)
Mr. Philip R. A. Sealy	Trinidad and Tobago
Mr. Mohamed Bachrouch	Tunisia

6. The Mission was accompanied by the following staff members of the United Nations Secretariat: Mr. A. Z. Nsilo Swai, Principal Secretary; Mr. Eduardo Zinna, Political Affairs Administrative Officer; and Mrs. Elizabeth Anne Clescere, Secretary.

7. Mr. Richard J. Dalton of the Permanent Mission of the United Kingdom to the United Nations also accompanied the Mission to the Territory and gave invaluable assistance.

C. Itinerary and programme

8. On Saturday, 16 April 1977, the Visiting Mission travelled from New York to Miami, where it spent the night. Early in the morning of Sunday, 17 April, the Mission took a scheduled flight of Cayman Airways Ltd. to the Territory. On arrival at Owen Roberts Airport, in George Town, the capital, the Mission was greeted by Mr. Thomas Russell, the Governor, Mr. Dennis H. Foster, the Chief Secretary, and other officials of the territorial Government. a/

1. Sunday, 17 April

9. On Sunday afternoon, the Mission drove through Grand Cayman, visiting George Town, Savannah, Bodden Town and North Side. Mr. Foster, Mr. Linford Pierson, Principal Secretary and liaison officer to the Mission, and Mr. H. McCoy, Principal Secretary, accompanied the members of the Mission and explained points of interest.

2. Monday, 18 April

10. From 0900 to 1015 hours, the Mission met with Governor Russell for discussions in his office in the Administration Building.

---

a/ See appendix I to the present report for the text of the statement made by the Chairman of the Mission on arrival in the Cayman Islands on 17 April 1977.

11. The Governor then accompanied the Mission to the conference room of the Executive Council where he introduced the members of the Executive Council (see appendix II to the present report) and then withdrew. A general discussion with the members of the Council followed.

12. From 1400 to 1500 hours, the Mission met with Mr. Robin Benbow, the Inspector of Banks, and Mr. Robert Bodden, the Registrar of Companies.

13. From 1515 to 1645 hours, the Mission held discussions with Mr. Foster, the Chief Secretary, and Mr. Vassel G. Johnson, the Financial Secretary.

14. The activities of the day culminated in a reception given by the Governor at his residence, which was attended by members of the Executive Council, members of the Legislative Assembly, government officials, former legislators and prominent citizens.

3. Tuesday, 19 April

15. From 0900 to 1015 hours, the Mission visited the Cayman Turtle Farm accompanied by Mr. George Haig Bodden of the Executive Council, the elected Member for Agriculture and Natural Resources.

16. From the turtle farm the Mission proceeded to the Boys Home building which had been constructed on the initiative of the Rotary Club of the Cayman Islands.

17. Later, the Mission visited the School for Mentally Handicapped Children at West Bay. Mrs. Islay Conolly, the Chief Education Officer, was present during the visit.

18. The Mission then drove to the Cayman Islands High School, where it was met by Mr. Truman M. Bodden of the Executive Council, the elected Member for Health, Education and Social Services, Mr. Malcolm Mynett, the principal of the school, and Mrs. Conolly were also present.

19. At 1145 hours, the Mission met with the Cayman Islands Chamber of Commerce at the Ports of Call Hotel. Among those present were Mr. James M. Bodden of the Executive Council, the elected Member for Tourism, Aviation and Trade; Captain Charles L. Kirkconnell of the Executive Council, the elected Member for Communications, Works and Local Administration, Mr. Theo Bodden, the President of the Chamber of Commerce; and Mr. A. Kimble, Secretary of the Chamber of Commerce.

20. From 1400 to 1500 hours, the Mission visited the Department of Planning at the administration building in the company of Mr. Brian Lauer, the Chief Surveyor and Acting Principal Secretary, and held discussions with Mr. Iain Smith, the Director of Planning.

21. The Mission then met with the members of the Legislative Assembly (see appendix II to the present report) in the Legislative Assembly building. The Governor was also present in his capacity as President of the Assembly.

22. From 1700 to 1900 hours, the Mission met with members of the public.

4. Wednesday, 20 April

23. At 1000 hours, the Mission left Grand Cayman for Cayman Brac, where it arrived at 1050 hours. During its visit to Cayman Brac, the Mission was accompanied by Mr. Foster, Captain Kirkconnell and Captain Keith P. Tibbetts, the elected members of the Legislative Assembly for Cayman Brac and Little Cayman, and by Mr. Guy Banks, the District Commissioner.

24. In the morning, Mr. Tibbetts gave the Mission a guided tour of the facilities at the lobster packing plant.

25. The Mission then drove to the Cayman Brac High School, where it was met by the Principal, Mr. Lawrence Ryan.

26. Subsequently, the Mission visited the Cayman Brac Hospital, where it met Dr. Mohamed Shibli, the medical officer in charge, and members of the staff.

27. From 1300 to 1445 hours, the Mission had lunch at the Buccaneer's Inn in the company of prominent local citizens, many of them members of the Cayman Brac and Little Cayman Development Committee.

28. After lunch, the Mission drove to the Court House for a public meeting. At 1645 hours, the Mission left Cayman Brac for Grand Cayman on a scheduled flight.

29. From 2000 to 2200 hours, a public meeting was held at the Town Hall in Bodden Town. The meeting was also attended by the four elected members of the Executive Council, including Mr. G. H. Bodden and Mr. J. M. Bodden, members of the Legislative Assembly for Bodden Town as well as other elected members of the Assembly.

5. Thursday, 21 April

30. The Mission began its work with a meeting with Mr. Austin Bothwell, President of the Agricultural Society. Also present were Mr. Lauer, the Chief Surveyor and Acting Principal Secretary and Mr. Eric Bergstrom, the Director of Tourism, who briefed the Mission on the activities of the department.

31. From 1015 to 1115 hours, Mr. Lauer accompanied the Mission on a tour of the Land Registry and Cadastral Survey Department.

32. From 1130 to 1230 hours, the Mission held a round-up meeting with the members of the Executive Council.

33. In the afternoon, the Mission visited the experimental farm and nursery, accompanied by Mr. Lauer.

34. The Mission also visited the Mosquito Research and Control Unit (MRCU), where it was briefed by Mr. M. Giglioli, the Director. Mr. G. H. Bodden was also present.

35. Mr. T. M. Bodden and Dr. P. Wilkinson, the acting Chief Medical Officer, gave the Mission a guided tour of the George Town Hospital.

36. From 1600 to 1715 hours, the Mission met with members of the National Council of Social Service (NCSS).

37. From 2000 hours to 2200 hours, a public meeting was held at West Bay. Also present were the four elected members of the Executive Council and several elected members of the Legislative Assembly, including the elected members for West Bay.

6. Friday, 22 April

38. The Mission left Grand Cayman at 1500 hours. Present among others were Governor Russell, Mr. Foster, the Chief Secretary and Mr. Pierson, the liaison officer for the Mission.

7. Visit to London

39. The Mission visited London from 22 to 25 May for consultations with officials of the United Kingdom Government.

D. Acknowledgements

40. The Visiting Mission wishes to place on record its deep appreciation of the courtesies extended to it by officials of the United Kingdom Government as well as for the close co-operation and assistance enjoyed during the consultations at London.

41. The members of the Mission also wish to express their profound gratitude to the Government and people of the Cayman Islands for the warm hospitality and co-operation extended to them during their visit to the Territory.

42. The Mission wishes in particular to convey its appreciation to Governor Russell, and to the members of the Executive Council and the Legislative Assembly, for facilitating the work of the Mission.

I. INFORMATION ON THE TERRITORY

A. General description

43. The Territory of the Cayman Islands consists of three islands known as Grand Cayman, Cayman Brac and Little Cayman. The latter are also known as the Lesser Caymans. The total land area of the Territory is approximately 260 square kilometres. Grand Cayman, which covers 197.6 kilometres, is located about 290 kilometres west-north-west of the western-most point of Jamaica and 240 kilometres south of Cuba. Cayman Brac lies 143 kilometres east-north-west of Grand Cayman and Little Cayman lies about 8 kilometres west of Cayman Brac. George Town, the capital of the Territory, is located on Grand Cayman.

44. Grand Cayman and Little Cayman are flat, with a maximum height of about 20 metres above sea level. Cayman Brac, on the other hand, has a central limestone plateau reaching about 43 metres above sea level at its eastern end. Because of the porosity of the limestone and topography there are no rivers. Vegetation is luxurious and the coasts are protected in many places by fringes of mangrove which sometimes extend deep inland in swamps, and are a haven for bird and marine life.

45. At the latest census, held in 1970, the population of the Territory totalled 10,460, divided as follows: Grand Cayman, 9,151; Cayman Brac, 1,289; and Little Cayman, 20. Sixty per cent of the population were of mixed origin, 20 per cent were African and 20 per cent European. The census figures did not include Caymanians who had emigrated. The population is currently estimated at over 14,000, the steady increase being attributed to the substantial influx of returning Caymanians and immigrant workers attracted by the rapid economic growth of the Territory.

46. The Cayman Islands were ceded to the British Crown, together with Jamaica, under the Treaty of Madrid signed with Spain in 1670. No permanent settlement took place in the islands until the eighteenth century, when the first grants of land were recorded in 1734. Cayman Brac and Little Cayman were first settled from Grand Cayman in 1833. There was no administrative connexion among the islands until as late as 1877, when a Justice of the Peace was appointed on Cayman Brac.

47. Until 1959, the Territory was a dependency of Jamaica under a Commissioner. The Constitution that became effective in 1959 b/ provided for an Administrator, a Legislative Assembly and an Executive Council. The Governor-General of Jamaica had reserved and discretionary powers and laws for the Cayman Islands were passed by the Legislature of Jamaica. This relationship ended when Jamaica attained independence, on 6 August 1962. At that time, the Territory was offered the possibility of acceding to independence in association with Jamaica, but chose to sever all constitutional links with the latter and remain with the United Kingdom, thus becoming a separate colony.

---

b/ Non-self-Governing Territories, Summaries of information transmitted to the Secretary-General (United Nations Publications, Sales No. 63.VI.1), pp. 305-306.

48. The Cayman Islands (Constitution) Order in Council, 1962, as amended by the Cayman Islands Constitution (Amendment) Order, 1971 (which changed the title of Administrator to that of Governor) provided for a Governor, an Executive Council composed of 2 official members, 1 nominated member and 2 elected members, and a Legislative Assembly composed of the Governor, 2 or 3 official members, 2 or 3 nominated members and 12 elected members.

49. In 1962, when a federation of the small Eastern Caribbean Territories was proposed, the Cayman Islands Legislative Assembly voted in favour of remaining with the United Kingdom and holding negotiations for internal self-government after a general election. c/ As a result of the elections held in 1965, the party which campaigned for rapid constitutional advance lost ground in the Assembly. In 1967, a Committee of the Whole of the Assembly was appointed to consider constitutional changes. The Committee concluded that a substantial majority of the people of the Territory did not wish for any change at that time in the existing constitutional arrangements, and accordingly, made no recommendation. In 1971, the United Kingdom Government, at the request of the Legislative Assembly, appointed the Earl of Oxford and Asquith as Constitutional Commissioner to examine the form of constitutional development best suited to the islands. His report, d/ published in the same year, was examined by a select committee of the Assembly whose recommendations were incorporated in the present Constitution, which was adopted in 1972.

50. Several factors peculiar to the Cayman Islands have been mentioned as accounting for the many differences between the Territory and other Caribbean countries. First, although most Caribbean countries are part of a virtually uninterrupted chain of islands, and travel from one to the other is comparatively easy, the Cayman Islands are geographically isolated, and communication with the rest of the world was difficult before the establishment of air links. Second, the Territory, although fertile in places, is not suitable for the system of large plantations typical of many Caribbean countries. An important consequence of this is that the Cayman Islands have always been free of the racial tensions occurring elsewhere; indeed, censuses show that a vast majority of Caymanians are of mixed racial origin. A third factor worthy of note is that Cayman Islanders are generally a sea-faring people, and, as such, open to a wide variety of influences on their cultural and social life.

---

c/ Official Records of the General Assembly, Twenty-second Session, Annexes, addendum to agenda item 23 (A/6700/Rev.1), part III, chap. XXIII, annex, para. 341.

d/ Ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), vol. V, chap. XXII, annex, sect. D, paras. 8-21.

B. Constitutional and political developments

1. Constitution

51. An outline of the constitutional arrangements set out in the Cayman Islands (Constitution) Order, 1972, appears in the report of the Special Committee to the General Assembly at its twenty-eighth session. e/ Briefly, the governmental structure consists of a Governor appointed by the Queen, an Executive Council and a Legislative Assembly (see appendix II below for the lists of members).

52. The Governor is responsible for defence, external affairs, internal security, the police and the public service and has reserve legislative powers necessary in the exercise of his special responsibilities. On other matters, however, he is normally required to consult the Executive Council in the formulation of policy and in the exercise of the powers conferred upon him.

53. The Executive Council consists of the Governor as its President, three official members appointed by him (the Chief Secretary and Leader of Government Business, the Attorney-General and the Financial Secretary) and four others elected by the elected members of the Legislative Assembly from among their number and appointed by the Governor. The Governor is given discretion to charge any member of the Council with responsibility for any subject or department of the Government (other than the subjects exclusively reserved to him). In the exercise of his responsibility, the member so charged is obliged to act in accordance with the policies of the Government as decided in the Council and with the principle of collective responsibility.

54. The Legislative Assembly consists of: (a) the Governor, or when there is a person holding the office of Speaker, the Speaker; (b) three official members appointed by the Governor (the Chief Secretary and Leader of Government Business, the Attorney-General and the Financial Secretary); and (c) 12 other members directly elected on the basis of universal adult suffrage for a term of four years.

55. The Territory is divided into six electoral districts: West Bay and George Town, each represented by three members in the Assembly; Cayman Brac and Little Cayman and Bodden Town, each represented by two members; and North Side and East End, each represented by one member.

56. The first general elections under the present Constitution were held on 22 November 1972 and were not contested on a party basis. The latest general elections took place on 10 November 1976 (see paras. 79-83 below).

---

e/ Ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), vol. V, chap. XXIV, annex, sect. B, paras. 5-13.

2. Public demonstrations and presentation of a petition

57. About 250 residents of the Territory participated in a public demonstration in George Town, the capital, on 22 December 1975. They sent a delegation of seven (including Mrs. Esther L. Ebanks, who became an elected member of the Legislative Assembly on 10 November 1976) to present on behalf of the "people of the Cayman Islands" a petition to Governor Russell, calling upon the Government to make changes in a wide range of its policies and programmes.

58. Among the more important demands contained in the petition were the following:

(a) Since many Caymanians were suffering from unemployment and underemployment in a declining economy, the Government should cut its budget for 1976 and should refrain from increasing the tax burden.

(b) The draft development plan for the period 1975-1990, recently published by the Government, should be completely scrapped or amended, because the plan could constitute "a nationalizing of all lands" and also because the proposed zoning of the islands for specific usage was considered to be inappropriate.

(c) In making contracts, the Government should do everything possible to prepare Caymanians for filling the positions for which foreigners were required in the interim, and construction contracts should not be awarded to outsiders when suitable local firms were available.

(d) Gratuities offered to government employees recruited from overseas should be reduced, and the funds thus saved should be used to provide scholarships for Caymanian students training abroad, thereby preparing them to fill the posts concerned.

(e) Swamp lands in the Middle and Eastern districts on Grand Cayman should be readjudicated or compensation should be given to certain landowners for their holdings of which they had already been deprived in favour of the Crown.

(f) Amendments should be made to the Constitution, including in particular an increase in the number of elected members from one t two for each of the electoral districts of the North Side and East End.

59. On 21 January 1976, the Governor gave the demonstrators a full reply which was published in The Caymanian Compass, the local newspaper, on the following day. In his reply, the Governor noted that the petition in question had been "unsigned" but had been "accepted as representing the views" of the demonstrators. He made it clear that the reply was "the considered view of the Governor in Council", and that he had accepted and endorsed the advice tendered to him in accordance with the Constitution.

60. On the question of cutting the budget (para. 58 (a) above), the Governor stated that the Appropriation Law, 1976, approving the 1976 budget estimates had been passed in the Legislative Assembly without division. The expenditure estimates could not be cut without reducing the standard of services to which the

population was accustomed, and were regarded as the minimum essential for the provision of those services. The curtailment and suspension of the very limited capital programme would have the effect of laying off unskilled workers for whom such work offered employment. Government employees could not be arbitrarily dismissed to save money. The Governor pointed out that the majority of the elected members of the Assembly had endorsed the new tax measures as fair and reasonable. The increased taxation and charges had been considered to be necessary for the maintenance of the high level of public services. Charges for services were still heavily subsidized by the Government.

61. As regards the draft development plan (para. 58 (b) above), the Governor said that it did not constitute "a nationalizing of all lands" because there was no change of ownership involved or implied. The Planning and Development Law, 1971, required the Central Planning Authority (CPA) to submit a development plan to the Legislative Assembly. The procedure for dealing with the draft plan allowed for amendments to be proposed at several stages in the light of public comment and objections. Taking those objections into account, CPA had already submitted a modification statement proposing certain changes. A tribunal had been established under the law to hear all objections which had not been withdrawn. The tribunal would submit a report to CPA, which was obliged to consider that report in presenting its final report, together with the draft plan, to the Legislative Assembly. Those documents would probably be referred to a select committee of the whole Assembly, and comments made in the petition could no doubt be taken up by elected members in the committee.

62. The Governor also said that the plan, when finally approved, would be an indicative plan, i.e., laying down broad guidelines for future development. CPA had announced in its modification statement that area plans would be prepared after consultation with the residents of each settlement, and that such plans would be subject to the same procedure referred to above.

63. With respect to contracts (para. 58 (c) and (d) above), the Governor noted that the first relevant remarks made in the petition apparently applied to contract (expatriate) officers, most of whom were well-trained teachers, employed because of non-availability of suitably qualified Caymanians. He said that the employment of those officers was necessary to advance Caymanians to the required standard to qualify as teachers and to replace other officers on contract now holding posts demanding professional or technical qualifications. He added that scholarships would continue to be provided for all qualified Caymanians intending to take courses at approved tertiary training institutions.

64. As for construction contracts (para. 58 (c) above), the Governor stated that in assessing tenders, the Government had to ensure not only that the tenderer was professionally and technically qualified to do the job, but that he had the financial resources to meet all requirements and obligations imposed upon the contractor. All main contracts had been awarded to companies holding work permits in the Territory. Contractors on large projects were encouraged, and generally endeavoured, to subcontract where possible to smaller local contractors.

65. Concerning gratuities (para. 58 (d) above), the Governor stated that

pensionable employment in the civil service was reserved for Caymanians. The gratuities offered by the Government to qualified officers recruited from overseas were at the same level as those paid by other Territories. The amount in the 1976 budget was that required under contracts between the Government and individual officers. It could not be reduced until such time as qualified Caymanians were available to fill the posts concerned. The Government's policy was to achieve this as soon as possible, and the size of the educational budget was some measure of the importance which the Government attached to this. The Governor pointed out that the Government had not refused to grant scholarships or loans to qualified Caymanians securing entry to approved further training institutions.

66. On the swamp lands (para. 58 (e) above), the Governor said that the Land Adjudication Law, 1971, was the authority under which adjudications were made. He added that Crown land was held in trust for all the inhabitants of the Cayman Islands; that the Government had a duty, on behalf of these inhabitants, to lay such claim; and that the decision was one for the adjudicator, or, thereafter, for the courts.

67. Regarding constitutional reform (para. 58 (f) above), the Governor stated that increased representation in North Side and East End would require re-examination of membership in other constituencies.

68. Dissatisfied with the Governor's reply, over 200 people marched again on 27 February 1976 to the Government Administration Building in George Town, where four representatives of the marchers (including Mrs. Ebanks) presented two petitions to the Governor, one from Grand Cayman, bearing over 1,500 names, and the other from the Lesser Caymans, bearing over 280 names. In the former, the petitioners reiterated the demands outlined in paragraph 58 above. The suggestion recently made by the Governor that their grievances should be placed before the Legislative Assembly by one of their elected members was rejected on the grounds that:

(a) "Past experience over the last three years has taught us that any matter presented by one or more members from what is termed 'the opposition members', who are not in the Executive Council, is a lost cause as far as getting any satisfaction in the Legislative Assembly is concerned";

(b) The collective vote and the attitude of most, if not all, of the elected members in the Executive Council "make it impossible for the other members /of the Legislative Assembly/ to get any backing for anything which is of public interest and to which there is opposition by the so-called Government Bench". Because of this, the petitioners called for alteration of the collective vote rule for members of the Executive Council.

69. In the petition from the Lesser Caymans, similar protests were made against the imposition of higher taxes, the recent increase in hospital fees and certain proposals in the draft development plan.

3. Consideration of the petitions by the Legislative Assembly

70. On 10 March 1976, in a speech at the opening of the Legislative Assembly, the Governor stated that the Territory could take in its stride the increased political tempo of an election year, but that more worrying were the recent demonstrations "against a wide spectrum of policies and measures authorized by the Constitution, by laws made in the Assembly or approved by the vote of the majority of members". He referred to the well-trodden paths for the ventilation of grievances of the community: petitions to the Governor, to the Assembly or to the United Kingdom Government. He continued:

> "But self-appointed leaders of demonstrations, who bear no mandate from the electorate at the polls, would do well to consider the possible effects of their actions on an economy climbing back towards full employment, and realize that the conduct of public affairs of this country, under the Constitution, is endorsed by ... this historic legislature."

71. On 12 March, however, the Governor placed the petitions before the Assembly in the only way constitutionally open to him, in the form of a message. Summarizing the grievances, the Governor said, with respect to public finance, that "unless there is a conscious decision by the Assembly to reduce expenditure or to augment revenue by other means, there is no latitude for variation of measures which have passed into law, or which by virtue of contractual liabilities, e.g., gratuities, have been estimated at the amounts for which the Government is liable". Concerning the draft development plan and the swamp lands, he pointed out that the relevant laws were being followed and, unless amended, had to take their course. Finally, he declared that the principle of collective responsibility and the number of members for electoral districts were laid down in the Constitution; amendments thereto were matters for the Assembly to advise.

72. Following the delivery of the message, two motions were introduced in the Assembly. The first, by Mr. John D. Jefferson, asked that a debate should be allowed, and the second, by Mr. Craddock Ebanks, asked that the message should be sent to a select committee for consideration. After a discussion, the Governor, as President of the Assembly, requested Mr. Jefferson to withdraw his motion and allow that of Mr. C. Ebanks to stand. The Governor agreed with the stipulation that the matter would be debated before going to a select committee. Finally, he expressed the hope that the debate would be confined to his message, even though the petitions were annexed to it.

73. Opening the debate, Mr. G. H. Bodden said that he was not an advocate of demonstrations and marches, but that if they were necessary for the good of society, then "let them be made". Referring to the list of grievances as summarized in the message, he made the following observations:

(a) The Executive Council should speed up implementation of the suggestions previously put forward in the Assembly, concerning the raising of revenue through the registration of ships and the establishment of the oil terminal project proposed by United States investors. Furthermore, restrictions on business operations should be eased and a levy imposed on luxury items.

(b) A select committee should consider the possibility of reducing the recent increase in taxes by 50 per cent and curtailing projects. Hospital fees should be paid on a sliding scale. The fees charged now were "the highest of any government-run hospital in the Caribbean". The Government should not attempt to make the hospital on Grand Cayman a profit-making institution. Gratuities presently contracted for could not be reduced as the Government could be sued. In future, however, the amounts offered in contracts should be cut. Gratuities should only be paid for jobs involving high risks, or for those of a technical nature.

(c) The Government was in no position to give compensation to people whose lands were being zoned for posterity, etc. Because of that and also because there was a need to expand business activity, the draft development plan should be abandoned. The very lands adjudicated in favour of the Government had been given away in land grants in the early years of settlement. The situation therefore had to be reversed.

74. Dealing with constitutional reform, Mr. G. H. Bodden, with whose views Mr. J. M. Bodden was in general agreement, stated that in the forthcoming election campaign, he intended to tell the people that the principle of collective responsibility did not work, especially in a small legislature. He further stated that if elected members of the new legislature reported that their constituents wanted to change that principle and its membership, he would support them fully.

75. Miss Annie H. Bodden stated that the petitioners' complaints should be listened to and rectified. While agreeing that the complaints should be heard and attended to, Mr. Claude Hill nevertheless considered the proposed constitutional changes to be impracticable. Another view was presented by Mr. Jefferson. He said that he too, would like to feel that "I champion the cause of the people". Anticipating the forthcoming general elections, he believed that he would be returned to the legislature.

76. Four other speakers, also members of the Executive Council, (Messrs. A. Berkley Bush, Trevor Foster, Benson O. Ebanks and Warren W. Conolly) denied that they were afraid of criticisms. Mr. Bush regarded submission of the petitions in question as "one of the worst things ever to have taken place in these islands". Moreover, Mr. B. O. Ebanks refuted the allegation that the fees charged by the government hospital on Grand Cayman were "the highest in the Caribbean". Finally, Mr. W. W. Conolly stated that, in studying the present Constitution, members of the Legislative Assembly had attached great importance to the principle of collective responsibility. He further stated that the Constitution did not make provision for "an official opposition".

77. Mr. Johnson, the Financial Secretary, stated that "the Government is the institution which governs the country"; that "if someone has a grievance against the Government, the Constitution and the laws have provided a process whereby this can be rectified"; and that "demonstrations are not going to do it". He further stated that he would steer away from the political side of the question under consideration, but that as Financial Secretary, it was necessary for him to clear up a few points, including the following:

(a) The 1976 budget had initially contained a deficit of $CI 3 million. f/ Initial slashing had been responsible for the numerous lay-offs in the Public Works Department. However, it was necessary to maintain essential services and to continue the road programme and the port project for George Town. As a result, the Government had to devise ways and means of raising additional revenue.

(b) About 70 per cent of territorial revenue came from non-residents. Yet when local people were asked to contribute "just a bit more", the Government was faced with demonstrations.

(c) The tax measures, eventually accepted by majority vote in the legislature, would probably yield $CI 750,000. "We have a budget that is going to fall into a deficit worse than the end of last year unless the year brightens."

(d) In 1968, the Government had introduced non-taxation on luxury items to promote tourism. It had no thought of imposing any duty on those items. Even if it did, it would still have to operate an in-bound system for the tourists' convenience. The latter was not possible until after the construction of a new terminal building at Owen Roberts Airport. In any case, the duty collected on such items purchased by the local people would be small.

(e) The Government had taken action to remove the preferential tariff and establish the Territory's connexion with the European Economic Community (EEC) through its association with the United Kingdom. That action made it possible for the Cayman Islands to receive aid provisionally estimated at $CI 330,000, a sum which would probably be used for the development of Owen Roberts Airport.

(f) Over 80 per cent of the officers on contract in the Government were employed under the British Aid Service Scheme. In 1970, when the United Kingdom renewed the terms of the scheme, it had asked the territorial Government to increase the gratuity granted from 20 to 25 per cent. In return, the United Kingdom had offered to pay all passage expenses of officers to the Cayman Islands. Those expenses amounted to $CI 80,000 a year, a figure higher than the proposed increase. Even so, the Government had decided as an economy measure that, from 1 January 1976, the gratuity granted to a new officer on contract would be increased by only 22.5 per cent.

78. At the conclusion of the debate, the matter under consideration was referred to a select committee of the whole legislature with the Financial Secretary as its chairman. In June 1976, the Assembly approved a report issued by the select committee which basically reiterated the Government's position on the matter.

---

f/ The local currency is the Cayman Islands dollar ($CI). In early 1974, it was linked with the United States dollar and revalued. Under its current rate of exchange, $CI 1.00 is equivalent to $US 1.20.

4. General elections

79. The 1976 elections for the Legislative Assembly were contested by 28 candidates. As in the previous elections, no political parties emerged, but for the first time, candidates in some constituencies were campaigning in other electoral districts, helping the latter's candidates as teams.

80. On 8 November 1976, two days before the elections, Mr. G. H. Bodden and Mr. J. M. Bodden of Bodden Town, who were reported to have led the opposition to the Government in the recently dissolved legislature, were declared elected unopposed following the withdrawal of Mr. A. J. Miller, another candidate from their district. In the remaining five contested districts, there were 5,895 registered voters, of whom 4,427, or 75.1 per cent, participated in the vote. According to election results released on 11 November, the four elected members in the previous Executive Council (Messrs. A. B. Bush, W. W. Conolly, B. O. Ebanks and T. Foster) lost their seats. Mr. Jefferson, reportedly a supporter of the Government, was also defeated at the polls. All had campaigned primarily on the record of the Government over the past four years. They had also announced their intention of building on that record if re-elected to the Assembly, with special emphasis on the maintenance of political stability in the Territory.

81. Altogether, seven newcomers became members of the new Legislative Assembly. Five previous members, including Messrs. G. H. Bodden and J. M. Bodden (see para. 80 above), were also returned to it. During their campaign, most of the newly elected members had particularly stressed the need: (a) to improve the unemployment situation; (b) to reduce government spending on capital projects which were producing insufficient or no income; and (c) to amend or scrap the draft development plan. Additionally, they had discussed the question of internal self-government, but had been divided in their opinion on that issue. The election results showed that the majority of the electorate favoured the establishment of a new Government.

82. Following the elections, the 12 elected members of the Legislative Assembly issued the following statement:

> "We the undersigned elected members of the Legislative Assembly of the Cayman Islands, recognizing the great honour bestowed on us by the electorate of these islands and the responsibility that rests on our shoulders as the elected leaders of the country, wish to reaffirm our position in regard to some of the problems now confronting our country.
>
> "We are thankful that we live under a democratic system of government in which the wishes of the people must prevail. We seek the guidance of the great Architect of the Universe in guiding us to make the right decision and we give thanks to Him for all His mercies.
>
> "We seek and encourage the support of all those who inhabit our shores and affirm that we will be willing to meet and discuss any problem and to keep you, the electorate, informed of all relevant and important issues.

"We request the electorate to join with us in expressions of thanks to all those members of the past in the legislature who so nobly performed the tasks assigned to them, and we ask those candidates who were unsuccessful in the recent election to join hands with us and help us heal the wounds of our country.

"We confirm our loyalty to Her Majesty Queen Elizabeth II and pledge to remain a Crown Colony of the British Empire, thus preserving the very important reserve powers of His Excellency The Governor and Her Majesty The Queen respectively to legislate for these islands and Her Majesty The Queen's power to disallow laws even after assent by His Excellency The Governor.

"We confirm that it is not our wish or desire to seek further constitutional advances.

"We will move cautiously and in the interest of these islands in relation to all matters.

"We wish to assure the financial community and off-shore businesses and investments that we will endeavour to improve and increase the advantages presently offered and we do not intend to change present policies. We invite their co-operation and advice to help us build together for stability.

"We request the people of these islands and the news media to give us their support and that the main resort shall be to constructive and responsible criticism especially during the early stages of this administration.

"We thank all those who put their trust in us by giving us an opportunity to serve the people and we confirm our pledge to work diligently for the betterment of this our country and people and hopefully you can proudly say at the end of this administration, 'Well done thou good and faithful servant'."

83. In late November, four elected members were appointed to the Executive Council: Mr. T. M. Bodden, Member for Health, Education and Social Services; Mr. G. H. Bodden, Member for Agriculture and Natural Resources; Captain Kirkconnell, Member for Communications, Works and Local Administration; and Mr. J. M. Bodden, Member for Tourism, Aviation and Trade. All except Mr. T. M. Bodden had had previous legislative experience.

5. Public service

84. The number of civil servants in the Territory amounts to just over 830. The largest proportion of expatriate staff is to be found in the areas of education, medical services and engineering.

85. In his speech from the Throne, delivered at the opening of the Legislative Assembly on 2 March 1977, Governor Russell stated that the Government's policy in staff recruitment and promotion was to give precedence to Caymanians with the

qualifications for the job and an acceptable minimum of experience. That policy had to be compatible, however, with the need to run an efficient ship. There was no substitute for experience, but in order to upgrade the qualifications of Caymanians both in the public and private sector, the Government saw the need for a special drive in training and higher education, and would ensure that no candidate with the basic qualifications for further training was hampered by lack of funds. To indicate the degree of priority attached to that policy, 1977 would be known as the Training and Educational Year (see also paras. 159-163 below).

86. In the same speech, the Governor stated that the budget estimates for 1977 provided for an increase, effective from 1 April 1977, of from 8 to 10 per cent in civil service salaries, which had remained unchanged since January 1975 (see also paras. 135-139 below).

87. During 1976, the programme of reorganization and improvement in public administration continued. A detailed review was made of the management structures and systems of the majority of government departments with a view to the more efficient and economical deployment of staff. A complete job evaluation survey was also carried out with the assistance of an expert from the United Nations Development Programme (UNDP). On the basis of these studies, the structure of the Government was reorganized at the end of the year (see appendix XIV to the present report). Other steps taken to upgrade the functioning of the public service included greater emphasis on manpower planning, recruitment and training, and a detailed redrafting of conditions of employment designed to attract better quality recruits.

C. Economic conditions

1. General

88. The economy of the Cayman Islands was supported for most of their history by the remittances of Caymanian seamen serving on foreign ships. In the 1950s, a modest tourist industry began to develop in the Territory. It was not until 1966, however, when the territorial legislature passed laws formalizing the tax-haven status of the Islands, that the Territory entered a period of unprecedented economic growth, based on the expansion of tourism and international finance. The construction industry also thrived, stimulated by the increasing demand for commercial buildings, office space, hotel accommodations and housing more commensurate with higher standards of living, as well as by the public works programme.

89. During the period 1966-1974, the Territory reached growth rates as high as 15 per cent annually. In 1975, however, the repercussions of the world recession were felt in the Territory through its two principal industries, which are highly sensitive to economic conditions abroad. The construction sector was in turn affected by a sharp reduction in demand caused both by the recession and by a certain degree of saturation. As a result, unemployment appeared for the first time in a decade, and the decrease in government revenue resulted in tighter budgetary measures. The situation saw some improvement in 1976, and tourism and international finance were reported to have resisted the recession remarkably well.

90. In his budget address to the Legislative Assembly on 2 March 1977, Mr. Johnson, the Financial Secretary, expressed the hope that during 1977 there would be a brighter outlook and a steady surge ahead to another period of prosperity. He also said that there were signs that the investment climate was steadily improving, although it had to be remembered that the economy was affected by developments abroad; the recent increase in the price of oil could further retard the rate of growth of Western economies, including that of the Cayman Islands. The Financial Secretary reported that the two mainstays of the economy, tourism and international finance, had progressed well during 1976. Construction, on the other hand, had declined considerably, with agriculture now standing at third place in the economy. One of the effects of the recession had been the easing of the inflationary trend, which in 1975 had fallen by 40 per cent from the 1974 figure of 17.7 per cent per year, and had continued to decline in 1976. He went on to outline the diversification policy of the Government, which included the encouragement of local industries and the possibility of ship registration in the Territory. Specific information on the various sectors of the economy is given in the relevant subsections below.

91. In his speech at the opening of the Legislative Assembly (see also para. 85 above), Governor Russell stated that a programme of economic development projects for the following five years, prepared in draft form by a United Nations expert, was being up-dated and would be altered to accord with changes in policy in order to be considered during 1977 before being placed before the Legislative Assembly for approval.

2. International trade

92. Although the Territory is an exporter of turtle products and lobster, there is a marked dependence on imports of food-stuffs and other goods. The value of imports, mainly from the United States, increased from $CI 22.5 million in 1975 to $CI 29.8 million in 1976. During the same period, the value of exports increased from $CI 204,000 to $CI 550,476.

93. Despite the large balance-of-trade deficit, amounting to approximately $CI 22.3 million in 1975 and $CI 29.2 million in 1976 (see table 1 below), the Territory can face its balance-of-payments problems because much foreign currency is injected into the economy through tourism (approximately $CI 12 million annually) and through investments in the Territory, mainly in the form of construction of hotels, apartments and houses. In fact, a large part of the import bill is to service the tourist and construction industries.

Table 1

(Cayman Islands dollars)

Year	Imports (millions)	Exports	Balance (millions)
1968	2.7	8,123	-2.7
1969	5.8	8,754	-5.8
1970	7.8	9,276	-7.8
1971	9.1	475,229	-8.6
1972	12.8	562,620	-12.2
1973	15.5	650,000	-14.9
1974	22.1	286,699	-21.7
1975	22.5	204,000	-22.3
1976	29.8	550,476	-29.2

Source: Cayman Islands Handbook, 1976 (A Nor'wester publication, Cayman Islands), pp. 197-198.

3. Proposed land-use development plan

94. Information on this subject is contained in the previous report of the Special Committee g/ and in paragraphs 57-78 above. The proposed land-use development plan

g/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), chap. XXIX, paras. 10-17.

for the period 1975-1990 was prepared by a team of experts under the auspices of CPA, in accordance with the Planning and Development Law, 1971, and was published in draft form on 27 March 1975 (see also paras. 61-62 above). In order to ensure wide publicity, exhibitions and meetings were held throughout the Territory, with staff available to explain the proposals; copies of the plan were sent to legislators, local authorities and public libraries; and versions of the plan were published in the local press. The basic objective of the plan was to outline a pattern of land use, taking into account present physical and economic realities. Soon after publication, strong opposition to the plan was expressed by some sectors of the local population (see para. 58 above). In light of the objections and representations (totalling 140), CPA submitted a modified statement in December 1975.

95. Pursuant to the provisions of the Planning and Development Law, 1971, an Appeals Tribunal, composed of Mr. I. Wyn Pugh, an expert from the United Kingdom, as Chairman, and four Caymanian members, was established to hear all objections and representations. The Tribunal held a public inquiry from 12 January to 19 February 1976 in George Town, and on 16 February 1976 on Cayman Brac. CPA placed submissions on the plan before the Tribunal. The report of the Tribunal, consisting of a detailed account of its proceedings, together with its comments and suggestions, was published in April 1976. In July, CPA issued its comments on the report of the Appeals Tribunal. These comments, together with the original proposed development plan, the modified statement and the report of the Tribunal, constituted the basis for the presentation of an amended version of the plan to the Legislative Assembly on 3 March 1977.

96. In his statement to the Assembly, Mr. G. H. Bodden, Member for Agriculture and Natural Resources, said that it had been decided to give the public a two-month period (March to May), in which to inform their representatives of their views on the plan. The main amendments consisted in the abandonment of the plan for Cayman Brac and Little Cayman, in respect of which specific guidelines along those suggested by the local Development Committee would be laid down, and a greater flexibility in the plan for Cayman Brac. Mr. Bodden announced that debate on the subject would take place at the May session of the Assembly.

4. Financial developments

Banking and finance

97. An international financial community has developed in the Territory because of its status as a tax haven, its bank-secrecy laws, its accessibility and its stability. This community includes commercial banks and other financial institutions, which provide a wide variety of services to international clients (see appendix III to the present report). As noted above, it has become one of the two main sectors of the economy.

98. In September 1976, a survey of banks actively represented in the Cayman Islands revealed that they employed 276 Caymanians and paid them annual benefits totalling

more than $US 1.9 million. The 140 non-Caymanian employees received a comparable sum of which a good amount was probably spent locally. The annual cash contribution to the economy from banking operations, through wage payments, licence fees and other local expenditure was estimated to be $US 6.6 million in 1976.

99. There is no restriction on the formation of companies in the Territory to carry on any type of off-shore business; companies wishing to carry on banking or trust business must have a licence from the Government. There are two types of companies in the Cayman Islands suitable for off-shore business: non-resident ordinary and exempted. The advantages of an exempted company are as follows: (a) the company receives a tax-free guarantee from the Government for up to 30 years; (b) if non-resident in the Territory, the company is permitted to issue bearer shares; (c) the company is permitted to issue no-par value shares; (d) the shareholders are not on public record, and there may be a sole shareholder; and (e) the annual reporting requirements consist only in a statement that the operations of the company have taken place mainly outside of the Territory and that the provisions of the Companies Law have been complied with. Companies may be formed with or without limited liability and in the former case may be limited by shares or limited by guarantee.

100. In 1976, the fees asked by the Government were as follows:

(a) On incorporation:

Non-resident ordinary company:	Incorporation fee equivalent to 1/20 of 1 per cent of the authorized capital, with a minimum of $CI 300 and a maximum of $CI 1,000 for an authorized capital of up to $CI 600,000;
Exempted company:	Incorporation fee equivalent to 1/10 of 1 per cent of the authorized capital, with a minimum of $CI 600 and a maximum of $CI 1,600 for an authorized capital of up to $CI 600,000.

(b) Annually (for minimum authorized capitals as above):

Non-resident ordinary company:	$CI 150; maximum, $CI 500
Exempted company:	$CI 300; maximum, $CI 1,000

101. Exchange control regulations normally require that a company should limit its operations to either inside or outside the Territory. A company operating outside the Territory will be designated as "non-resident" and may keep its bank accounts and books in any currency except Cayman Islands currency. Such a company may own gold and must normally be owned by non-residents of the Territory. An ordinary company operating entirely inside the Territory will be designated as "resident" and will keep its bank accounts and books in Cayman Islands currency. It may be owned by residents or non-residents but, in the latter case, the approval of the Exchange Controller and the Caymanian Protection Board is required.

102. Companies may be established for many types of off-shore business. Normally, an office is set up in the Territory with local directors and management and sometimes staff, to establish the bona fides of the operation. Companies registered in the Territory include trading, investment, shipping and insurance companies, and they can enjoy the status of either foreign or local companies.

103. There are three types of licences issued for the carrying on of banking or trust business in the Cayman Islands:

(a) Category A (unrestricted general licence). This licence permits the carrying on of all local and overseas business. Holders of this type of licence must maintain a fully staffed office in the Territory with personnel experienced in banking and trust operations both in the local and international fields. The annual licence fee amounted to $CI 10,000 in 1976.

(b) Category B (unrestricted off-shore licence). This licence permits the carrying on of business outside the Territory, except that business may be carried on in the Territory for clients from outside it. The annual licence fee was $CI 3,500 in 1976.

(c) Category B (restricted off-shore licence). The holder of this licence can only have named clients outside the Territory. The Government requires the management company of an off-shore mutual fund to hold this type of licence.

104. Companies in categories A and B (unrestricted) must have a fully paid-up capital of at least $CI 200,000 or its equivalent or suitable guarantee; companies in category B (restricted) must have a paid-up capital of $CI 20,000 or its equivalent.

105. In his budget speech on 2 March 1977 (see also para. 90 above), Mr. Johnson, the Financial Secretary, stated that the financial industry had progressed well during 1976, with banks and trust companies increasing from 198 in 1975 to 218 in 1976. Eight licences had been revoked or cancelled during the year (including 29 with general banking licences). The financial Secretary added that the number of companies registered in the Territory had increased by 1,301 in 1976, bringing the total up to 7,521 (4,489 ordinary, 2,842 exempt and 190 foreign companies). During the year, 332 companies had been struck from the Register and 71 liquidated. He cited the economic importance of the financial industry which, he said, provided approximately 25 per cent of the Government's recurrent revenue.

106. The financial industry suffered its first serious setback in late 1974, when two banks in the Interbank House Group went into liquidation because of their inability to meet withdrawals. On 3 December 1975, Mr. Jean Yves Doucet, the founder of the Group, was sentenced to nine months' imprisonment on charges linked to the liquidation of the two banks. Although he gave notice of appeal, he remained in prison as he could not meet the bail conditions. On 2 June 1976, Mr. Doucet was released after serving two thirds of his sentence, the remainder having been

remitted for good behaviour. The Interbank collapse, however, was considered as an isolated incident, and did not have lasting effects on the industry, as proved by its continuing growth.

107. During 1976, a move by the United States Internal Revenue Service (IRS) to investigate operations allegedly linked with the evasion or avoidance of United States taxes caused a measure of concern in the Territory. On 12 January 1976, Mr. Anthony Field, Managing Director of Castle Bank and Trust (Cayman), Ltd., was served with a subpoena to appear before a Federal Grand Jury in Miami (United States) to answer questions concerning the activities of Castle Bank and some of its clients. Mr. Field reportedly refused to do so on the grounds of the Fifth Amendment to the United States Constitution and also because such testimony would violate the bank secrecy laws of the Cayman Islands. Although granted immunity in respect of his testimony, Mr. Field persisted on his refusal. In March, a Federal District Court upheld a motion by the United States Government to compel testimony. Thus far, no final decision has been reached on the case.

108. In his speech referred to in paragraph 90 above, Mr. Johnson stated:

> "Concern was expressed during 1976 by the financial community over a case in which a Cayman based off-shore banking institution was the subject of an inquiry by a foreign Government.
>
> "This arose from a continuing investigation into tax-haven operations by large metropolitan countries. These countries are concerned that their tax laws may be breached by citizens who use tax-haven facilities. From our point of view, the financial industry is a prominent part of the local economy and we must therefore continue to welcome any investor who chooses to do business in the Cayman Islands. Those who are conducting off-shore business must ensure that their activities abroad do not infringe regulations of other jurisdictions. It should be made clear that a tax offence in other countries is not an offence in the Cayman Islands.
>
> "Under the Confidential Relationship (Preservation) Law recently enacted, no information relating to a customer or client account with any institution within the local financial community can be divulged to anyone. If a foreign Government is investigating a case relating to a crime other than a tax offence, and the Government of the Cayman Islands is requested to assist in providing relevant information, the law provides that application for such information be made through the local police to the Governor in Executive Council. Such a request would be examined if the purported offence would, if committed in the Cayman Islands, be an offence under Cayman statutes."

5. Tourism

109. Active promotion of tourism started in 1965 with the establishment of a Tourist Board under the chairmanship of Mr. E. J. Bergstrom. Over the period 1968 to 1975, offices were established in Miami, Chicago and New York in the

United States. In 1974, the Department of Tourism replaced the Tourist Board. Mr. Bergstrom was appointed Director of Tourism in 1973.

110. From 1966, when the number of tourists and visitors arriving by air was numbered 8,244, to 1974, when it reached 53,104, tourism experienced a steady rate of growth, sometimes as high as 46 per cent annually, and became one of the two mainstays of the economy. In 1975, the recession in the industrialized countries, especially those in North America, the origin of the majority of tourists visiting the Territory, affected the industry adversely: during the year, the number of arrivals increased by only 2 per cent, to 54,145. Fears for the future of the industry were dispelled in 1976, however, when tourist arrivals broke all records increasing by 20 per cent over 1975 to a total of 64,875 (see table 2 below). Cruise-ship passenger arrivals, which had increased from 2,513 to 22,541 over the period 1974-1975 provided another 40,000 tourists in 1976. The average length of stay also improved considerably during the year, and as a result, hotel occupancy reached 63.7 per cent (47.7 per cent in 1975), with some hotels averaging 88 per cent. This reflected an increase in the length of stay from 4.7 days to 5.2 days. It was estimated that tourist expenditure had amounted to $CI 12 million in 1976 (approximately the same as in 1975).

Table 2

Tourist arrivals by air, 1968-1976

1968	14,160
1969	19,410
1970	22,891
1971	24,354
1972	30,646
1973	45,751
1974	53,104
1975	54,145
1976	64,875

Source: Cayman Islands Handbook, 1976, op. cit., p. 241.

111. In his speech at the opening of the Legislative Assembly (see also para. 85 above), Governor Russell said that the Government had not accepted the record tourist figures of 1976 with complacency and had recently invited proposals for a new hotel built to international standards. The successful attraction of tourists in the off-season, coupled with 100 per cent occupancy of existing rooms at some periods of the main season had made the provision of new accommodation a matter of urgency if the industry was to be further expanded. He added:

"There is no intention of reaching a state of saturation where the amenities and spaciousness which tourists come to enjoy are destroyed by sheer weight of numbers. The time is ripe, however, for expansion and the Government will continue to support the steady and progressive development of this major industry."

He also said that advertising policy and public relations policy abroad were being reviewed with more emphasis on direct contact with specialized groups, billboard advertising and new techniques. New sales representatives in Toronto (Canada) and Houston (United States) would be appointed to capitalize on the success of the tourism offices in New York and Miami. He went on to say:

"Government and the Department of Tourism, cannot, and should not, go it alone. The infrastructure of tourism is largely in the private sector, and the Government's intention is to create a greater bond of unity between the private and public sector operations. It is proposed to mount a comprehensive tourism educational campaign locally and to formulate more efficient training of Caymanian staff for the industry."

112. At the end of 1976 there were 15 hotels, the largest containing 183 rooms, and an even larger number of apartments, villas and cottages for rent to visitors. Several hotels made additions to their existing facilities on Grand Cayman. Casa Bertmar and Spanish Bay Reef opened some new rooms. Buccaneer's Inn on Cayman Brac continued its expansion, providing additional rooms. On Little Cayman, Paradise End opened for business with efficiency units. Total bed space available at the end of 1976 was about 1,800.

113. It was reported on 4 February 1977 that plans were under way for the construction of a 152-room hotel on Seven Mile Beach, on Grand Cayman, at a cost of $CI 7 million. Building was expected to begin within six months and be completed in between 18 months to 2 years. The main developer is Mr. H. B. Foster, a Caymanian now living in the United States, who announced that the hotel would become part of the chain of Ramada International, a United States company. The design plans for the project have been entrusted to the local architectural firm of Rutkowski, Bradford and Partners. The Ramada organization was expected to provide a comprehensive hotel-training programme for the staff in the Territory. Approximately 50 persons would be employed in the hotel.

6. Property development

114. During the period 1966-1974, there was a rapid expansion of construction activities, spurred primarily by the demand for tourist accommodations, office blocks and bank buildings, housing for expatriate workers and, as the local community prospered, houses for Caymanians more commensurate with their higher standard of living. Starting in 1975, however, with sufficient office space and hotels and adequate housing, coupled with the economic recession, the construction sector has been shrinking, stressing, among others, the problem of finding an alternative source of employment for the unskilled and semi-skilled.

115. In his recent budget address (see also para. 90 above), Mr. Johnson, the Financial Secretary, stated that construction activity had declined considerably in 1976. Statistics indicated that permits granted by the Central Planning Authority had decreased in value from $CI 15,675,000 in 1975 to $CI 6,323,000 in 1976. Applications had numbered 234 in 1976, as against 229 in 1975. Planning permit fees had been increased in January 1976; fees collected in 1976 therefore amounted to $CI 20,000, compared with $CI 8,800 in 1975. The fall in the value of approved projects in 1976 over 1975 had occurred in residential, hotel, commercial, industrial and government construction. There had been an increase in apartments and other areas. Although the value of projects had declined, the number of applications had remained approximately the same as that for the corresponding period of the previous year. Residential and apartment construction had accounted for 80 per cent of total value of approvals for 1976. Seven large-scale developments had been started in 1976, three had been given approval in principle and were scheduled to start in 1977. It was hoped that the improvement in market conditions would attract medium-term to long-term financing at more favourable rates of interest.

116. The collapse of the Interbank House Group in 1974 (see para. 106 above) affected several development projects financed wholly or partly with Interbank funds. Most of these projects found new sources of financing shortly thereafter. After being temporarily suspended, work in one of the more important, Mitchell's Creek Gardens (now Lime Tree Bay), a luxury home project, was resumed by De Talma Enterprises (Cayman), Ltd., a company owned by Mr. Dwight Crater, a United States developer, in partnership with the Interbank liquidators.

117. In his speech of 2 March 1977 (see also para. 85 above), Governor Russell stated that the Caymanian Protection Law, 1971, was being amended (see paras. 145-152 below). Amendments, which covered a wide spectrum of subjects related to immigration and the acquisition of Caymanian status, included provisions destined to facilitate the settlement of retirees in the Territory.

118. In 1971, a Department of Lands and Surveys was created in conjunction with the introduction of three land laws establishing a land adjudication and registration system. In 1973, the Government appointed a team to carry out a cadastral survey which is expected to be completed during 1977.

7. Agriculture, livestock and fisheries

119. The development of agriculture in the Territory is hampered mainly by the scarcity of suitable land, the shortage of skilled labour and the inadequacy of access roads to agricultural areas.

120. In a submission made at the request of the Appeals Tribunal on the proposed development plan, later incorporated into the report of the Tribunal (see paras. 94-96 above), Mr. J. B. W. Jackman, Director of Agriculture, gave his views on the agricultural potential of the Territory in general. Among other things, he stated that the main obstacle to the growth of agriculture was the general lack of interest in the industry. Caymanians had always been oriented towards the

sea, but in the past they had also been self-sufficient in many of the food-stuffs now imported from the United States and Costa Rica.

121. Farming techniques in the Territory needed modernization, but with the application of present-day knowledge and the use of fertilizers and other means, many leaf, root and tree crops could be viably farmed, as indicated by an actual cost analysis prepared by Mr. Jackman. The Territory was already self-sufficient in eggs. Beef production was advanced; some 100 head of improved stock had been brought into the Territory in 1975 (see below). What was most needed now was modern slaughtering facilities. There was no reason why the Cayman Islands could not be self-sufficient in meat requirements in due course. Although the depth of the waters around the Territory's coasts somewhat limited the scale of fishing, a recent survey of fishing potential carried out by the United Kingdom Overseas Development Administration showed that there were sufficient fish to supply the Territory's needs. Mr. Jackman also said that, although it was very unlikely that forestry would become a large-scale industry, it was important to preserve as much woodland as possible because of rainfall considerations, and also for their function as windbreaks for the more open areas. In Mr. Jackman's opinion, therefore, the potential for agricultural production in the Territory was extremely high, and could cater for both the home market and for export. There was also a potential for agro-based industries using by-products from the land and livestock, now mostly wasted. There was therefore a need to conserve land which might be economically viable; in his view, at least 2,428 hectares on Grand Cayman could be so classified.

122. Livestock production is the main farming enterprise. Orchard crops of mangoes and avocadoes planted in 1975 are doing very well and should contribute significantly to the fresh fruit supply over the next few years. The leading producers are Caledonian Farms, Bothwell's Poultry and Beef Farm, Island Vegetables and two hydroponics units, one of which has closed down temporarily owing to financial difficulties. Caledonian Farms has reached a stage where it can sell from 20 to 25 pigs weekly, an important step towards making the Territory self-sufficient in fresh pork. Bothwell's Farm, which was sold at the end of 1976, is the main supplier of eggs. It has also imported Santa Gertrudis and Limosin cattle to improve its beef stock. According to reports, these cattle have done extremely well, without any major disease problems. As noted in previous reports of the Special Committee, Mariculture, Ltd., owner of the world's only commercial green sea turtle farm, went into receivership in May 1975. In March 1976, it announced that all of its assets had been sold for $CI 2.2 million to a new company, named Cayman Turtle Farm, Ltd. The latter is 72.5 per cent owned by Mr. Heinz Mittag of the Federal Republic of Germany, and 25 per cent by the Commonwealth Development Finance Company, Ltd. of the United Kingdom. The territorial Government has taken 50,000 $CI 1 shares of the new company (approximately 2.5 per cent) in exchange for the tax and duties on the property transfer transactions in the reorganization, and is represented on the Board of Directors (see also para. 227 below).

123. In late 1976, Little Cayman Trading Company, Ltd. built a lobster-processing facility on Cayman Brac at an estimated cost of $CI 60,000. Shareholders of the company included Cayman Inter Island Airways, Ltd., a local company, as well as a

wholesale seafood enterprise and a fishing enterprise, both from the United States. Shipments of ready-for-sale lobsters to the United States were started in January 1977. Eventually, the plant, which at present consists of a working area and freezer units, will be shifted to Little Cayman, where a fish-processing unit will be added, as well as a dehydration plant for the production of fish-meal.

8. Industries

124. Aware that tourism and international finance, the main industries of the Territory, cannot sustain a stable economy, the Government has long advocated diversification. In his recent budget speech (see also para. 90 above), Mr. Johnson, the Financial Secretary, announced that it had been decided to create incentives for new local industries, consisting mainly in the waiver of duties on imported goods and equipment. Mr. Johnson stated that although other concessions, such as work permits, trade and business licences and grants under the Tax Concession Law and the Local Companies Control Law would be considered separately, there would be no difficulties, once approval had been given to an application for the establishment of a local industry. He also said, in regard to foreign investments in local industries, that no restrictions would be imposed under Exchange Control on repatriation of capital and profits.

125. The Financial Secretary also stated that the Government had examined ship registration for many years, viewing it as an industry from which the Government and the community in general could derive revenue and other benefits. The matter was now under consideration with the assistance of the United Kingdom Government and the local financial community. The first step in the reorganization of the local industry had been the appointment of the Registrar of Companies as the Registrar of Shipping. The Territory would have to satisfy the United Kingdom Government that it could operate a port of registry on acceptable standards, including proper registration of ships, licensing of crews, certification of ships for safety and other requirements. According to Mr. Johnson, the Government was determined to surmount the many difficulties in establishing a proper port of registry, even though it might take time to attract sufficient business to make it a profitable operation.

126. A further area of economic diversification concerned the establishment of an oil transshipment station on Little Cayman. On 16 March 1977, the Financial Secretary and Mr. Harold van der Linde, owner of Cayman Energy, Ltd., signed an agreement through which Mr. van der Linde's company acquired an exclusive franchise for one year to engage in ship-to-ship transfer of oil in Little Cayman waters. It was understood that the Government would receive a royalty of $CI 0.0075 per barrel during the ship-to-ship transfer stage and $CI 0.01 per barrel once the station was built. According to estimates, it was expected that about 500,000 barrels a day would be transferred during the first stage and about 1 million a day during the second stage. It was hoped to start operations sometime in June 1977.

127. In his speech before the Legislative Assembly (see also para. 85 above) Governor Russell mentioned that Mr. G. H. Bodden of the Executive Council, the elected Member for Agriculture and Natural Resources, was considering several applications for off-shore exploration for oil, as well as whether the existing legislation and regulations were suitable to the needs of the Territory.

128. There is also a jewellery industry in the Territory which uses local materials such as turtle shell and black coral. The industry employs about 110 Caymanians, of whom 25 work for the largest undertaking.

9. Communications and basic facilities

129. In 1976, Grand Cayman had 118 kilometres of roads, of which 93 were macadamized. On Cayman Brac, 21 out of 37 kilometres of roads were macadamized. Expenditure on the road programme reached $CI 1.5 million in 1976. According to the Financial Secretary in his recent budget speech (see also para. 90 above), the original target of 45 kilometres of paved road had been reduced to 5 kilometres on grounds of economy; accordingly, only 8 kilometres were left for completion during 1977.

130. The main airport in the Territory is Owen Roberts International Airport on Grand Cayman. Except for a private landing strip on Little Cayman, the only other airport, Gerrard Smith Airport, is located on Cayman Brac. Plans to modify and expand the area of the present terminal building at the international airport were prepared during the year pending the construction of a new terminal building and aircraft parking apron. In his speech on 2 March (see also para. 85 above), Governor Russell stated that the replacement of the air terminal at the international airport had high priority, but, unfortunately, only minor repairs and improved facilities could take place during 1977. He added that part of the replacement project might be financed from a new aid source, the European Development Fund, to which the Territory had access by reason of its associated membership in EEC. He also said that design and financing of the project would be studied and resolved during 1977.

131. Líneas Aéreas Costarricenses, S.A. (LACSA) and Cayman Airways, Ltd. (CAL), a local airline in which the territorial Government has a 60-per cent interest and LACSA a 40-per cent interest, provide scheduled flights between the Territory and Miami, Jamaica and Costa Rica. CAL also provides interisland service. Southern Airways, Inc., a United States airline, also provides daily flights between the Territory and Miami.

132. As noted in previous reports of the Special Committee, the George Town port is being expanded and upgraded. In his recent budget speech (see also para. 90 above), the Financial Secretary stated that the cost of the port project would be approximately $CI 4 million, excluding the cost of land which was to date $CI 337,425. At the end of 1976, expenditure on the project had already reached about $CI 3.1 million. The Caribbean Development Bank had provided $CI 2 million towards the cost of the project, and the rest was to be met from

local revenue. Owing to the difficult financial position of the Territory in 1976, however, the Government had requested an additional loan of $CI 500,000 which was under consideration by the Bank. The Financial Secretary also said that the project would be completed during 1977.

133. The constant improvement and expansion of telecommunications facilities in the Territory has been stimulated by the demands of the financial institutions based in the Territory and in turn has furthered the latter's popularity as an international business centre. Cable and Wireless (West Indies), Ltd. holds the franchise for commercial telephone, telegraph and teletype services. International telephone service is available 24 hours per day. A submarine coaxial cable to the Jamaica International Switching Centre, where calls are automatically routed to all parts of the world, was installed in 1972, permitting excellent reception. The Cayman Islands has the highest per capita subscriber/population density in the world in international telex services, already estimated at one telex line for every 200 people in 1974.

134. The Caribbean Utilities Company, Ltd. and the Cayman Brac Power and Light Company are the only two public utility companies in the Territory supplying electric power to Grand Cayman and Cayman Brac respectively. There is no main water system and no main sewage disposal system in the Territory; hotels and homeowners must rely on catchments or wells for water and on septic tanks for sewage disposal. In his recent budget speech, the Financial Secretary stated that the subjects of water and sewage were under consideration. A team of consultants appointed by the Government in 1975 under United Kingdom technical assistance had found that ground water in the George Town area was polluted, and there was an urgent need to introduce a proper system to remove that health hazard. The ground-water supply on Cayman Brac and Little Cayman was not polluted, and there was consequently only need for an improved system. The Financial Secretary went on to say that the capital outlay on such a project would be quite substantial and, therefore, it might need a phased approach, supplying initially the areas where the need was most urgent. The member of the Executive Council concerned stated that the consultants' report would be considered together with proposals from private firms on both water and sewage schemes.

10. Public finance h/

135. Revised local recurrent revenue for 1976, originating mainly in customs duties, companies' fees, sale of stamps and stamp duty on property transactions, travel tax and tourist accommodation tax, amounted to about $CI 11.6 million. After liquidating the deficit brought forward from 1975, this amount was reduced to a net balance of about $CI 11.2 million.

---

h/ See appendix IV to the present report for details on government revenue and expenditure for the period 1975 to 1977.

136. Revised expenditure for the same year gave a total of about $CI 10.4 million on the recurrent account and about $CI 1 million on the capital account, resulting in a deficit for the year of $CI 177,116. Expenditure from loan funds (including loans from United Kingdom aid, the Caribbean Development Bank and local commercial banks) amounted to about $CI 2.0 million, bringing total expenditure up to $CI 13.4 million.

137. During 1976, the sum of $CI 58,018 spent on a project carried over from 1975 represented the last expenditure under United Kingdom grant aid, which ceased on 31 March 1974, although projects approved under grant-aid arrangements continued in operation until completion. In his speech of 2 March 1977 (see also para. 85 above), Governor Russell stated that the United Kingdom aid allocation had so far been fixed at $CI 200,000 in project loan allocations from April 1977 to March 1978. He added that negotiations with the United Kingdom Foreign and Commonwealth Office had been successful in securing continuance of British capital aid for a further three years, in the amounts of £300,000 for 1977/78, £200,000 for 1978/79 and £100,000 in 1979, when it would cease.

138. Estimated revenue for 1977 amounted to about $CI 12.6 million. Sources for this revenue included increases in bank and trust company fees, an alcohol and tobacco duty, enacted in December 1976, which was expected to yield $CI 700,000, and a royalty of $CI 100,000 from the proposed oil-transfer operation on Little Cayman (see para. 126 above).

139. Estimated expenditure from local revenue amounted to about $CI 13.2 million, of which $CI 11.2 million was under recurrent and $CI 1.4 million under capital, and approximately $CI 560,000 was destined mainly to meet a salary increase for the civil service. The deficit for the year, amounting to approximately $CI 570,000, would be added to the deficit brought forward from 1976, resulting in a total deficit at the end of 1977 of about $CI 750,000. The largest items of expenditure in the recurrent account were finance and development (about $CI 2 million, or 18 per cent of total recurrent expenditure); education ($CI 1.7 million, or 15 per cent); and health services ($CI 1 million, or 9 per cent). Proposed capital expenditure under loan funds (including loans from United Kingdom aid and a proposed loan from the Caribbean Development Bank for the port project) amounted to about $CI 1.4 million, thus bringing total budgetary expenditure for 1977 up to approximately $CI 14.6 million.

140. At 1 January 1976, the Government's total public debt was just over $CI 7.1 million, made up of $CI 1.1 million in loans from the United Kingdom, $CI 2.2 million from the Caribbean Development Bank and $CI 3.8 million from local banks. i/ Loan repayments would account for nearly $CI 1 million in 1977, excluding United Kingdom aid and Bank loans, for which there was a moratorium before repayment started. According to the Financial Secretary, the annual repayment liability had reached 10 per cent of current ordinary income, the limit under long-accepted guidelines. He stated that the practice of overcommitment in

---

i/ See appendix V to the present report for details on the public debt.

public debt was not uncommon, and that the temptation was great, but that the Cayman Islands had to be cautious.

141. For the period 1972-1976, UNDP assigned an undistributed indicative planning figure for the Caribbean area (including the Cayman Islands). The country programme for the area, based on the indicative planning figure, as approved by the Governing Council of UNDP in early 1974 for the period 1974-1978, was adjusted accordingly. Total funds available to the Territory for 1967-1975 amounted to $US 772,178, while assistance provided during the 11 months ending November 1976 totalled $US 134,000. The Cayman Islands also participated in multi-island country and regional projects during the period under review.

D. Social conditions

1. Labour

142. Apart from seafaring, there were until recent years very limited opportunities for employment in the Cayman Islands. In the late 1960s, the Territory's emergence as a tourist resort and tax haven began to reduce emigration and encourage Caymanians to return home. Moreover, the influx of foreign investment capital rapidly led to an acute shortage of local labour and to the inflow of workers, particularly skilled workers from overseas. Since 1975, however, the effects of the world recession, combined with saturation in certain areas of development, notably the construction sector, have reduced employment opportunities in the Territory. In his latest budget address (see also para. 90 above), Mr. Johnson, the Financial Secretary, reviewing the performance of the economy over the last two years, stated that a situation of unemployment had been recorded for the first time in a decade. He added that it was not of a serious nature, and that projections for 1977 showed an improvement in the construction industry, which was expected to ameliorate the unemployment situation.

143. According to an unemployment register compiled by the Government, the number of unemployed persons registered at the end of 1976 was 109. Of this number, 53 per cent were office and sales clerks, 11 per cent were domestics, 10 per cent were labourers, 5 per cent were waiters and the rest had varied occupations.

144. In 1976, the Government appointed a Labour Officer whose duties are described as follows:

(a) To develop an employment register and record appropriate information about the employer's business and the labour force involved;

(b) To compile a register of workers seeking employment, together with a similar register of immigrant workers employed under work permits;

(c) To encourage employers to notify vacancies, whether they fill them directly or not, so as to assist the officer in developing manpower information;

(d) To require employers who wish a work permit first to advise the Labour Officer of the details of the vacancy in order that a check can be made to ascertain that the terms and conditions offered are in line with custom and practice and that the skill requirements are realistic having regard to the job;

(e) To examine all applications for work permits and to ascertain that the immigrant worker has the skill and experience required for the job;

(f) To assist the Caymanian Protection Board (see below) when it is considering whether to renew work permits by supplying adequate information about the labour market so that in a situation where the immigrant labour force has to be reduced those workers with the highest skill and the best work records are retained;

(g) To maintain liaison with the Chief Education Officer and the Careers Officer to ensure that school leavers are assisted in finding suitable employment;

(h) To develop an advisory service for workers and employers and to maintain information about work practices and conditions of employment, also to offer sound and independent advice to workers in dispute with their employers and to new employers arriving in the Territory who may need advice on custom and practice.

145. Immigration to the Territory is under the jurisdiction of the Caymanian Protection Board. The functions of the Board, which was established under the Caymanian Protection Law, 1971, include the determination of Caymanian status in cases of doubt, the grant of Caymanian status and the grant of gainful occupation licences (work permits) to persons of non-Caymanian status.

146. Under the Caymanian Protection Law, 1971, Caymanian status is acquired either by right or by grant. Caymanian status is an acquired right for a British subject who: (a) was born in the Territory, or of parents domiciled or ordinarily resident in the Territory at the time of his birth; (b) was domiciled in the Territory when the Caymanian Protection Law came into effect; (c) was a resident of the Territory for five out of seven years prior to the passing of the Law; (d) has been granted Caymanian status for five or more years; (e) is the child, step-child or adopted child under 18 years of age of a person of Caymanian status; (f) is a citizen of the United Kingdom and Commonwealth by reason of the grant by the Governor of a Certificate of Naturalization under the British Nationality and Status of Aliens Acts, 1914-1943, or a certificate of naturalization or of registration under the British Nationality Acts 1948-1965. To acquire Caymanian status by grant, the person must be a British subject, at least 18 years of age, who has been ordinarily resident in the Territory for five or more years prior to making application. Upon receipt of the grant, domicile must be established in the Cayman Islands.

147. In March 1977, during the first session of the Legislative Assembly, a bill to amend the Caymanian Protection Law, 1971, was passed. In his introduction, Mr. Foster, the Chief Secretary, said that the changes proposed dealt not with nationality but with the qualifications required for the attainment and enjoyment of Caymanian status. The main amendment referred to the acquisition

of Caymanian status by right which had been granted automatically to British subjects registered as citizens of the United Kingdom and Commonwealth in the Territory. According to Mr. Foster, such persons would only be entitled to permanent residence in future. He added that provisions for acquisition of status by birth were also being changed, and, in future, a child, whether born in the Territory or outside it, would only be regarded as of Caymanian status if one parent was Caymanian and both were domiciled in the Territory. The bill contained provisions to protect the rights acquired under the previous laws.

148. Mr. Foster also explained that the bill made allowance for persons with an outside income, or retired persons, to gain permanent residence within six months of arrival in the Territory, instead of the usual waiting period of one year.

149. During the debate, Mr. J. M. Bodden said that "the gateway to any country is its immigration laws". The Cayman Islands was a small Territory with limited resources and a limited economy, and the matter of immigration, if left unchecked, could turn out to be "a monster that could devour us". He also said that the original law had some loopholes which it was their duty to close. Many people had been allowed to register in the Territory as British subjects and gain Caymanian status without earning it. Such a state, if allowed to continue, would allow people to come to the Territory to compete with Caymanians for their natural birthright. Referring to the status of children born in the Territory, Mr. Bodden said that, in future, they had to have a parental link with the country, and not be just "birds of passage", to claim status by right.

150. Miss Annie M. Bodden, the only member of the Legislative Assembly to oppose the bill, stated that although she agreed that the Caymanian Protection Law needed some tightening up, things were being taken too far. A child born abroad of Caymanian parentage had always retained certain privileges in the Territory, and that should be allowed to continue. A child born in the Territory should have the right, at the age of maturity, to choose his citizenship. She added: "Any child born in the Cayman Islands is a Caymanian by birth, as of right. I cannot agree he or she must be a no-nation human being."

151. Mr. C. Ebanks, speaking in support of the bill, stated that with the slow-down in jobs, Caymanians needed protection. There were foreign elements holding down positions in the Government, the banks, etc. which rightfully belonged to Caymanians; that was the reason foreigners wanted to say.

152. Mr. T. M. Bodden said that the bill did not deal with either work permits or dual nationality. It would eliminate the inequity which gave citizens of the Commonwealth rights above those of the United Kingdom and would preserve the heritage of the country both socially and economically. On the subject of persons being born in or out of the country, the bill only added the requirement that one parent must be Caymanian. The purpose of the bill and consequent policies was to close existing loopholes and control the entry of undesirables.

153. Since the passing of the Trade Union Law, 1942, two trade unions have registered in the Territory: a branch of the Global Seamen's Union, in 1959, and the Cayman Islands Taxicab Association, in 1965.

2. Public health

154. Medical services are under the control of the Chief Medical Officer, a surgeon, who is in charge of the government hospital in George Town. He is assisted by a staff of four doctors, a dental officer, health inspectors, nurses and other medical workers. In July 1976, the Hospital Administrator appointed in 1973 to work on the general improvement of medical services left the Territory upon completion of his contract.

155. In February 1976, a new in-patient building, constructed at a cost of $CI 600,000, was opened at the George Town Hospital. It provides single rooms for 30 patients and is modernly equipped. On Cayman Brac, there is a small hospital, Faith Hospital, built by voluntary contributions, but now run by the Government, under a medical officer. There are also out-patient dispensaries maintained by public health nurses in West Bay, Bodden Town, East End and North Side.

156. The control of mosquitoes is of special importance because tourism constitutes one of the major sectors of the economy. The task of mosquito control has been entrusted to MRCU, which began operations in 1966. MRCU uses two methods of control: physical control (selective flooding or draining of swamp areas to destroy the mosquito breeding area); and chemical control (spraying insecticide using either fogging machines mounted on vehicles or aerial spraying).

157. According to the budget estimates for 1977, recurrent expenditure on medical services would be slightly over $CI 1 million, representing a minor increase compared with sums spent during 1976. Medical, dental and hospital fees to be collected during 1977 were expected to total about $CI 177,500 ($CI 144,000 in 1976). Expenditure budgeted for MRCU in 1977 was about $CI 550,000 ($CI 460,590 in 1976).

3. Social services

158. During 1976, the National Council of Social Service (NCSS) established in 1975 with the participation of the Government and private institutions and persons, carried out most of the larger projects proposed and planned for that year. These included the opening of the Lighthouse School, a centre for physically and mentally handicapped children in West Bay, and of pre-school day-care centres in North Side and George Town. Among other projects of NCSS was a community library opened in East End.

E. Educational conditions

159. The educational system is the responsibility of the elected member for Health, Education and Social Services in the Executive Council, who is advised by the Educational Council in formulating policies and regulating the management of government schools. Education is free and compulsory for children between the ages of 5 and 15 years.

160. There are nine government primary schools, of which three are located on Cayman Brac. In 1976, total enrolment was 1,402, with a staff numbering 56. The Cayman Islands High School, on Grand Cayman, had a total enrolment of 1,192 and a staff of 89, including administrative staff. The Cayman Brac section of this school had an enrolment of 192 and a staff of 13. There are also five private schools, two with secondary departments. Total enrolment in these schools during 1976 was 728 at the primary level and 161 at the secondary level.

161. The Territory is unable to supply all the teachers required. Consequently, a substantial proportion of the staff is recruited from the Caribbean area, the United Kingdom, the United States and Canada (see below).

162. The Community College, opened in October 1975, had an enrolment of 22 in 1976. The International College of the Cayman Islands, an independent, private institution affiliated to several United States universities, received a one-year extension of its provisional licence. At the beginning of 1977, there were 34 students overseas on training courses, some on government-paid or government-sponsored scholarships. Government expenditure on scholarships and training amounted to $CI 93,000 in 1976. The Caribbean Development Bank also has a scheme to provide loans to students for higher education. 1/

163. In his speech of 2 March 1977 (see also para. 85 above), Governor Russell emphasized the need for a special emphasis on training and higher education in order to upgrade the qualifications of Caymanians in both the public and private sectors. The Government would ensure that no candidate with the basic qualifications for further training was hampered by lack of funds; to indicate the order of priority attached to this policy, 1977 would be known as the Training and Educational Year (see also para. 85 above). He also announced that the Cayman Islands Education Law, 1968, together with educational policy, would be revised during the year. With 119 out of a total of 157 teachers recruited from overseas, a greater thrust had to be given to teacher-training. Vocational training also deserved greater prominence than it was receiving at present.

1/ See appendices VI and VII to the present report for details on students studying and training abroad.

II. PROGRAMME OF VISITS AND MEETINGS

A. Meeting with the Governor on 18 April 1977

164. Responding to a question concerning the intentions of the United Kingdom with regard to the future political and constitutional development of the Cayman Islands, the Governor told the Visiting Mission that the United Kingdom was very proud of its record of decolonization, a process which was continuing. One of the roles of a Governor was to keep the constitutional options before the people who had the right to decide their own future. People in the Cayman Islands would like the status quo to continue.

165. Earlier in the year, Mr. Patrick C. Duff and Mr. Harry S. H. Stanley of the United Kingdom Foreign and Commonwealth Office had had a very frank meeting with members of the Legislative Assembly to discuss with them their attitude to constitutional matters. The members had stated that the Territory did not wish to move forward constitutionally as yet.

166. With reference to the question of the Presiding Officer of the Legislative Assembly, the Governor continued to preside over its deliberations. He had placed a paper before an informal meeting of the Legislative Assembly urging them to recommend the selection of a Speaker as provided for in the Constitution, but the proposal had been turned down. He said further that there were sometimes verbal battles on the floor which needed firm handling from the chair. Probably because the Caymanian community was small, it was hard to find an impartial chairman.

167. The Governor went on to say that the Caymanians were worried about the fragile nature of their economy whose two pillars were tourism and off-shore financial operations. The fear was that if they became independent there might be a flight of capital as, they said, had happened elsewhere.

168. After the last general elections the politicians had published a statement in which they expressed their opposition to further constitutional advancement

169. Summing up, the Governor reiterated that the ultimate goal of the administering Power for the Cayman Islands was self-determination; however, the United Kingdom had always made clear that it would be guided by the wishes of the people. The options were always kept before them.

170. Commenting on the fact that the portfolio of finance and the post of Attorney-General were still held by non-elected members of the Executive Council, the Governor said that in the view of a Constitutional Adviser, the "Executive Council Member" portfolio arrangement is regarded as a rather short-lived period. One might expect pressure to develop, as had happened elsewhere, for elected members to take over the financial and legal portfolios at a later constitutional stage. He had delegated his responsibility for finance and development to the Financial Secretary, who was a Caymanian.

171. Responding to a suggestion to allow full internal self-government to extend for a longer period than 18 months, the Governor advised that the question would better be put to Mr. Duff and Mr. Stanley at the Foreign and Commonwealth Office. Personally speaking, he said that it was a twilight area.

172. He informed the Mission that there had been political parties eight years ago, but that they had collapsed before the 1972 elections. In the last (1976) elections a group of candidates had supported each other on their individual platforms. For the first time they appeared to have an operating political organization. Most of the current members of the Legislative Assembly were associated with the ground-swell of politics: among them were two bus drivers, one shop-keeper, two insurance agents and one accountant. Very few of the members represented big business.

173. The last election had been fought mostly on criticism of the previous administration, particularly on public expenditure and public works. Its programmes and the personalities of the members of the Executive Council also came under fire. There was denigration of people and mutual recrimination as to whether the other side wanted to move forward constitutionally.

174. Replying to the question as to the extent to which stability in the minds of the people was dependent on a continuing British presence, the Governor said that the United Kingdom presence and United Kingdom flag somehow or other were thought to contribute to the stability of the Territory. Stability was something very precious to the islanders. They feared stepping into the unknown. Caymanians had opted out of the Caribbean Community (CARICOM), although they were members of its associated organs. They preferred to send their children to schools in the United Kingdom or the United States, even though they paid their contribution to the University of the West Indies. Theirs was a genuinely insular attitude, but they felt secure as a Crown colony. Yet, as seafaring people they were very well travelled and therefore well informed about other parts of the world. They were very proud of their achievements. Nationalism was very strong in the Territory.

175. Speaking about the territorial water limit, the Governor said that a decision had been taken to extend the limit to 200 nautical miles, but that the decision had raised problems of patrolling. The Territory had neither a navy nor a patrol vessel, and doubt was expressed as to whether the administering Power would take on the burden of patrolling all of the waters in its Caribbean Territories.

176. With regard to future sources of development funds after 1980 when the United Kingdom would cease to grant soft loans to the Cayman Islands, the Governor said the Territory had never been on grant-in-aid and he hoped that the country would be able to raise funds from financial institutions such as the Caribbean Development Bank and local banks. He remarked further that there was a limit to the amount of infrastructure development required on small islands, and that the per capita income was $US 2,000 per annum (see table 3 below).

177. The Governor briefed the Mission on the demonstrations which had occurred last year. He said that there had been two: one before Christmas and another just

after Christmas, both the result of the plethora of complaints: new revenue measures, a development plan published for public comment and dissatisfaction with the cadastral survey of the swamp. The demonstrations had also been connected with the elections. The revenue measures had been necessary to provide essential services and had been passed by the Legislature. A select committee established to investigate the complaints had broadly recommended the continuance of the status quo. The development plan had been considered by an Appeals Tribunal set up to examine individual complaints or grievances. The report of the tribunal, together with a modified development plan, had then been submitted to the Legislative Assembly for debate and decision.

178. Turning to the question of agricultural production, the Governor said that it was imperative to improve it so as to make use of local resources, create more jobs, conserve foreign exchange and to be less reliant on external sources in future. The Chief Agricultural Officer would deal with the question more fully. He said that there were agricultural ventures such as the Cayman Turtle Farm (producing green turtles) and Bothwell's (producing poultry), and two hydroponic plants (see para. 122 above). There was no tradition among the women to produce crops or root crops, and as the men had been traditionally seafaring, peasant agriculture was not very well developed. There was now a move towards improving peasant farming - through the supply of seeds and fertilizer for use in the arable pockets of land. The negative attitude towards agriculture had been displaced in the past three years as could be seen by the resurgence of small-scale agricultural farms.

179. The Territory was examining possible participation in a regional co-operation fishing scheme in which Jamaica would undertake the marketing.

180. Besides encouraging the development of the agricultural potential of the Territory, the present Administration was eager to diversify the economy. Incentives were being offered for small-scale industrial development, and since the last elections, the Legislative Assembly had elected a member for Tourism, Aviation and Trade to the Executive Council.

181. The Caymanians being traditionally seafaring people, it was suggested that it might be possible to establish an institute of marine training. The Governor observed that the Government was exploring the possibility of ship registration. A government committee was looking into the various aspects of such a project.

182. The Governor informed the Mission that in the second phase of development, it was hoped to negotiate with the oil transshipment company on Cayman Brac to raise the capital investment sufficiently to provide electric power for the rest of the island, as well as more roads and larger equipment. Local labour was expected to be obtained mostly from Cayman Brac.

183. Responding to the question as to whether the presence of multinational corporations evoked any resentment among the community, the Governor said that the operations of the multinational corporations did not involve land. The corporations operated from offices and therefore their presence was not particularly visible.

Table 3

Caribbean Territories administered by the United Kingdom: per capita income and United Kingdom aid

Territory	Land area (square kilometres)	Population (thousands)	Gross national product per capita (estimated in United States dollars)	United Kindgom aid, 1975 (thousand pounds sterling)	Main products and/or industries
Anguilla	90.65	6.5		751	None
Belize	22 963	135.0	670	2 334	Sugar, citrus, shell fish
Bermuda	53.3	60.0	4 710	7	Tourism, off-shore finance
British Virgin Islands	152.8	10.0	1 138	1 069	Tourism
Cayman Islands	260	14.0	2 294	244	Banking, tourism, property development
Montserrat	102.6	13.0	520	1 569	Fruit, vegetables, tourism
Turks and Caicos Islands	430	6.0	385	1 444	Fishing

Source: Information provided by the administering Power.

B. Meeting with members of the Executive Council on 18 April 1977

184. Governor Russell introduced the members of the Executive Council to the Visiting Mission and then withdrew from the meeting. k/

185. Ambassador Vunibobo, the Chairman of the Mission, expressed appreciation at being afforded the opportunity of meeting with the Executive Council and hoped that the discussions would enable the Mission to have a clear understanding of what went on in the islands so that the United Nations would be better informed. He inquired why an Executive Council "member" was not called a "Minister".

186. The Attorney-General explained that, constitutionally, the Territory did not have a cabinet but an Executive Council and the term "member" was considered appropriate for the members of the Council.

187. A member of the Mission explained that the purpose of the Mission was not to dictate but to try to ascertain the wishes of the people. Every year the Special Committee received reports from the United Kingdom on the Territory's political, educational, social and economic development. The Mission's aim was to determine how well the United Kingdom Government was discharging its duties to the Territory. He inquired how members viewed the islands' political future.

188. Captain Kirkconnell said that he felt that the Cayman Islands had been fortunate in having the guidance and protection of the United Kingdom Government for over 300 years. The freedom which they had known up to that moment could not have been enjoyed if they had been on their own. The islands did not have the manpower or resources necessary to advance into independence. The United Kingdom Government had recently provided the services of an economist to assist in examining the first phase of the proposed oil transfer terminal in Little Cayman and had promised assistance with the second phase, which would involve shore installation, as well. Assistance from the United Kingdom had also been promised in the establishment of a shipping registry, provided that it would not be a flag of convenience operation. The people of the Cayman Islands were happy and proud that their country was a British Crown colony. Though they had no "cabinet" status, they were operating as a cabinet. They enjoyed all the freedom needed in a small Territory like theirs: there was no need for constitutional advancement.

189. Mr. J. M. Bodden said that he believed that if a referendum were held in the islands now, not 10 per cent of the people would be in favour of any constitutional change. Since the 1976 elections, the four elected members of the Executive Council had worked together in complete unity and much had been achieved. They had as much control as they wanted at that time; over all, the present system was deemed good for another 10 years. He said that Caymanians had always been noted for their friendliness. However, as the Mission visited throughout the

---

k/ See appendix II to the present report for a list of the members of the Executive Council.

islands there might be some resentment by the public because of the belief that the purpose of the visit was to try to force something on the people. He hoped that the members of the Mission would accept any unfriendly attitude as being directed at the Mission and not at themselves as individuals.

190. The Chairman of the Mission explained the purpose of the Mission and, referring to its meeting with the press on arrival, said that there was a tremendous amount of misunderstanding about the United Nations and the Mission. Unfortunately the Western press was not particularly sympathetic and tended to publish extreme remarks. He hoped that the visit to the islands would be helpful and that it would be understood that the Mission was interested in hearing the views of the people and not in telling them what to do. He felt that there was scope for assistance from the United Nations in economic development.

191. Mr. G. H. Bodden said that one thing about the Cayman Islands which seemed to have been overlooked by many Caymanians and certainly by the United Nations, was that the islands were unique in that they had not attained Crown colony status until other colonies had been decolonized. Previously, the islands had been a dependency of Jamaica and even then had been left pretty much on their own; they had never known the problems which existed in many of the other colonies, so talking about foreign masters was foreign in the Cayman Islands. Their people were happy with the situation and if they got the idea that the visit of the Mission was even remotely connected with any change in the Constitution, it would not be well accepted. Unfortunately, the visit had come close on the heels of the 1976 general elections and the small minority of the electorate who were dissatisfied with the election results might try to make a political issue of the visit. He suggested that the Mission should make an effort to inform the public of the technical assistance which the United Nations could offer and to give some idea of what they had done and could do for the islands.

192. Mr. V. G. Johnson said that the aim of the Cayman Islands over the past years had been one of economic development rather than contitutional advance. The Territory's first Constitution had been obtained in 1959 and in 1962, Crown colony status had been granted. The present Constitution had been introduced in 1972 and was satisfactory. The islands' economy was built largely on the financial industry and tourism, both of which had to be carefully guarded. The reputation which the Territory had built up over the years as a financial centre was mainly due to its status as a Crown colony. The islands should not advance into independence; there were no resources available to meet the responsibilities, financial and otherwise, which that would entail. The United Kingdom had several times advised that a further advance constitutionally would take the colony into internal self-government and at that time a date would have to be set for independence. Over 200 banks and trust companies, many of them branches of large financial institutions, and approximately 8,000 companies, were registered in the islands, so the financial community was keeping a careful watch on the political stability of the islands. Any constitutional advance could disrupt the economy. After the last elections, the present Government had had to make a statement to the press stating that the status quo would be maintained.

193. A member of the Mission posed the question of interference or pressure from

outside sources. He asked if, in retaining the status quo the Government felt capable of dealing with pressure or demands from the important tourist and financial industries, for instance a threat of withdrawal unless certain conditions were met.

194. Mr. G. H. Bodden replied that that would be a delicate situation and one which would have to be handled carefully. If it became necessary to make a decision between the wishes of a special interest group and the wishes of the people, a decision would always be in favour of the people. The importance of tourism and the financial industry could not be overlooked, but the first priority would be the interests of Caymanians.

195. A member of the Mission referred to the economic situation in the islands and asked if it was felt that that would be jeopardized if the Territory became independent.

196. In reply, Captain Kirkconnell said that the present state of the economy was due to the hard work and honesty of Caymanians and the stabilizing effect of the United Kingdom. The United Kingdom was respected throughout the world and as a Crown colony the Cayman Islands had won the confidence of all.

197. Mr. T. M. Bodden pointed out that stability was of vital importance in a financial centre and stability was hard to preserve. Without the backing of the United Kingdom, the Cayman Islands would not attract investors as it did at present. Other colonies had become independent but were not successful.

198. Mr. J. M. Bodden said that it was the public and the investors who felt that the absence of the United Kingdom presence from the Territory would adversely affect the islands.

199. Mr. Johnson asked the Chairman of the Mission if he could name any smaller countries which had gained independence and were successful in their present status.

200. The Chairman replied that that was a loaded question. It might be said that the answer would depend on what one considered a successful country. It should be remembered that the Cayman Islands was fortunate not to have experienced the difficulties which had propelled many other countries to seek independence because of limited freedom.

201. Mr. T. M. Bodden asked how the decision had been made to send a mission to the Cayman Islands.

202. Mr. Dalton of the United Kingdom explained that in the past, missions had visited several dependent Territories and when a mission for 1977 was being planned there was a reduced number from which to choose. Some of the remaining colonies would be gaining independence in 1978, and there was not much point in visiting them. It was thought that a visit to the Cayman Islands would be helpful in providing information to the Special Committee on a small Territory which was going about building its own future and trying to conserve the economic

gains of the past. Regarding the timing of the visit, last year had not been favourable because of the pending elections and although 1977 was not particularly ideal because of the elections having taken place only six months earlier, it was thought that there would be the advantage in obtaining a clear understanding of the views of the new representatives.

203. A member of the Mission asked whether it would be helpful constitutionally if the United Kingdom Government were to grant an extended period between full internal self-government and independence.

204. Mr. T. M. Bodden said that the question was whether there would be any advantage in a step forward constitutionally. He did not see any advantage in such a move. Caymanians enjoyed a high standard of living and basic freedoms and there was no need to change the present Constitution. Many countries which were in theory independent were really more dependent than before they had gained independence.

205. In closing, Mr. Dalton said that the Mission appreciated the initial talks and hoped to learn further details during the visit. He was grateful for the time given them by members of the Council and looked forward to a further meeting.

206. The Chairman of the Mission thanked the members on behalf of the Mission and expressed the hope that the United Nations would be able to assist the islands. He looked forward to meeting them again and exchanging ideas.

C. Meeting with the Inspector of Banks and the Registrar of Companies on 18 April 1977

1. Inspector of Banks

207. Mr. Robin Benbow, the Inspector of Banks on secondment from the International Monetary Fund (IMF) to the Cayman Islands Government, began the briefing of the Mission by stating that the fact that the Territory was a tax haven was a most important asset. The banks had been established to deal in Euro-currency: about $30 billion in Euro-currency business in a year was being transacted each year in the Territory. 1/

208. In 1976, bank licences provided approximately $CI 1.0 million and were expected to provide $CI 1.4 million in 1977.

209. Banks and trust companies operated under the Banks and Trust Companies Regulation Law, 1966. They required a licence which could be one of the following:

(a) An "A" licence, to operate in the Cayman Islands and offshore;

(b) A "B" licence, to deal in off-shore business only. Banks used both types of licence;

1/ See appendix III to the present report for a list of banks and trust companies operating in the Territory.

(c) A "B" restricted licence which had the same effect as an ordinary, unrestricted "B" licence, except that a company with such a licence could only accept business from certain listed clients or individuals who had been declared at the time of application for the licence. Families usually used that type of licence.

210. The law also provided for his post of Inspector of Banks. His job was to review applications for licences and to make recommendations to the Executive Council for acceptance or otherwise and to carry out a general review of banking practice in the Cayman Islands. He examined annual accounts which, under the law, had to be submitted to him. He especially examined the annual accounts of smaller banks very closely to ensure the safety of depositors' funds. If he learned of a bank that was not "showing safety", he would report the matter to the Government. His job was to safeguard the public interest.

211. Expanding on what he meant by "safety", he said that he had to examine carefully the reason why an individual wanted to obtain a licence to operate in the Territory, the source of the funds, references on financial standing and character and the banking experience of the shareholders.

212. Asked whether the world financial community would continue using Cayman Islands as a tax haven if it became independent, he replied in the affirmative, saying that, as experience had shown elsewhere, the business continued after independence. A substantial amount of business went to the Cayman Islands because of the islands' association with the United Kingdom. However, the Cayman people were very stable people. In another tax haven, when the country had become independent business people had not left in droves. If it had not happened there, why should it happen in the Cayman Islands?

213. Replying to another question, he advised against a turnover tax on the volume of business transacted, because the Territory was in competition with other tax havens.

214. Local banks operated in normal banking fields and lent funds for property development. Among those were the Mortgage Finance Corporation and the Cayman National Bank, which had opened in 1974. It was felt that a mortgage period of 10 years was rather short. Elsewhere attempts had been made to extend the period to 25 years.

215. A Caymanian Assistant Inspector of Banks had been sent to North Carolina (United States) for training.

2. Registrar of Companies

216. Mr. Robert Bodden, the Registrar of Companies, said that there were four types of companies:

(a) An exempt company, so called because it was exempted from various provisions of the Companies Law and enjoyed certain privileges such as tax exemption for 20 years. An exempted company was not permitted to do business in the Cayman Islands;

(b) A resident company, resident in the Cayman Islands;

(c) An ordinary non-resident company;

(d) A foreign company, incorporated in a foreign country but wishing to establish a branch in the Cayman Islands.

217. The office of Registrar of Companies had been established in 1973. The Registrar was empowered to strike companies off the Registry. Mr. Bodden explained that he had taken office in 1975 and during that year had struck off over 500 companies. Prior to 1975, the number of companies struck off had been around 200 a year.

218. At present, registration of a company took 48 hours. There was a great demand for registration; around 1,400 companies applied annually.

219. Companies were registered to enable the Government to obtain revenue from the registration fees and from annual fees. The registration fees were the second highest source of revenue after customs duties. The fees totalled $CI 1.8 million in 1976.

220. The Registrar's office was now studying the complex question of ship registration.

D. Meeting with the Chief Secretary and the Financial Secretary on 18 April 1977

221. The Mission raised the question of the "localization" of the civil service. The Mission was told that the Cayman Islands High School had been in existence for only six years. Men used to go out to sea and come back with a good sum of money. Comparatively speaking, teachers had not been very well paid, but their salaries were improving. It was only in the last two years that the islands had begun to produce good secondary school graduates. Even now, the private sector might grab the cream of that group and the Government would be left with the rest. The United Kingdom had been providing personnel under its Technical Assistance Programme. Of late quite a good number of doctors and teachers from Jamaica had found employment in the Territory. Some people were training for the hotel industry and many scholarships had been offered for studies abroad and at home.

222. Commenting on tax revenue in the Cayman Islands, the Mission learnt that it had been increasing over the past years. The current budget was about $CI 14 million. Before the recession, the revenue rate of growth had been 15 per cent per annum. Recession had upset the whole system, including the

reserves and the Territory was now operating on a deficit of about $CI 0.5 million. The economy was improving, and growth could be reactivated if the construction sector improved over the next two years. The economic trends in the United States were reflected in the Territory.

223. Growth of tax revenue would depend on the growth of the economy. The oil industry was the important new source of revenue which the Government was looking into. The oil transshipment project was expected to involve an investment of $US 100 million, a throughput of one million barrels a day; it would create 25 or so jobs and would be a good source of government royalties. Seismic studies for oil prospecting were also being carried out.

224. In order to attract light industries, especially assembly industries, efforts had been made recently to offer concessions to prospective investors.

225. With financial support from the Caribbean Development Bank, a survey of the fishing industry was being undertaken. In the past the saying had been "don't worry too much about the Caymanians, they will take to the sea". The income that the seamen used to send back home was around $US 2 million a year; at one time there were 1,700 Caymanians on the payroll of one shipping line alone. Unless opportunities were made available there would be a problem for the school leavers (about 200 a year) to find gainful employment. At the moment, however, unemployment did not seem to be a serious problem.

E. Visit to the Cayman Turtle Farm on 19 April 1977

226. The farm produces green turtles (Chelonia mydas).

227. Mr. G. H. Bodden, elected Member for Agriculture and Natural Resources, and Mr. Lauer were also present. Ownership of the farm was divided as follows. German interests, 72.5 per cent; Commonwealth Development Finance Company, Ltd., 25 per cent; and Caymanian Government, 2.5 per cent.

228. It was explained to the Mission that the farm was the only one of its kind in the world. The farm had been started in 1968 under the name of Mariculture, Ltd., and had been transferred to the present site in 1970. The turtles were raised in separate tanks. A vast quantity of water (14 million litres an hour) was pumped through the farm. The turtles were fed synthetic protein-rich pellets for quick growth. The pellets floated on the water and the turtles had easily adapted themselves to eat the protein-rich food. The food seemed to affect the colour of the shell, to give it a beautiful colour and texture for jewellery making. It was said that a turtle's life span was 10 years. At the farm, when a turtle reached the age of four years it was ready for slaughter. Its various parts were turned into useful products: meat which was rich in protein with a very low cholesterol content; the gelatinous material, which was turned into turtle soup; the skin around the neck etc., which was made into leather; fat, which was turned into turtle oil for cosmetics; and shell, which was a valuable material for jewellery.

229. The farm was producing 1,000 four-year-old turtles monthly, each with an average weight of 45 kilograms. Soup products were exported to Europe and turtle steak to the United States where all the meat was sold quite easily. Jewellery manufacture had been introduced in 1976 and was fully automated. The farm employed 85 persons.

230. The farm had achieved success in breeding turtles in captivity, but was not yet self-sustaining in eggs. It obtained some 50 per cent of its egg requirements from Surinam and other parts of the Caribbean area. The survival rate of the eggs ranged from 30 to 55 per cent.

231. The University of Miami was doing some research into the cause of death in the first three months of the life of the turtle. The use of a wide spectrum of antibiotics helped to contain bacterial infection, but viral diseases were a problem.

F. Visit to Boys Home project on 19 April 1977

232. The Mission visited the Boys Home building which was nearing completion. The project had been initiated by the Rotary Club of the Cayman Islands to help juveniles in trouble. In the past, delinquent children appearing before the Juvenile Court had been sent to approved schools in Jamaica; that practice would stop once the Boys Home was opened. All boys would be of compulsory school age so that they could usefully employ most of their time attending school and come under its discipline; they would also do domestic chores and would keep the place tidy and attractive. The Government would manage the home. A resident husband and wife team with experience in dealing with groups of difficult children would be engaged as house parents. Admissions, discharges and after-care would be the exclusive province of the Juvenile Court and the Probation Service.

233. The Rotary Club of the Cayman Islands had purchased 0.91 hectares for the home in a residential area of West Bay. The club had also raised the first $CI 15,000 towards construction costs. A minimum of $CI 60,000 was needed to complete the project. The home initially would provide accommodation for 16 boys in four bedrooms, a sick bay and dwelling space for the house parents, together with a kitchen, laundry and ample storage space. The Rotary Club was appealing for more donations.

G. Visit to the School for Mentally Handicapped Children on 19 April 1977

234. Mrs. Islay Conolly, the Chief Education Officer, was also present.

235. The day school has a total attendance of 22 children. During the Mission's visit there were 18 children at the school, ranging in age from 3 to 17 years. Most of the work at the school was being done by volunteers. The Government was paying for the services of only one person.

236. The Mission was told that in recent years, attention had been called to a group of handicapped patients on Grand Cayman Island. In 1970, 34 children had been classified as "handicapped" as the result of mental retardation, gait disturbances, deafness and/or speech disorders. There were also widespread minor birth defects. Thus there appeared to be a significant incidence of a wide range of genetic disorders rather than a massive increase in one particular disease.

237. Dr. Arthur D. Bloom, Professor of Pediatrics and of Human Genetics and Development, College of Physicians and Surgeons of Columbia University (New York) had studied the situation and had concluded that "the medical situation which exists in the islands represents an epidemic of serious genetic disease, some of which is treatable and much of which is preventable in future generations". He assumed that the generalized increase in multiple, genetically determined diseases, most of which were inherited, had been caused by extensive inbreeding over the past 200 years in a population which, until fairly recently, was relatively isolated, not only in terms of the islands, but even within the confines of each island.

238. Dr. Bloom had made his recommendations after studying the problem under the auspices of the Pan American Health Organization (PAHO)/World Health Organization (WHO) and after field study in the Cayman Islands from 14 to 21 November 1976.

239. Briefly, in his report to PAHO/WHO entitled "Genetic Disease in the Cayman Islands", Dr. Bloom had put forward proposals for a co-ordinated programme of medical service and genetic counselling designed to remedy the relative lack of pediatric genetic services on the islands. Broadly speaking, the proposals were divided into three stages. The first stage would aim at providing direct medical service to the population through diagnosis and management of the individuals affected with the disease. The second phase would be preventive measures to protect other children from being affected, e.g., by means of a carefully organized, genetic counselling programme. Genetics could thus be built into the health delivery system of the islands. Once the two phases of the work had been organized and programmes established, the research aspect could follow, provided financial help was available.

240. The report had suggested that PAHO might consider financing the implementation of the recommendations. Dr. Bloom was to work out the financial implications of the execution of the first two phases, in consultation with PAHO/WHO. The Governor had made it clear to Dr. Bloom, however, that the long-range integration of a genetics service and prevention programme into the health care system would be the responsibility of the Government of the Cayman Islands.

H. Visit to the Cayman Islands High School on 19 April 1977

241. Mr. T. M. Bodden, elected Member for Health, Education and Social Services and Mrs. Conolly, Chief Education Officer, were also present.

242. The Mission was met and shown round by Mr. Malcolm Mynett, the Principal. This comprehensive school of 1,252 students serves children from 11 to 18 years of age and runs from Form I to V. It has 82 teachers, 40 per cent of whom are Caymanian.

243. It was explained to the Mission that the students sat for external examinations, such as the General Certificate of Education "O" and "A" Levels, and the American College entrance examination.

244. The curriculum was flexible and allowed for some individual choice of subject, especially at Form 4. Sixty per cent of the pupils pursued the academic stream, while 40 per cent followed the technical/commercial courses. Special attention was given to slower learners.

245. A new library had been completed and the acquisition of suitable books was progressing well. The library now had 4,000 volumes and hoped to increase that number to 20,000, which would roughly meet the ideal of 20 books per pupil.

246. By 1978, the school was expected to have three more classes, bringing the student population to 1,300. The optimum size was considered to be 1,000 pupils. The present Assembly Hall could not accommodate all the students.

I. Meeting with members of the Cayman Islands Chamber of Commerce on 19 April 1977

247. Forty-eight persons attended the meeting, including Mr. Theo Bodden, President of the Chamber of Commerce, Mr. A. N. Kimble, the Secretary, and Mr. J. M. Bodden of the Executive Council, elected member for Tourism, Aviation and Trade, and Captain C. Kirkconnell, also an elected member of the Executive Council. m/

248. Mr. J. M. Bodden introduced the Mission. He said that he wanted to dispel any rumours that the Executive Council had invited the Mission to the Territory. Nevertheless, the Mission was welcome. There would be a public meeting at Bodden Town. People there would tell them what they thought. He appealed to the members of the Chamber of Commerce not to stifle their feelings, but to be open and to tell the Mission what their feelings were.

249. The Chairman of the Mission then addressed the Council. He said that the Mission was not there to tell the people of Cayman Islands what they should do or how they should manage their affairs; the Mission was a part of a continuing process of the United Nations since its founding more than 30 years ago. The United Kingdom had been one of the founding Members of the United Nations. In signing the Charter of the United Nations, the United Kingdom had agreed to take care of the Non-Self-Governing Territories under its administration. The United Kingdom Government had also been requested by the General Assembly to invite visiting missions to those Territories so that the United Nations could ascertain the conditions in the Territories as well as the wishes and aspirations of the inhabitants as to their future.

---

m/ See appendix VIII to the present report for a list of the members of the Chamber of Commerce.

250. Theirs was a fact-finding Mission: they had come to the Territory to hear and learn the wishes of the people. In the past, some administering Powers had been reluctant to furnish information to the United Nations. The Mission was in the Cayman Islands because the United Kingdom had invited it there. One of the strict rules of the United Nations was the non-interference in the internal affairs of another country. The Mission's job was to report back to the United Nations on the constitutional, economic and social development of the Territory.

251. The Mission had repeatedly been told that the current wishes of the Cayman people were to maintain the constitutional status quo.

252. Even so, no one could afford to live in isolation. The United Nations was there to help all peoples and the Mission hoped that the Territory would make use of the assistance which the United Nations had to offer. The United Nations was often criticized in the press and very often those outbursts were highly distorted.

253. The President of the Chamber of Commerce said that the Mission might be reluctant to believe what he had to say. He continued to maintain that the Caymanians were the only free people left in the world today. They had no direct taxation, had freedom of speech, freedom of worship and freedom of movement. They were a very hard-working people and they were very, very proud of the United Kingdom. They were very happy. If the United Kingdom floated they would float with it. That was the thought of every right-thinking Caymanian.

254. They wanted friendly relations with their Caribbean neighbours but they did not want them to interfere in the internal affairs of the Cayman Islands. They wanted nothing to do with socialism, communism and democratic socialism. All they wanted was to remain the way they were. He was cheered and applauded by the audience.

255. Commenting on the right to be independent, one speaker said that they were free and that their links with the United Kingdom were very useful. They had all the freedom they wanted at that time. Should the Governor go against their wishes they were free to make direct representation to the United Kingdom Government. The Executive Council, especially the elected members, were the ones who made decisions. When they looked at countries around their Territory that had recently become independent, they saw lots of trouble. In the Cayman Islands there was tranquillity. Tourism was the mainstay of their economy and tourism depended on the stability of their Government. They did not want to give up sometning they had for something they did not know. When Jamaica became independent the Cayman Islands had opted to be a British Crown colony. He said that circumstances had proved them right then and it was still the right decision. Their country and their economy were very vulnerable. It was wise and fortunate to have a major Power, the United Kingdom, as a parent taking care of their affairs at the United Nations and bearing the defence burden on their behalf. Anybody who thought of independence ought to have his head examined.

256. Businessmen came to the Cayman Islands because of its stability, which was due to the presence of the United Kingdom. The answer to the rhetorical question as to whether independence would help their business was no.

257. Mr. Dalton said that his Government's experience of the work of the Special Committee over the last four years had been that the Committee scrupulously respected the wishes of the people of the Territories which they studied. The principle of self-determination was held very dear. The right to self-determination was the right to determine by themselves what they wanted to be. The members of the Mission would report their feelings faithfully to the United Nations.

258. The second point he wanted to make referred to other small Non-Self-Governing Territories. The question was asked as to what would happen to them if they became independent. They had done the same thing as the Caymanians were doing: they had thought about their future and had made their own decision. For example, Tuvalu had a weaker economy than the Cayman Islands. However, they felt that they could effect constitutional changes and could move on to independence.

259. Another speaker said that everything was in their favour and that they had nothing to lose by maintaining the status quo. Independence would be a leap in the dark. He maintained that they had a few power-hungry Caymanians who wanted to rule the world: those people were a minority and the rest of the Caymanians were going to allow them to remain a minority.

260. In proposing a vote of thanks, the speaker said that he was confident that the Mission would reflect the views of the people in its report and that the Mission's visit would have served to explode a myth about British colonies.

261. The Chairman of the Mission thanked them for the frank expression of their views.

J. Visit to the Department of Planning on 19 April 1977

262. The Mission was met by Mr. Iain Smith, Director of Planning, and Mr. Brian Lauer, Chief Surveyor and Acting Principal Secretary.

263. It was explained to the Mission that the functions of the Department related only to physical planning, economic planning being the responsibility of another office. Although economic considerations were constantly borne in mind, the Development Plan for the Territory was essentially a land-zoning plan, to determine the uses to which land could be put. The Plan had been prepared in accordance with the Development and Planning Law, 1971, which had provided for the establishment of CPA. It also set out a procedure according to which the plan would be published in draft form, so as to allow members of the public to make their views known, and for the setting up of a special Appeals Tribunal to hear any objections and representations.

264. Upon its publication in April 1975, the draft plan had met with strong objections from substantial sectors of the Caymanian population (see para. 58 above). The Appeals Tribunal had been duly established under a chairman seconded from the United Kingdom Government and with four Caymanian members. All objections

and representations had been heard by the Tribunal which had published its report in April 1976. CPA had issued its comments on the Tribunal's report in July. A new draft plan incorporating modifications had been submitted to the Legislative Assembly in early 1977, and was expected to be debated in May. If members of the Assembly felt that further alterations were necessary, the matter would probably be entrusted to a select committee.

265. The Mission was told that the original draft plan had been excessively rigid, especially in view of the fact that most land in the Territory, even swamp land, was privately owned. The zoning of large areas of land for agriculture, including terrain unsuitable for food production, had provoked a strong reaction. The modified plan was much more flexible: 2,428 hectares of land had been earmarked for agricultural purposes, instead of the original, 5 566 hectares. Land located in a zone destined for a particular purpose could be used for other purposes, if that was not detrimental to the over-all development of the zone.

266. CPA had powers of decision. If a particular development was detrimental, CPA could forbid it. The decisions of CPA could be appealed before the courts. CPA could enforce its decisions through the courts, by the imposition of fines or even by demolition of irregular developments, although the latter power had virtually never been used.

267. In reply to a question as to whether the plan had affected the property development business, the Mission was told that the publication of the plan had coincided with the recession and the halt in construction; it might have affected some schemes, but not many, during that period.

268. In reply to a question as to what would be the influence of the plan on matters such as infrastructure, population centres, roads, etc., the Mission was told that the plan tended to encourage the basic patterns of development to develop further, through the provision of a proper infrastructure, rather than to allow development to spread throughout the whole area.

269. The Mission was further told that there were no restrictions to the acquisition of land by foreigners. On Little Cayman, which was mostly swamp land, for example, most of the beach land was owned by foreigners. The absence of controls was explained by the fact that Caymanians considered land as bankable, and wanted no restrictions on their right to sell it to foreigners as well as Caymanians.

270. In reply to a question, the Mission was told that it would not be possible to ascertain the ownership of land in the Territory until the cadastral survey had been completed.

K. Meeting with members of the Legislative Assembly on 19 April 1977

271. Governor Russell, as the President of the Legislative Assembly presided over the meeting.

272. After the introductions, the Chairman said that the Mission was glad to have had the opportunity of meeting members of the Legislative Assembly. The meeting afforded an opportunity to clear the air and to clear a few points. It would be difficult to speculate on what the future of the world would be without the United Nations. Indeed, it was difficult to visualize the world after the Second World War without the United Nations. The United Nations was important to the independent and non-independent countries. Each country had to make a contribution. In the United Nations, each State was given an equal right and opportunity.

273. The United Kingdom Government was bound by the Charter to report to the General Assembly regularly on the state of Non-Self-Governing Territories under its administration. The Special Committee now and again sent a visiting mission to a Territory at the invitation of an administering Power. The Mission was visiting the Cayman Islands at the invitation of the United Kingdom Government. The Mission would report its findings to the United Nations. The Mission was there to obtain first-hand information: it wanted to hear from the people of the Territory: it wanted to know what their feelings were.

274. The Mission had already met several groups in the Territory and the message was beginning to come over loud and clear.

275. The first member of the Legislative Assembly to speak said that they did not want the decolonization of their beautiful islands. They did not want independence, perhaps not in the next 100 years, for they were very small and had very few resources. Except for a few people who wanted positions of power, nobody wanted independence. They did not wish to dissociate themselves from the United Kingdom.

276. The member then spoke of the historical development of the country from the time it was a dependency of Jamaica up to the present. The current economic conditions were better than ever, thanks to the help and stability provided by the United Kingdom Government. People should not entertain any foolish talk about independence: they did not want it. The member concluded by saying that if the Mission could ask the Queen to visit their islands, then the Mission would not have been in vain.

277. Another member (West Bay) endorsed the views of the previous speaker. He said that the present Constitution was workable and they did not want it changed. The people in his constituency were upset to hear that the Mission had arrived on the island. He would be very happy if the Mission could visit his constituency and explain the purpose of its visit.

278. A third speaker endorsed the views of the previous speakers. He stated that they did not want any further changes in the Constitution as yet. He was glad to know that the Mission had understood the feelings of the people.

279. The fourth speaker reiterated that the present Constitution was satisfactory. If the people were ready for changes, they would tell the United Nations. If any help were needed from the United Nations, they would call on the United Nations.

280. A member from Cayman Brac said that he was opposed to the United Nations and all it stood for and that he had felt that for way for years. He challenged the Mission by stating that none of them knew anything about the Cayman Islands because much of its history had not been written. He then narrated the historical development of the country from the Second World War to the present. He contrasted the budget in 1946 and 1977, emphasizing that the Territory had never received grants-in-aid. He pointed out that in 1959 the Caymanians had been presented with three options: to remain with Jamaica as a country at independence in 1962; to become a Crown colony; or to become independent separately. They had chosen to become a Crown colony. He said that time had vindicated the wisdom of their choice. He went on to say that the current Constitution was as good as any small country could get. The rate of illiteracy was very small in the Cayman Islands; so, he said, everybody knew what he wanted. The Territory had just gone through a very tough election. He affirmed that every elected member present had won because he had undertaken to maintain the status quo of the current Constitution. He asked whether it was the United Nations which had forced the United Kingdom to send the Mission to the Territory.

281. Mr. Dalton of the United Kingdom clarified the situation by stating that no one could compel anybody to do anything through the United Nations. The United Nations was a collection of sovereign States. The only body that had the power to do something was the Security Council. The Special Committee was a part of the General Assembly and made recommendations to the General Assembly. Past visiting missions had been very constructive in terms of the inhabitants of the Territories visited. He was convinced that the present Mission would report faithfully what it found in the Cayman Islands and that the report would vindicate their feelings.

282. The Governor pointed out that there was a feeling among the members that the United Nations was interfering in the affairs of the Cayman Islands.

283. A member of the Mission explained that in accordance with the Declaration regarding Non-Self-Governing Territories, as embodied in Article 73 of the Charter, the United Nations had an obligation towards such Territories.

284. One member pointed out that the Territory had gone through a very bitter election. The "opposition" had been routed without violence, he said. Explaining the functioning of the Executive Council, he said that on major issues or items the elected members went back to the other elected members of the Assembly for consultation.

285. The member who spoke first wanted United Nations assistance in the training of young Caymanians. The member reiterated the desire to have posts in the country filled by their own people. The member emphasized the urgency of the matter by pointing out that the days of seamen were gone.

286. The Mission explained the facilities available for such training within the United Nations system, especially in the specialized agencies.

287. A member from George Town expressed annoyance because no public meeting had been scheduled in George Town.

288. The Governor explained that the Mission's schedule had been prepared by the Government and the United Kingdom Mission to the United Nations. There had been a suggestion to have a meeting in George Town.

289. The member re-emphasized that they did not want any constitutional change as yet. Reference was made to a book entitled Caymanian Politics by a Swedish author. According to that study, "those candidates who advocated independence lost the elections".

290. The Chairman of the Mission said that the United Nations did not always get a good press. He suggested that an informal exchange as to what the United Nations was doing should take place. He explained the workings of the United Nations especially the achievements of the specialized agencies, including the World Health Organization (WHO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Civil Aviation Organization (ICAO), and the importance of the Third United Nations Conference on the Law of the Sea.

L. Meeting with members of the public on 19 April 1977 n/

291. Members of the public had been invited through the radio and other media to meet the Mission either singly or in groups. The following is a summary of their views.

1. Mrs. Corine Thompson and six other women

292. Mrs. Thompson is the wife of a leading merchant and a businesswoman in her own right. She is interested in agriculture and social services.

293. Mrs. Thompson acted as spokesman. She said that the assistance the Territory had received had been most helpful. They wished to remain under the umbrella of the United Kingdom as a British colony. They knew of examples of countries in the Caribbean region and Africa. The troubles in those countries were due to independence. They felt that the Cayman Islands under United Kingdom administration would continue to enjoy stability. They were happy as they were. They were also confident that whenever they wanted constitutional change the United Kingdom would grant it.

294. The Caymanians were noted for their hospitality and they had neither class nor colour discrimination. They did not want any socialism or communism. When they were really poor they were in a time-forgotten place. That had changed. They had been told by big business people that the day the Caymanians became independent the big businesses would go. She was a businesswoman herself. It was only because it was a British colony that investors were ready to invest in the Territory. If the investors pulled out, direct taxes would have to be imposed. Unemployment and crime, which were the seed of discontent, would follow. That would lead to social unrest and its undesirable repercussions.

2. Mr. and Mrs. Stephen Smith

295. This couple from the United States living part-time in the Cayman Islands presented the Mission with "A Plea to All Ships to Refrain from Dumping and Cleaning out Bunker Oil from their Vessels into the Oceans" around Grand Cayman (see appendix X to the present report). They said that the practice of ships unloading and cleaning out their bunkers as they passed the islands damaged the beaches and marine life of the Territory. Their aim was to have it stopped.

3. Dr. Roy E. McTaggart and a group of 10

296. Dr. McTaggart is a past legislator, a businessman and an influential personality. He was largely responsible for the Cayman Islands taking Crown colony status when Jamaica became independent in 1962.

297. Dr. McTaggart said that theirs was a group of businessmen. He said that in the

---

n/ See appendix IX to the present report for a list of the members of the public who met with the Mission.

course of his work he came into contact with members of the general public. Caymanians were a satisfied people. There was complete harmony between the two races. They lived in complete harmony and helped each other. They had complete freedom of movement and speech. Any further constitutional advancement would mean taxation.

298. He reiterated that the decisions not to be associated with The Federation of the West Indies and Jamaica had been wise ones. They feared that if they did what others had done they would end the same way.

299. One speaker said that so long as the United Kingdom was willing to be a big brother, the Cayman Islands would be very happy to remain under the United Kingdom umbrella. In so far as human rights were concerned, they were quite happy and satisfied. They did not see the possibility of independence in the near future.

300. Another said that the whole world was struggling very hard to be free and happy. Every day news on the radio showed that the rest of the world was sad. But in the Cayman Islands they were very happy. They did not see what further they would gain by being independent. In so far as independence went, he would say thumbs down. Fifteen thousand people could not run an independent country. They had to work with another country. The Territory was now co-operating with the United Kingdom and Jamaica to obtain teachers, doctors, lawyers and persons with other skills needed to run the country. They did not lack confidence in themselves. On the contrary, Caymanians were running the place very well. They had made their choice about The Federation of the West Indies. Their leaders had shown the ability to make a wise judgement.

301. A manager of an airline said that the nature of his work brought him in contact with many people. The Caymanians were against independence. They were a happy, well provided for, contented people. There were examples all around them.

302. Another member of the group reiterated that the Caymanians did not want independence. There were plenty of examples around them to justify their attitude.

303. Yet another speaker said that there was no need for independence. They were not so much of a burden to Britain. Remaining a British Crown colony would cost Britain a little more than attaining independence. But he emphatically said that the price of independence meant forfeiture of freedom. It always went that way and he did not know why.

304. One gentleman asked why the Cayman Islands had been selected for investigation. He also wanted to know whether all the members of the Mission were members of the Special Committee.

305. Mr. Dalton, of the United Kingdom, answered by saying that there had been a series of visits to British colonies - Montserrat and the British Virgin Islands. According to the Charter, the United Kingdom had to report on the state of affairs in the Cayman Islands. The Mission's visit helped Britain very much in putting across the United Kingdom view. It also helped in putting across the views of the Cayman Islands to the United Nations as their views would be reported faithfully.

306. The previous speaker then went on to say that although not enough publicity had been given in advance, people had indicated that they did not want independence. The Cayman Islands were an example to the rest of the world. The rest of the world could learn a lesson from them.

307. Dr. McTaggart wound up the presentation of their views by reiterating that they were happy as they were and that they did not want to change. If the United Kingdom wanted to drop them that was a horse of a different colour. In 1962 they had made a wise choice. They were not a burden to the United Kingdom: the United Kingdom helped them a little bit. They were independent when it came to finances. They wanted to remain a Crown colony as long as the United Kingdom could put up with them. They lived in unity and harmony. They had the best economy. They were not dependent on anybody. He concluded by stating "We are asking you for God's sake leave us alone" (see also appendix XI to the present report).

4. Mr. James A. Lawrence and two other persons

308. Mr. Lawrence is a builder and a businessman, the husband of a reporter of The Nor'wester magazine.

309. Mr. Lawrence had used wooden planks on the side of his pick-up truck to write protests against the Mission's presence in the Cayman Islands. Some of these inscriptions read: "Independence brings Dictators. Caymanians do not want it. Committee of 24 we hope to see you no more."

310. Mr. Lawrence asked whether the members of the Mission were from the Special Committee and whether the invitation came from the United Kingdom Government.

311. Mr. Dalton, of the United Kingdom, replied and emphasized that the Mission supplemented the information transmitted by the United Kingdom to the United Nations.

312. Mr. Lawrence then reiterated that Caymanians were opposed to any constitutional changes (see also appendix XII to the present report).

313. One member of the group said that although speakers had been dwelling on political and constitutional changes, the Territory had social problems also.

5. Reverend and Mrs. Jonas Shepherd

314. The Reverend Shepherd is the Minister of the Bosun Bay Presbyterian Church. He also assists with the classes for the handicapped held on his church premises at West Bay.

315. Mr. Shepherd introduced himself by saying that he was a Canadian. On the invitation of the congregation, his church operated a school. He went on to say that a group of Caymanians had been disturbed when they heard of the Mission and when they realized that it was from the Special Committee. The vast majority of the people were opposed to being free of the status of a Crown colony. The Caymanians had received a tremendous amount of aid from Britain. Although British aid would stop in 1980, the people still felt very loyal to the Crown.

6. Mrs. Rita McMurray

316. Mrs. McMurray is a housewife.

317. She told the Mission that Caymanians did not want independence especially after seeing what had happened around them. They were getting along fine and did not favour any change. She was speaking for her own family: her two children were studying in Canada and planned to return to the Cayman Islands to work, but they felt as she did. They did not want independence. Their country was too small to protect itself. They could not survive without the mother country.

7. Unidentified speaker

318. A former non-Caymanian from a Caribbean Territory said that, unfortunately, independence had not done his country of origin any good. He had had to leave his country and take up Caymanian status. A lot of his friends and their families had had to leave his country of origin also. But the people of the Cayman Islands were very happy and satisfied. To the question whether he felt that if the Caymans became independent they would become like his country of origin, he gave a categorical yes. He expanded by saying that the people of the Cayman Islands were not experienced enough for independence. They needed the guidance of the mother country. He did not foresee a time when they would be able to manage their own affairs. In all the countries which had become independent recently there was chaos. They would not like to change from one colonial Power they knew of to another one they knew not of.

8. Mrs. Corinthia Bodden

319. Mrs. Bodden is the wife of a Caymanian who was on a small plane travelling from the Cayman Islands to the United States on Good Friday, 1976, and which has been missing since then. It appeared that the plane crashed into the sea off Marathon, Florida. Mrs. Bodden believed that the four men on board were still alive and were in a neighbouring Territory. She made a personal appeal for finding her husband.

9. Mr. Rupert Ebanks

320. Mr. Ebanks stated that he had been born and raised in the Cayman Islands. He had started as a seaman, and later had been in the construction business. He was currently a civil servant, attached to the Immigration Department. Mr. Ebanks asked the purpose of the United Nations Visiting Mission to the Cayman Islands.

321. He was informed that the United Nations General Assembly met every year to discuss all matters concerning the world community, be it political, economic, social or legal questions. One of the items dealt with by the General Assembly was that of colonial Territories. For that purpose, the United Kingdom provided the General Assembly with information on Territories under its administration. In order to ascertain the wishes of the people as to their status and to obtain first-hand information, visiting missions were considered most useful, and that was the reason why the United Kingdom had decided to invite the Mission to the Territory.

322. Mr. Ebanks then stated that the Territory was very well off. He did not know what the attitude of the United Kingdom in other Territories was, but in the Cayman Islands it was excellent. Caymanians were content to remain a Crown colony.

323. In reply to a question, Mr. Ebanks said that the economic situation was fair. The Cayman Islands had high employment standards. In his particular case, he had come back from the sea to work in the islands, and had later had to face the recession. There were no poor people in the islands: everybody had food, clothing and shelter. In general, most were employed, and the public was quite content. He stated that the people were well represented in the Gove nent. Independence was no good for the islands, because they were dependent on tourism and international finance, and had no natural resources.

324. He agreed that it would be bad if all property were foreign owned. He went on to say, however, that when foreigners acquired land, it was theirs; there was a large percentage of foreigners who had taken up residence, who had a deep interest in the islands. The islands had high living standards, and there was no unrest.

325. On the matter of education, he said that there had been improvement over the last 10 years, and there would be more improvement in the future. Twenty years before, there had been only one primary school in the islands, and now they had a secondary school and a comprehensive school with an excellent curriculum.

326. He stated that he believed that tax haven activities in the islands should be scrutinized properly and controlled. They had had a bad experience with Interbank, but were nonetheless in pretty good shape.

327. He also stated that improvements were needed in the medical, social, sports, community projects and conservation fields. They could not have a social security system because they had no income tax. The matter of retirement funds was being brought before the Legislative Assembly; he considered them very necessary. As a civil servant, he was protected by insurance through the Civil Service Association. He also said that, although there were a number of expatriates in the civil service, Caymanians were moving on to those jobs, as they became qualified.

328. He found the housing situation satisfactory. Most people owned their homes a d the land the houses were built on. It was true that a few people owned most of the land. Mr. Ebanks added that Caymanians enjoyed freedom of choice; there were no restraints for employment. He had one last request for the Mission: Caymanians should be left to decide

10. Mr. Arley J. Miller

329. Mr. Miller is the owner of the Eastern Queen Restaurant at Bodden Town, Grand Cayman, and a former elected member of the Legislative Assembly.

330. Mr. Miller stated that the current Government was the best the islands had ever had. Caymanians wanted no change and no independence. He added that when the

Mission went to the public meeting at Bodden Town, they would see that 99 1/2 per cent of the people agreed with his views. Caymanians wanted financial help from the United Nations, but no other. Although other West Indian countries had gone to destruction, the Cayman Islands were the gem of the Caribbean. In his opinion, it was a waste of time to come to the islands to find out if the people wanted independence.

331. After the purpose of the Mission had been explained to him, Mr. Miller said that Caymanians did not want independence: they had no natural resources. If independence were declared the following day, the islands would be crippled, and he would have to leave. He said that that view had been made known to Messrs. Stanley and Duff of the United Kingdom Foreign and Commonwealth Office during their recent visit to the islands. Informed that the Mission was there only to record the views of the people, Mr. Miller said that the Mission would have a good opportunity for that the following day at Bodden Town.

11. Mr. Bertram Ebanks, Mrs. Victoria Ebanks and Mrs. Grace Powery

332. Mr. Ebanks, Mrs. Ebanks and Mrs. Powery came to visit the Mission together. Mr. Ebanks said that he was a small retailer. He was also a former civil servant and Justice of the Peace. Mrs. Ebanks and Mrs. Powery described themselves as housewives.

333. Mr. Ebanks inquired about the purpose of the Mission. After an explanation, he stated that Caymanians were doing well constitutionally. They were a happy, friendly people. They did not want independence. He added that Caymanians did not consider themselves educated enough for independence, and wanted to remain with the United Kingdom.

334. Mrs. Powery agreed with Mr. Ebanks's comments. She stressed that Caymanians were not prepared for independence, because they were not educated enough.

335. Mr. Ebanks said that Caymanians could not attain independence at the present stage. Most teachers were expatriates. He went on to say that education and medical services should be upgraded. Nobody wanted independence because the islands had no natural resources and lagged far behind in industries. They had virtually no farms. Countries like the United States or Jamaica had doctors, teachers, industries, natural resources, while the Cayman Islands had nothing.

336. Mrs. Ebanks said that Caymanians wanted to continue as they were. They were satisfied with the United Kingdom; if at any time they could become independent, they would.

12. Mr. William Jackson

337. Mr. Jackson stated that he was a partially retired master mariner. He had been a seaman all his life.

338. He read out a statement, in which he said that neither he nor the members of his family nor any of his friends or anybody he knew wanted any change in the present Constitution. He also said that they wished to remain a Crown colony under United Kingdom protection. Caymanians did not want self-government or independence; they were happy as they were and wanted to remain with the United Kingdom. Those were the feelings of the sensible population of the islands. He asked the Mission to convey that message to the United Nations. The Cayman Islands were not ready for self-government or independence, and would not be even in the foreseeable future. After reading out his statement, Mr. Jackson added that the Cayman Islands had standards of living as high as those in any other country, including the United States. He said that Caymanians enjoyed all freedoms, and had done so even during the two world wars. Caymanians wanted to remain as they were. He expressed his satisfaction that his views would be faithfully recorded and conveyed to the United Nations General Assembly.

M. Visit to the lobster packing plant on Cayman Brac on 20 April 1977

339. Captain Keith P. Tibbetts briefed the Mission and showed them around the plant which is owned by the Little Cayman Trading Company, Ltd., a Caymanian company.

340. Some of the rock lobster is imported from Costa Rica. The tails are packed into 10-pound packets and then frozen to a temperature as low as 20°F (-7°C). The freezing capacity of the plant is 5,000 pounds (2,268 kilograms) in 24 hours but the plant has a cold storage facility of up to 100,000 pounds (45,360 kilograms). The output is some 2,000 pounds (907 kilograms) a day, each costing $CI 5 per pound, f.o.b. Cayman Islands. The quality of the product is up to hygienic standards approved by the Federal Food and Drug Administration of the United States and most of it is exported to that country by air.

N. Visit to the Cayman Brac High School on 20 April 1977

341. During the Mission's visit to the Cayman Brac High School, Captain Kirkconnell, Captain Tibbetts, Mr. Foster, the Chief Secretary, Mr. Banks, the District Commissioner, and Mr. L. Pierson, the Liaison Officer, were also present.

342. Mr. Lawrence Ryan (a Caymanian), the Principal of the High School, briefed the Mission and showed them round. The school operates on the same lines as the Cayman Islands High School on Grand Cayman. There were 182 students registered (on the day of the visit the attendance was 166) served by 14 teachers and the Principal. Four of the teachers were Caymanian.

O. Visit to the Cayman Brac Hospital on 20 April 1977

343. The Mission was received and shown round by Dr. Mohamed Shibli, the medical officer in charge. The hospital was built through voluntary contributions from the

public but the Government has taken over the cost of running it. It has 10 beds, a laboratory, an X-ray room and an operating theatre, and is served by eight nurses. There were only two in-patients when the Mission visited it.

P. Public meeting at the Court House on Cayman Brac on 20 April 1977

344. Among those present were Mr. Foster, the Chief Secretary, Captain Kirkconnell, Captain Tibbetts, Mr. Pierson, and Mr. Banks, the District Commissioner. Altogether, some 25 persons attended, mainly by members of the Cayman Brac and Little Cayman Development Committee.

345. The Chief Secretary opened the meeting by introducing the members of the Mission and then asked its Chairman to briefly explain the purpose of the Mission's visit.

346. Mr. Vunibobo explained the Mission's mandate, pointing out that it was up to the United Kingdom and the Cayman Islands to work out the future of the Territory. The Mission had gone there to gather first-hand information on the Territory and to ascertain their wishes and aspirations. He took the opportunity to give a bird's eye view of the range of activities undertaken by the United Nations, especially the valuable work carried out by the specialized agencies in the areas of economic and social development. He also emphasized that everyone was perforce living in a world of interdependence and no country could afford to live in isolation.

347. Captain Tibbetts said that he would be a hypocrite if he said that he welcomed the United Nations group to Cayman Brac. However, he welcomed them as individuals. He continued by saying that if the United Nations was worried about conditions in the world, it should begin working elsewhere, for example in Southern Rhodesia; there was no class division in the Cayman Islands.

348. He informed the Mission that when Mr. Duff and Mr. Stanley of the United Kingdom Foreign and Commonwealth Office visited the Territory they had been told that the Caymanians did not want to change the Constitution. He would like the Mission to convey the same message to the United Nations.

349. A member of the Development Committee asked why the United Kingdom had invited the Mission to visit the Territory.

350. Mr. Dalton of the United Kingdom replied to the question, pointing out that the United Kingdom would not be in the way of any country that wanted to be independent nor would it force people to change. United Nations visiting missions had been found to be very useful.

351. Another speaker said that the support of the United Kingdom was very much valued because it had guaranteed Caymanians freedom of assembly. Their security lay in the presence of the United Kingdom and there was no other guarantee of their security.

352. Another member of the Development Committee said that the members of the Mission were welcome as individuals, but not as members of the United Nations. The notice for the meeting had been quite short or else there would have been a group of people to demonstrate. The Development Committee not only represented the people, but was of the people. The people of Cayman Brac and Little Cayman had a heritage and were very proud that their Territory was a Crown colony under the United Kingdom.

353. A former member of the Legislative Assembly said that since nobody else would welcome the Mission to Cayman Brac, he welcomed the Mission to Cayman Brac. He went on to explain that at the time of inviting the Mission, the United Kingdom had told the United Nations what the Caymanians felt. It was like telling the United Nations that if they did not believe what the United Kingdom had told them, they were free to send a group there to ascertain the situation for themselves.

354. He went on to say that their islands were small, which led to insecurity without the mother country. Their heritage linked them with the United Kingdom besides political ties. He requested the Mission to report what they had seen and heard for themselves. Caymanians were happy with the Constitution they had, which had worked well in the past four years. It was hoped that it would continue to do so. The country was prosperous because it was under the United Kingdom; that fact was what was attracting investments. Caymanians were quite aware that the United Kingdom was not what it used to be, but to them the experience was that the United Kingdom carried with it a tremendous amount of respect in the world.

355. An elderly gentleman observed that whatever they did, they did so with the backing of their two small islands (Cayman Brac and Little Cayman). They were small and might be insignificant, but their people were a proud people. For 300 years they had been under United Kingdom administration. They were happy and felt that they had the best Constitution that any country had today. They did not want any constitutional advance. If the time came for them to demand constitutional advance they would do so. Britain did not need to tell them they needed it. Whether they needed it or not, they would leave no stone unturned to get it or to resist it. He asked the Mission to take this message to the Special Committee: "We are happy and satisfied with the Constitution we have now and we are happy and proud to be a United Kingdom Crown colony."

356. Another speaker reiterated that the Territory was unique, for it had peace and tranquillity. The rest of the world had destroyed peace and tranquillity and they did not want to emulate it.

357. A young politician stated "absolutely, positively and definitely" that they did not want to change their relationship with the United Kingdom as the mother country. They loved their heritage and they would die for their country. He hoped that their children would also keep the "isms" out of the Territory. If they needed the United Nations they would call it but the United Nations should not call them.

358. A member of the Mission explained the purpose of the Mission in the context of the history of decolonization and current circumstances.

359. Mr. Tibbetts remarked that the Caymanians were predominantly Protestant so they believed in a direct route. When the right time came they would go direct to the United Kingdom.

360. A former Member of the Executive Council said that what they had heard from the people was what was expected. They were happy and proud that their country was a United Kingdom Crown colony.

361. They closed the meeting as is customary by standing and singing "God Save the Queen" and a Caymanian national song "Beloved Isle Cayman". The words and music of the Caymanian national song were written in 1930 by the late Mrs. Sheila Shier, a Presbyterian church organist.

Q. Public meeting at Bodden Town Hall on 20 April 1977

362. The meeting was presided over by Mr. Arley J. Miller.

363. Among those present were the four elected members of the Executive Council and several elected members of the Legislative Assembly. Bodden Town is the constituency of Mr. G. H. Bodden, elected Member for Agriculture and Natural Resources, and Mr. J. M. Bodden, elected Member for Tourism, Aviation and Trade. The meeting was attended by about 200 persons.

364. Mr. Miller opened the meeting by waving the Union Jack and asking the audience whether they wished to remain under the flag. The audience roared back with a resounding "yes".

365. After introductions, the first speaker was Mr. G. H. Bodden. He said that that night was the finest hour for Bodden Town in that people had turned out in great numbers to meet people who had come from all over the world from the greatest organization on earth. He went on to say that it was quite true that the people of Bodden Town and many other people did not really know what the United Nations stood for and that was because the press abroad like the press at home liked to portray only what was sensational and what was news rather than facts which were good.

366. The Mission had come to the islands at the invitation of the United Kingdom Government. Every person in the Cayman Islands wanted the Territory to remain a Crown colony and as long as they wanted it to remain a Crown colony, they had to accept a mission such as the one now visiting the islands. The reason was that, in accordance with the Charter of the United Nations, the United Kingdom and all other great Powers had to report at periodic intervals to the United Nations on the state of their colonies. The United Nations also requested that the United Kingdom allow fact-finding missions to visit its colonies so that they could confirm what the United Kingdom had told the United Nations about those colonies. He did not know what the United Kingdom had been saying about the Territory, but he imagined that the United Kingdom had told the United Nations that the Cayman Islands were a prize possession in the world. If

they did not say so, they would be telling less than the truth because the Cayman Islands were indeed a prize possession. Colonies and Crown colonies were dying out. They were getting pretty scarce and like diamonds they were becoming very valuable. He believed that the United Kingdom would want to keep them as a colony provided they wanted to be kept on.

367. He placed special emphasis on that point because a few people were trying to make the people believe that the United Nations Mission had come to the islands to give them independence. That was far from the truth. The Mission had come to the islands as other missions had gone to other colonies (some owned by other Powers) to find out just what was happeining in those Territories. They would go back to the United Nations and would report what they had found, heard and seen. They would report on the state of the economy and it was to be hoped, would also report on the very good Government of the Cayman Islands; as well as on the stability and integrity of the people the Caymanians had elected to run their Government. They would report on the good health enjoyed by the people and on the fact that nobody suffered from malnutrition. They would report on the educational system; although there was no university, there were no illiterates. Therefore, the Mission would be able to take back a story which would be available, not only to the United Nations, but to the whole world. They were gathered there because the Mission wanted to hear directly from the people themselves. They wanted to hear how people like him behaved in Government.

368. They were lucky because Bodden Town had been chosen as the venue for the meeting and he would say that that was as it should have been, because Bodden Town was the first capital of the Cayman Islands. As far back as 1837, when slavery was abolished, Captain Pratt had stood right there and told the Caymanians that slavery had been abolished: the emancipation of slaves was announced in Bodden Town. Although for certain reasons the seat of Government had been moved to George Town, they were still proud to say that Bodden Town remained the political capital of the Cayman Islands.

369. The question of independence was not a new question in the islands. The issue had been put before the electorate in the general elections held in 1972 and again as late as November 1976. The press had aired the issue also. Fortunately, he said, 99 per cent of the people believed in the current Government and 99 per cent of the people welcomed the Mission to the Cayman Islands so it could go back and tell the world that the Caymanians were satisfied.

370. Mr. J. M. Bodden next addressed the meeting. He said that it was a great privilege to have people gathered there from practically every corner of the Territory. They were going to explode the whole myth. He said that some Caymanians had been accused of wanting internal self-government and of promoting the independence issue. But they had told the electorate that if ever there was to be a change the electorate would tell them whenever they needed any changes. They had also been given an opportunity to air their feelings before the Mission by having their representatives arrange for the Mission to visit Bodden Town. As they

had already been told, since the United Kingdom was a State Member of the United Nations it had to allow such visits to its Territories from time to time. To refuse might indicate that they had something to hide. If the United Kingdom just went on telling the United Nations that everything was good in the Cayman Islands, the time might come when the United Nations would not believe it.

371. Certain people who had been elected to represent the Territory would try to make political hay by saying that they had known nothing of the Mission until 18 April 1977. Nothing could be further from the truth, because when Mr. Duff and Mr. Stanley came to the islands a few months ago, they had all gathered in the Committee Room of the Legislative Assembly and made arrangements for the visit of this Mission. Every member of the Legislative Council had been present. The Governor had mentioned it in his Throne Speech and the press had carried it ever since. They were trying to make believe that that was not the case, not only because they were being led by people they had put in moth balls and intended to keep in moth balls, but because they were not happy at being assembled together in Bodden Town. Bodden Town had the right to have the Mission from the United Nations assembled there that night. They had made history, they were making history, and would continue to make history. Bodden Town was the first capital of the Cayman Islands and history would repeat itself. Bodden Town had helped to shape the destiny of the Territory and had helped to lead it ever since it became a country and by God's help it would do that till the end of time. Some people might not like it. Business might be in George Town but the political capital would remain in Bodden Town. He had asked Mr. Vunibobo to convey to the United Nations that the Mission had met the people in the political capital of the Cayman Islands.

372. He urged the people to say whatever they had on their minds, to get up and speak freely. Their's was a free country and they should exercise their freedom of speech. He was very happy the Mission was there. He assured the people that there was nothing that the Mission could do to give them independence: that would come from them and they should not let anybody deceive them.

373. In his remarks, the Chairman of the Mission said that the United Nations had not chosen to hold the meeting at Bodden Town. The arrangements had been made by the Administration. The Mission had visited the Territory because it was part of the work which the United Nations had to do and not because it thought that the Cayman Islands was an unhealthy country. It was its duty to reflect the views and feelings of the people in the report. It was very useful to come to talk with them and other different sections of the community so as to convey the general feelings of the public.

374. He thought that to many people the United Nations was a very useless institution. It seemed to spend a lot of money and had very little to show for it. He wanted to take a few moments to try to show that the United Nations could be very useful. When the Mission went back it wanted to have the opportunity to reflect on some of the things that it had been told in the last three days. It

had learnt that the Caymanians wanted to remain as they were. They had a sound economy, there was no malnutrition, no illiteracy, and they were satisfied with the Constitution. In a way, they were an exception. They were among the very lucky few. There were very few countries where people could enjoy the quality of life of the Caymanians.

375. It was very fortunate to have a public meeting with such a representative group. Unfortunately, at the time of the Mission's arrival, the public seemed to think that it had come to the Territory to try to egg them on to independence. It had only been asked to find out their views and to ensure that the administering Power did not prevent them in any way from making a free choice. If they decided, as they apparently had decided a long time ago, to remain a Crown colony, that was it. He assured them that the United Nations did not dictate to any country. Should the Caymanians decide at a future date to seek independence that would be between them and the United Kingdom. However, the Mission would appreciate it if they said exactly what they had on their minds.

376. Everybody, whether independent or not, owed something to the work of the United Nations. It was not perfect; no organization was perfect. They all had their aspirations and visions. But the United Nations was there for them all. Even if they might not like the United Nations, on a positive note it was there for them all. He hoped that they would carry that message with them. The Members of the United Nations and even the Caymanians could help to make the United Nations more effective, and particularly their Territory for its quality of life and security.

377. The first speaker from the audience asked whether the Mission had been informed at any time that the Cayman Islands were ready for independence, whether the United Nations could give assistance to finance educational and social services and whether there was any chance of their being forced into independence.

378. The Chairman of the Mission suggested that all questions raised should be answered together later.

379. A second speaker said that, without exception, the Caymanians were a happy people. They were lucky in more ways than one. The economy had never been better. They had the best representation on the Legislative Council that they had ever had and in every sphere of life they were progressing well. While the Cayman Islands was a dependency of Jamaica, they had received some benefits. However, at Jamaica's independence they had decided to become a Crown colony. They had decided to remain so, for as long as the old country could take care of them and be their father and mother. The Cayman Islands was better than many parts of the world. There were no millionaires among them but the standard of living had never been better and was getting better and better. Money was flowing like milk and honey. They had a stable Government and so long as they could they expected and prayed to remain a Crown colony. They hoped that the mother country would never get tired of them.

380. The third speaker was an elderly woman who had a message which she wanted conveyed to the Queen. The message was that it was impossible for Caymanians even

to try to become independent. In her view, there were no qualified people, men or women, with the qualifications to rule the country. Their only source of income was tourism. If the tourism industry were disturbed they would have to depend on charity.

381. The fourth speaker said that they had always wished to remain a Crown colony. The audience endorsed his statement.

382. The fifth speaker was a woman teacher who pointed out that it would be wrong to say that they had no problems. The population was growing and unemployment was increasing, especially among school leavers. That was creating problems. There were also several other social problems.

383. The Chairman of the Mission intervened at that stage to answer some questions and to elaborate on the work of the United Nations. He said that the United Nations had been invited by the United Kingdom Government to send a visiting mission to the Territory and at no stage had the question of the independence of the Cayman Islands been raised. The Mission was a routine carried out by the United Nations from time to time. For example, Mr. Bachrouch, one of the members of the Mission, had been on missions to Montserrat and to the Gilbert Islands. The only thing that grew in the Gilbert Islands was coconuts and the basic food was "tandals". Yet the people of the Gilbert Islands had chosen to be independent (murmur of disbelief).

384. The United Nations system of organizations could provide assistance to the Cayman Islands for economic and social development in consultation with the United Kingdom Government. Even though they were still a colony, they were receiving assistance. Technicians had come to the islands to help out in various fields, such as health and electricity.

385. He remarked that his country, Fiji, also had a thriving tourist industry, providing from $US 70 million to $US 80 million in income a year. The Fijians were worried about the industry because it had brought about to some degree an artificial way of life. The Government was often asked just how much it was prepared to pay - for the benefits did not seem to be well distributed.

386. As the representative of a Member State of the United Nations, the Chairman appealed to them with regard to their neighbours. He told them that they had very respected neighbours in the Caribbean Sea. They might have problems, but every country had problems. He was not ashamed to tell them that even in Fiji for a few days of the first week after the recent elections they had had no government. Therefore, no country was without problems; if they had not appeared that year they might appear sometime in the future. The wise thing to do was always to appreciate what they had and to be aware that there was always a dark cloud even when there was bright sunshine. Often wealth brought its own problems.

387. An elderly gentleman said that the people of the Cayman Islands did not want independence now, but might at some other time. They wanted to remain a Crown colony.

388. Mr. James A. Lawrence said that he had seen members of the Mission several times in George Town and therefore had nothing much more to tell them, but, on behalf of other Caymanians and on his own behalf, he sincerely welcomed the Mission to the Cayman Islands and Bodden Town.

389. He did not agree with the statement that money was flowing like milk and honey. The country had political stability and a blessed economy and if anybody tried hard he could get by. He himself worked hard and managed to make enough to get by. He was glad that the Mission was getting the message direct from the people. The people of the Cayman Islands were very grateful to be considered as one of Her Majesty's colonies. Her Majesty's Government had been very kind to them, had guided and directed them. He kept listening to news from the United Kingdom and he was sure that the United Kingdom had problems too.

390. A woman speaker reiterated that there were problems and that they should expect problems to occur, but the islanders were prepared to deal with them as they occurred.

391. The Chairman of the Mission took the floor again to state that the purpose of the Mission's visit, as explained so ably by members of the Executive Council and as he had explained through the press and by radio, was to report not only on constitutional and political developments, but also on economic and social developments.

392. Since its arrival on the Territory, the Mission had been told that Caymanians wished to remain a Crown colony. Nevertheless, the Mission also had to report on the economic, social and educational conditions in the islands. If they wished the Mission to say that there were no problems at all it might be difficult to ask for assistance from the United Nations later. They should feel free to express themselves on social and economic matters as well.

393. A speaker in the construction business said that the Cayman Islands had the highest standard of living in the West Indies; the highest teacher:student ratio; and a little unemployment which would increase as new high school graduates entered the labour market. The Government had wisely protected jobs for Caymanians by initiating the passing of the Caymanian Protection Law. Caymanians had never been oppressed by the United Kingdom. They did not want any constitutional change.

394. There were a number of experts in the Territory from abroad, especially Europe, Canada and the United States. He requested assistance for scholarships to train Caymanians so as to reduce the number of expatriate experts.

395. Mr. J. M. Bodden intervened to tell the audience about a few things that the United Nations was doing in the Territory. United Nations assistance had been utilized to train three more air traffic controllers; assistance was available to set up a hotel training school; and expert knowledge to establish an airline would be forthcoming as well as expert help to draw up labour legislation to benefit the workers. The setting up of a benevolent fund for workers was under consideration. Through United Nations assistance, an aircraft engineer was being trained in Trinidad and Tobago and some experts had tried to sort out problems with the Caribbean Utilities Company.

396. Commenting on the problems that faced the country, he said that tourism would not always be the goose that laid the golden egg. Tourism brought in a certain amount of special problems concomitant with social and moral decay, which had to be controlled. There were several other problems, especially those connected with the central Government. One of them was due to lack of money. For example the Member for Education had a budget of $US 30,000 to $US 35,000 for scholarships in 1977. That sum was not enough compared with the needs of the country. The way to increase the number of scholarships was to take advantage of assistance from other organizations. The country would appreciate such assistance.

397. A civil servant joined in to say that they would not like the United Nations Mission to leave the Territory thinking that there were no problems. Many of them were aware of the assistance which they were getting from the United Nations, but they needed a tremendous amount of assistance. He thought that people should not only apply their minds to political independence, but they should also think of independence in cultural, social and economic areas.

398. They suffered tremendous needs. He pointed out their dependence on expatriate teachers and also expatriates in other areas. He did not think that the presence of the expatriates in the community was resented. The islanders recognized the tremendous benefits they received from the cross fertilization of ideas and the cultural benefits. Employing expatriates, however, placed a great financial burden on the resources of the country. The development needs of the country kept growing and were far beyond its resources. What they needed was assistance from outside to help them cope with their problems. In the educational field, they should be thinking of all areas of skills, particularly technical and professional skills. The country could not provide all the skills required.

399. Secondary education had lagged behind in the country. The schools were just beginning to produce the kind of graduates suitable for higher education, but there were no adequate resources for further post-secondary training. It was important, therefore, that the islanders make known their needs so that they could attract assistance for the development of the social, cultural and economic sectors of the community. Theirs was a small developing country, which was not all that viable economically. They were depending on two rather fragile resources - tourism and off-shore financial operations. Something could happen outside the Territory over which they had no control and which might affect it adversely. Many were living in a fool's paradise thinking that the situation might go on as it had for ever. Some people had believed that the boom experienced two years ago would continue. The economy had done very well so far and he hoped it would continue, but he warned that they were playing with fire and if they were not careful they would burn themselves one day.

400. Mr. Bodden said that the Territory needed light industries, but industries required skilled labour and, unless they developed their own local skills, they would have to increase the number of expatriates.

401. Mr. A. J. Miller closed the meeting by saying a few things on behalf of the entire community. He wanted the Mission to make a just and proper report on what he was going to say.

402. He said that the country was badly in need of money because it did not have a stable economy; and every country without natural resources was like someone standing on the peak of a mountain.

403. They had as good a government as they had ever had. He thought that 99.5 per cent of the population was satisfied with its representation. He would also like to mention that the islanders had seen what had happened to every country around them which had asked for independence. In the Cayman Islands they should ask the question: "what /are we/ going to be independent with?" He did not think that anyone could answer that question and show him where and when they would ever be able to ask for independence.

404. He would also like to have it conveyed that the islands had financial problems. They were also begging for help, and when the United Nations found it possible to send another delegation, it shoul be to say that the United Nations had given them some financial help. He did not want to see another delegation which would ask if people wanted even internal self-government. The day that internal self-government came to the islands, he was going to sell whatever he had and he would quit because he kn.w what was going to happen.

405. He was certain that he was speaking on behalf of all the people in the building when he said that nobody would like to remove an iota from the current Constitution. He asked every member of the audience to put up his hand and say "self-government and independence, never!" Many responded: "No, never!"

406. The Chairman of the Mission thanked the members of the Executive Council the members of the Legislative Council and the audience for their attendance and frank expression of views.

407. The meeting closed with the national anthem "God Save the Queen".

R. Meeting with the President of the Agricultural Society and the Chief Surveyor on 21 April 1977

1. President of the Agricultural Society

408. Mr. B. Lauer, the Chief Surveyor, and Mr. E. Bergstrom, the Director of Tourism, were present.

409. Mr. Austin Bothwell, the President, is a successful farmer in his own right. He enthusiastically asserted that many crops could be grown in the Cayman Islands.

410. He pointed out that in the past the islands had been self-sufficient in foodstuffs, but then the younger men found that it paid better to go to sea. He gave his own farming as an example of what could be done. He said that on improved pasture farmland of 24.3 hectares he was able to raise 100 head of cattle all the year round.

411. He emphasized that, strategically, it was important for the Territory to develop its agricultural potential to the fullest extent possible, for should there be a food crisis, the rest of the world would not feed the Caymanians and leave their own people starving.

412. The Territory had a fair amount of ground water, all the sunshine needed and adequate rainfall.

413. He said that the farmers needed long-term loans on soft terms and security for the outlet of their products. Appropriate agricultural financing and marketing arrangements needed to be set up.

414. Another farmer was producing 1,134 kilograms of meat a month but there was a need for using proper slaughtering and cutting techniques to improve the quality of the meat. The tourist industry seemed to offer a ready market for agricultural products.

2. Cadastral Survey and Land Registry Department

415. The Mission was briefed and shown around the Department by Mr. Lauer, who explained that the aim of the cadastral survey was to demarcate the boundaries of parcels of land according to their owners. The survey was being used as a basis for the registration of the land. A simple but very effective system of land registry had been established. The registry was being used for the transference of title deeds and would thus do away with the necessity of using legal services for land title deed transfer with their concomitant legal fees. The survey would also serve as the basis for land-use planning.

S. Roundup meeting with the elected members of the Executive Council on 21 April 1977

416. The Chairman of the Mission said that the members of the Mission would take the opportunity to share some of their thoughts with the members of the Executive Council. He would start with the economic and social aspects first and then move on to the political/constitutional position.

417. He reiterated the view of the Mission that while tourism and the off-shore financial operations were doing well, it was the right time to try to strengthen the base of the economy, by further diversification For example, the Mission had been impressed by the lobster processing on Cayman Brac. The country had a tradition of boat-building and might try to put those traditional skills to commercial use. He pointed out that it would be prudent to pay more attention to the development of the agricultural sector, although he was aware that agriculture did not command the same political support as other activities. He believed that in order to obtain maximum benefits from their tourist industry the islands would have to improve the agricultural sector. That would need some courage. The question of agricultural financing might be looked into. Tremendous savings on the food import bill might be effected by encouraging more agricultural production. Cayman Brac appeared to be suitable for growing melons. An expert from outside might help in sorting out marketing problems.

418. He then also discussed the localization of some of the posts in the civil service, observing that there were not enough Caymanian teachers. Caymanian teachers would mould the character of their students in accordance with Caymanian ethos. There was a need to emphasize training in technical skills.

419. The Mission was informed that, in the past, civil servants had been comparatively underpaid, and, as a consequence, the private sector had attracted former civil servants. The Government had had to increase salaries by 50 per cent. The banking industry lacked competent local trained staff. The Government was trying to rectify the situation. The drafting of labour legislation to incorporate some form of social insurance for the worker was also under way.

420. The Chairman of the Mission said that it had been made abundantly clear that the majority of the people appeared not to desire internal self-government which would lead on to independence within 18 months. It appeared, however, that within that framework there was room for some constitutional advancement short of internal self-government. Reference was made to countries which had been at the stage of internal self-government for a long time, such as Bermuda and the associated States. There was fear, however, of a period of uncertainty that might follow, with possible adverse repercussions on the financial industry.

421. Over all, the Mission was told that the Caymanian people had to opt between survival and constitutional change.

T. Visit to the Department of Tourism on 21 April 1977

422. Mr. Bergstrom, Director of Tourism, and Mr. Lauer, the Chief Surveyor, were present.

423. Mr. Bergstrom briefed the Mission on the situation of the tourist industry in the islands. He said that one of the major problems was that the banks considered the hotel industry in the Caribbean to be poor business because of the low return on investments. A more specific problem in the islands was

that the tourists usually demanded certain food-stuffs not produced locally, which had to be imported, resulting in a leakage of tourism income. That could be prevented if agriculture were to be developed in the islands. Some small hotels purchased produce from cottage farms. A Caymanian egg farm supplied the larger hotels, some of which purchased over 15 cases of eggs daily. The Mission was also told that the large hotel investors were not from the Cayman Islands, and tended to prefer hotels with an international design, not adapted to local conditions; it would be better to try and arrive at a compromise.

424. The tourist industry accounted for 70 per cent of the balance of payments, essentially in the form of services. Hotel employees numbered roughly 500 persons. There were 1,200 persons in related tourist activities including taxi drivers. Because of the seagoing tradition among the men, most hotel workers in the Cayman Islands were women.

425. In reply to a question, the Mission was told that the growth of the tourist industry was controlled on the basis of the size of the local population. Social stress often appeared when too many tourists came to a place and the local people began to resent their presence. Based on past experience in the area, the ideal ratio between tourists and local population should never be more than 8 to 1. New hotels were needed, but under government control; the Territory was prepared to accept one cruise ship a day, but not more.

426. The Mission was also told that the Government was not participating in tourist activities primarily because it did not have the financial resources and because the business was not especially lucrative. In reply to a question concerning trade unionism in the islands, the Mission was told that because of the controlled growth of the industry, the workers did not feel downtrodden. Salaries were good and working hours were normal. Labour problems were solved by a Labour Officer.

427. Tourist expenditure in 1976 was estimated to be from $US 15 million to $US 16 million, excluding travel expenses, or about $US 232 per person. Cruise ship passengers spent an average of $US 20 per person.

428. In reply to a question about the relationship between the viability of the tourist industry and the status of the islands as a United Kingdom colony, the Mission was told that about 73 per cent of the tourists came from the United States, and that they liked the idea that the Caymans were under British rule. They felt that a British colony was more stable, and believed that independence might engender violence.

U. Visit to the Mosquito Research and Control Unit (MRCU) on 21 April 1977

429. The Mission was briefed and taken around by Mr. M. Giglioli, the Director. Mr. G. H. Bodden, elected Member for Agriculture and Natural Resources, was also present. The Unit, which began control operations in 1965, is under local management and technical assistance is provided by British universities.

430. The Mission was most impressed by the work of MRCU under its dedicated Director. The importance of the work cannot be over-emphasized. Over 50 per cent of the area of Grand Cayman consists of mangrove swamp, a breeding medium for mosquitoes. The buoyancy of the economy of the Territory is based on tourism and off-shore financial operations, neither of which could have been established without proper mosquito control.

V. Visit to the Medical Department on 21 April 1977

431. The Mission visited the facilities at the George Town Hospital accompanied by Mr. T. M. Bodden, Member for Health, Education and Social Services, and Dr. P. Wilkinson, Acting Chief Medical Officer. The Mission toured the out-patient department, which had a small operating room, a dressing station, a records office, a dispensary and three consultation rooms. There was also a large pharmacy and store-room. The hospital had recently installed a new, much larger switchboard with 30 extensions. The Mission also visited the emergency room and operating theatre and met the members of the hospital staff, which included 15 staff nurses and 5 sisters. The Mission was informed that there were 30 beds in the hospital. As to fees, there was a charge of $CI 10 for an examination and medicine in the out-patient department, and a charge of $CI 25 per day for a hospital room; antenatal care was free. The Mission learned that the hospital extension had been built at a cost of $CI 631,000, financed partly by a large donation from a Canadian benefactor and partly by government funds.

W. Visit to the experimental farm and nursery on 21 April 1977

432. The Mission was given a tour of the nursery and the experimental farm by Mr. Lauer, the Chief Surveyor and Acting Principal Secretary. At the nursery, the Mission saw the facilities for growing citrus fruit, tomatoes, cabbages and other vegetables which are sold to private individuals wishing to start their own vegetable gardens. The Mission was told that one of the main problems faced by the agricultural sector was the poor quality of water, which was brackish, with a high alkaline content. Fertilizers were indispensable.

433. The Mission also visited the experimental farm, established in 1976 on 10 hectares of land. The purpose of the farm is to ascertain which varieties of fruits and vegetables are more suitable to conditions in the islands. At present, the farm is experimenting with several varieties of Florida oranges, cassavas, pawpaws, bananas, plantains, tangerines, sweet peppers, corn and tomatoes. The Mission was told that there were plans to try mangoes and avocados as well. Mangoes, especially, could become an export product.

X. Meeting with members of the National Council of Social Service (NCSS) on 21 April 1977

434. Mr. Richard Arch presided over the meeting. Mr. Arch informed the Mission that NCSS was a quasi-government body established on 13 January 1975, made up of representatives of the churches, corporate and private members and an Executive Committee. The Executive Committee, comprising a Chairman, five corporate members, five private members and five members nominated by the Governor are elected at each annual general meeting.

435. NCSS runs a school for handicapped children, pre-schools in George Town and North Side and a community library in East End. It is also trying to establish a home for the aged. Although it depends largely on voluntary donations for its activities, the Government is paying the salaries of four officers, two day-care teachers, one helper and one nurse as well as the utility charges.

436. Mr. Arch explained that NCSS had experienced some difficulties in trying to obtain films on health, drugs and social problems from the specialized agencies. He stressed that the availability of such films could make a substantial contribution to the welfare of the Caymanians. The Council received technical assistance from the United Kingdom and UNDP.

437. Some observations were made on the educational system. Members of the Council said that the Territory had a comprehensive high school where students were promoted from one class to the next on the basis of age. It was felt that one ought to qualify to be promoted. Businessmen complained that they could not find people sufficiently well educated to do their jobs. The economy had expanded so fast that an expatriate community had been superimposed on the population. More technical education was needed.

Y. Public meeting at West Bay Town Hall on 21 April 1977

438. The meeting was presided over by Mrs. Esther Ebanks, an elected member of the Legislative Assembly for West Bay. Among those present were the four elected members of the Executive Council and other elected members of the Legislative Assembly. About 400 persons attended the meeting.

439. Mrs. Ebanks opened the meeting by saying that the United Nations Visiting Mission was there as a fact-finding mission. She urged the members of the audience to ask any questions they had on their minds. She had been told that some members of the audience had been given wrong information about the mandate of the Mission, but she hoped that by the end of the meeting all the misunderstandings would have been completely cleared up.

440. She invited Mr. Dalmain Ebanks to address the meeting. Mr. Ebanks said that they could now find out the facts about the rumours that had been circulating during the previous three weeks, in particular that the Mission would have given independence to the Cayman Islands. He was sure that the Mission would clarify the issue. Anyone who wished to ask any questions or to air any political views should feel free to do so. He hoped that after the meeting those who had been spreading the rumour would find something else to talk about.

441. Mr. Garson Smith said he was extremely glad to welcome the Mission to his constituency - West Bay District. Ever since the announcement had been made of the arrival of the Mission, some people had been trying to mislead the public as to who had invited the Mission to the Cayman Islands and what the Mission wanted, etc. He believed in telling the people the truth. The rumour mongers had been trying to mislead the people by telling them that the new Government had invited the United Nations Visiting Mission to help them achieve independence. As was well known, if that were the wish of the Caymanians there would be no problem in achieving independence from the mother country. The Mission already knew where Mr. Smith

and his colleagues stood on the issue of independence. They did not want any change in the Constitution. The Constitution was working and they were very happy to remain as a Crown colony under the able leadership of Governor Russell. He felt confident that over 95 per cent of the people would tell him that they had the best Government that they had had for years. He appealed to the Mission on behalf of the elected members and the people of the Cayman Islands to tell the audience whether the new Government had had anything to do with the invitation to the Mission. He thanked the United Nations for the assistance given in the past. The people of the Cayman Islands would not tolerate the presence of any team or mission that dictated on any matter relating to the islands. The representatives of the country were confident that they were able to take care of the affairs of the islands.

442. The Chairman of the Mission took the floor to explain the purpose of the Mission's visit. In introducing the members of the Mission, he said that like the Cayman Islands, their three countries had once been colonies: Tunisia under French administration and Fiji and Trinidad and Tobago, both islands, under United Kingdom administration. Although they came from different parts of the world, they appreciated the problems and attitudes of the Cayman Islanders.

443. The Mission was there to see for itself what was happening in the islands in terms of economic and social development and whether there were problems with which the United Nations could assist, in consultation with the United Kingdom and, in particular, to find out whether the Caymanians were satisfied with the current political and constitutional development of their country. If they were satisfied, the Mission would so report; if they were not, the Mission would try to find out why. As they knew, there had been colonial tendencies in the past and even now certain countries were experiencing difficulties in moving forward because of the reluctance of the colonial Power responsible. When the Mission arrived in the islands the members of the Executive Council had made it clear to the Mission that the Government and the people of the islands were satisfied with the present constitutional status and in fact preferred to remain a Crown colony. The United Nations did not, nor had it the power to, interfere in the way a country was managed or governed. The Mission could not persuade countries to become independent against their will, but if those countries were determined to move forward politically, the United Nations could help them by persuading the colonial Power to be more realistic. In the past four days, however, the Mission had heard repeatedly that Caymanians were very happy with the present Constitution. The Mission had spent a considerable amount of time in the past two days reassuring the public on the mandate of the Mission.

444. The Chairman of the Mission said that with due regard to the members of the Legislature, however, life was more than politics. The Mission had also been asked to report on economic and social development in the islands, which was just as important. He stressed that orderly economic development was as important as political development for the peaceful development of a country. Their ministers were aware of the frailty of the economy, and needed the support of the public in their attempts to diversify it.

445. The Chairman explained that the Mission's visit was at the invitation of the United Kingdom Government. The United Kingdom, as a colonial Power, had to report regularly to the General Assembly. Reports on the Cayman Islands came regularly to the United Nations, but the United Nations wished to ascertain independently whether the reports were truthful or merely represented some truth. The Mission was reasonably confident that it had confirmed what was contained in the reports, i.e., that the islands had a reasonably sound economy although weak at the base; that they had some social problems; but, above all, that they were happy to remain a United Kingdom Crown colony.

446. The first speaker asked when the United Nations had first received an invitation to send a mission to the Cayman Islands.

447. In reply, Mr. Dalton said that the arrangements had been made through the United Kingdom Mission to the United Nations. The invitation had first been addressed to the United Nations in March 1977, following the visit of United Kingdom representatives to the islands to explain the intentions of their Government to representatives of the Cayman Islands Government.

448. The first speaker maintained that he did not see the possibility of independence for the Cayman Islands for the next 100 years. Caymanians did not want any constitutional advancement at the current stage. Caymanians used a lot of well water, and had found that in digging a well too deep they hit salt water. He felt that they should be where they were and if they became too ambitious they would get beyond their depth and all they would get was salt water. They had seen what had happened in many surrounding countries after the restraining hand of the United Kingdom had been removed. Caymanians had never looked upon themselves as being occupied by the United Kingdom or a foreign country, or as having been colonized by the United Kingdom. To all intents and purposes they managed their own affairs. It was only in the last few years that they had seen an Englishman. Therefore, to talk of decolonizing the Cayman Islands was not possible. They had never been restrained from exercising their right to self-determination. They were proud to be a British colony and they wanted to continue to remain a British Crown colony. They were a free people. He ended by saying "God Save the Queen".

449. A successful farmer said that the Caymanians were proud to be a Crown colony. They enjoyed the highest standard of living in the Caribbean. They could consider themselves to be among the few people in the world who could truly say that they had freedom and peace. They had seen the mistakes made by other countries seeking freedom and change - they were torn apart in violence and bloodshed. That was the kind of freedom the Caymanians did not want. They wanted to remain a Crown colony loyal to Her Majesty's Government.

450. A minister said that he welcomed the opportunity to voice very strongly the feelings of the district. The issue was of such paramount importance that it had to be decided by every member of the district. The Caymanians were a very proud people. They were a Crown colony and that was the best thing, and as far as he could see should remain so for a 100 years to come. He asked what

independence would do for a peaceful, peace loving and God-fearing people like the Caymanians. What had independence done for so many countries that had become independent?

451. He asked why the United Nations had singled out the Cayman Islands, a country with the highest standard of living in the entire Caribbean, a country without racial strife, where the word colour was seldom heard. They had learnt to work and live together. The United Nations should assist less fortunate countries. They were happy the way they were. By being a Crown colony they enjoyed various benefits - expert knowledge, various schemes financed by the United Kingdom Government, such as the high school, and stability of government which attracted investments. The islands were a showcase to the world. People live in harmony and peace. He wanted to pass a motion in the following terms "Those who are happy should stand up to show so."

452. Mr. Dalton intervened to explain that if anybody had done the singling out, it was the United Kingdom and not the Mission. Missions of this kind had visited other Territories administered by the United Kingdom, and they had been helpful to all concerned. In 1974, a mission spent a month in the Pacific in two little places called the Gilbert Islands and Tuvalu; o/ in 1975, a mission, including both Mr. Bachrouch and Mr. Swai, visited Montserrat. p/ In 1976, a mission went to the British Virgin Islands; q/ and in 1977 the United Kingdom had felt it would be helpful for a mission to visit the Cayman Islands. But they might ask why the United Nations bothered with colonies. The answer had been given by the Chairman when he first spoke: The United Nations had had a special responsibility for Non-Self-Governing Territories and colonies since it first opened in 1945, and Britain had accepted that it was a lawful concern and that the United Nations was right to have an interest in what was going on in the colonies. Accordingly, the United Kingdom reported on its colonies. One consequence of that reporting was that it was often better to have people come and look for themselves and not simply to rely on a cold, blank page of figures, statistics and summaries - really to learn about the situation from the people concerned.

453. Mr. Graham Ebanks said that he wanted to change the theme somewhat; he wanted to have it placed on record that he felt ashamed to have a meeting of such far-reaching importance taking a political turn. He reiterated that such matters should not be dealt with politically. He submitted that the work of the Mission would have been more comprehensive and successful if it had not been for the inept manner in which the people of the islands were informed. He felt embarrassed that even now the Mission had found it necessary to go to West Bay to explain its mandate. It was the duty of the men who ran the ship. There was no sense

---

o/ Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 23 (A/9623/Rev.1), vol. V, chap. XXI, annex I.

p/ Ibid., Thirtieth Session, Supplement No. 23 (A/10023/Rev.1), vol. IV, chap. XVIII, annex.

q/ Ibid., Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXVIII, annex.

of a navigator throwing his ship on the reef and saying his sextant was wrong. It was his duty to go and whether his sextant was right or wrong, correct it. They were a small community and as such possessed small minds. The vast majority of the people knew nothing about the United Nations and its functions. They thanked the Chairman for explaining the functioning of the United Nations and telling them the exact nature of the work of the Mission.

454. A housewife said that the Mission was not entirely surprising to her. However, she wanted to know one good reason why they should be decolonized.

455. The Chairman commented by saying that it appeared as if all his explanations had not been understood. The Mission was not there to tell or to urge them to repudiate their Crown colony status, so he would not answer the question. He appealed to the audience to let the Mission hear the things on which the Mission was supposed to obtain information. They had been preoccupied with the question of independence but there were other issues - economic, social and educational. The Mission would appreciate their views on such issues.

456. A woman teacher said that there were social problems in the islands. There had been a rise in juvenile delinquency. When youngsters did not go to school they became truant and got into trouble. There was no place to reform them, and they had to be sent to Jamaica. It was a most unfortunate thing to have to do. They had the problem of drug addicts. They had a lot of ganja smokers. She warned that people should be concerned; otherwise, in a few years they would have a lot of criminals on their hands. There was also the problem of alcoholism. Apparently, nothing was being done about it, and yet it was a major problem. There was the problem of mentally retarded children. No answer had been found to that problem as yet. There was the problem of education. The educational system was not meeting the needs of the young people. The graduates of the Cayman Islands High School could only hold menial jobs: they were not prepared to go on to higher studies. The quality of their education needed upgrading. When there were qualified young people they had to be sent abroad. The Government spent a lot of money on scholarships.

457. It was not true to say that no one was starving in the Cayman Islands. Many children suffered from malnutrition. The school lunch helped considerably; otherwise it would have been impossible to fight truancy, which had been a major problem four years ago.

458. There was the problem of senior citizens. With improved medical services many people were living to see old age. Many of them did not get enough meals in their homes. The money that the Government gave them was not enough for their needs.

459. A housewife, who said she was British first and Caymanian second, wanted to know if the Mission had been given the impression that the United Kingdom wanted to sever ties with the Cayman Islands.

460. The Chairman replied categorically that the Mission had never heard that the United Kingdom wished to sever ties with the colony.

461. Mr. Benson O. Ebanks, a former member of the Executive Council, said that he was one of those referred to as having been put in mothballs. When a person or thing was put in mothballs he was assured that he would most likely be of service again. He was very sorry and apologized for the turn that the meeting had taken. The matter before them that evening was one that was above politics and a national issue on which people should speak without political bias. Unfortunately, that had not been the case. Nevertheless, he was going to try as far as possible to leave politics aside, although he possibly would have to touch on matters political since he had been so recently connected with politics in the islands. He was certain that the Mission had been able to observe, as it travelled around the country, that all was not milk and honey, as some people would have them believe.

462. For the past eight years he had been first associated with, and during the last four years responsible for, health, education and social services in the community, and he was happy about the strides that had been made in those areas; it should not be presumed, however, that those matters were finished. They had barely scratched the surface. Nevertheless, the primary and secondary educational system introduced in the 1970s ensured every person, regardless of means, colour or creed, the opportunity of pre-secondary education. To the best of his knowledge those children who had the academic ability and achieved the qualifications were helped to go on to university, many on full scholarships, some on partial scholarships. The money came from local funds and in some instances, from the United Kingdom Government by way of grants, through the British Council and otherwise. They were grateful for the help the United Nations had pledged for training and education. He was positive that that fact was little understood. They were very grateful and indeed indebted to the United Nations for a lot of benefits.

463. Mr. Ebanks said that he was very happy to hear it said that life was more than politics, and that economic development had of necessity to be a priority. That philosophy he completely shared, and in a community such as theirs, if they did not properly plan their development, both fiscal and physical, they were heading for a disaster. Their economy was a fragile one, based mainly on tourism and off-shore operations. Tourism would depend on whether they could cope adequately with the increasing numbers of people who wished to come to the islands. One speaker referred to the sweet water which they got when they drilled a hole in the ground. He said that those who knew would realize that that sweet water was getting very scarce, and a priority in their development had to be a proper sewage and water facilities; otherwise, they would be faced with much illness and dissatisfaction. They had to find an answer to the sewage and water problems. He knew that that was an area of great concern to the United Nations and to the World Health Organization (WHO) in particular, and he hoped that the present Government would endeavour to make use of the expert knowledge of WHO and in its concern in that matter. WHO had shown keen interest in their problems. Other speakers had mentioned other problems and he hoped that the Mission would be able to see the problems which existed in their community and endeavour to bring them to the attention of their own Governments and possibly that of the United Kingdom in the mission report.

464. He had to join those who believed that much of the Mission's time had been wasted because the general public was unaware of the nature of the facts sought by the Mission. In fact, it was not until the Friday or Saturday before the Mission's arrival that the name of the Special Committee had become generally known. As far as the general public was concerned, according to the press releases issued prior to that, it could have been an economic mission, or one representing UNDP. He also endorsed the fact that the meeting would not have been called that evening if the people had had the opportunity to put their views to the Mission, once they knew what it was all about. Nevertheless, he was certain that the Mission had got the message.

465. Someone had mentioned that the islands had the highest standard of living in the Caribbean. Mr. Ebanks was not going to dispute that fact, but he would ask that that statement be examined very carefully. One speaker had mentioned that some people were suffering from malnutrition. That was ture, and he was afraid that many were suffering from malnutrition but did not know it. Money that could be wisely spent on proper food was being frittered away on trivialities. He commented on the question of per capita income which he thought was why people were saying that they had the highest standard of living. He hoped that the Mission would not leave the Territory believing that because they had the highest per capita income on paper they were well off and needed no further assistance, because it was very deceiving. The majority of income in that country was earned by about 10 per cent of the working force, who earned the top salaries and if one were to strike off that income from the total income of the Cayman Islands, and find the resulting per capita income, he was sure that the results would be frightening compared with the standard of their cost of living. It should be remembered that they produced little or nothing and food was imported. He was certain that the Mission had had enough time to sample some of the prices.

466. He did not want the Mission to go away with any delusions that the Cayman Islands needed no assistance. It was true that they were proud, and did not want independence and despite what one member had said, he asserted that 99 per cent of the people of the Territory did not want internal self-government. He had no complaints about the current Constitution. He had been very active in its formulation and he thought they had a good Constitution, a constitution that could work. He understood that even the sitting members said that it worked well. He wished he had enough time to dwell on the subjects at length, but he hoped that the Mission had got the message that they did not want any constitutional change. He emphasized that they were grateful for the help which they received from agencies like WHO, UNDP and all the other agencies of the United Nations. Someone else could have their seat in the General Assembly.

467. Mrs. Ebanks, the Chairman, wanted to make clear that she had had no part in inviting the Mission to look into independence for the Cayman Islands. She thought that the Mission had clearly understood that Caymanians were happy with their present Constitution and would like to remain a Crown colony. She asked the Mission to convey that message to the United Nations, adding that the United

Nations had served Caymanians well - even past members of the Government had told the meeting so - and for that they were thankful; but when it came to changing their Constitution, they would let the United Nations know when they wanted help. Before then, they did not want anyone to tell them or to suggest to them when to change their Constitution. She appreciated the visit paid by the Mission. She asked the public to close the meeting by singing the national anthem.

Z. Meeting at the United Kingdom Foreign and Commonwealth Office, London

468. On 24 May 1977. Mr. Harry S. H. Stanley, Assistant Under-Secretary of State for Foreign and Commonwealth Affairs, welcomed the members of the Visiting Mission and invited them to express their impressions of their visit to the Cayman Islands.

469. The Chairman, speaking on behalf of the Mission, explained the over-all impressions formed while there. In summary, he observed that the economy, based on tourism and off-shore financial operations, was very buoyant, the standards of social services - education and health - available to the community were comparatively high. Nevertheless, the majority of the people seemed most hesitant to move on to independence. They felt that under the umbrella of the British Crown as a Crown colony, the buoyancy of their economy and the security of their Territory would be guaranteed.

470. The Chairman said that the Mission would like to know the views of the United Kingdom on the future of the Territory.

471. Mr. Stanley reiterated the United Kingdom's policy on its dependent Territories. It remained the policy of the United Kingdom that if the majority of the inhabitants of a dependent Territory of the United Kingdom wished to become independent, the United Kingdom would encourage and help them to do so. Equally, the United Kingdom would respect the wishes of the people of a dependent Territory if they felt independence was either inappropriate or premature.

472. He went on to say that the United Kingdom was still trying to proceed in accordance with Chapter XI of the Charter of the United Nations. In implementing that chapter with regard to small Territories, such as the Cayman Islands, problems of a special kind were being encountered and had to be dealt with in a concrete and realistic manner.

473. He understood that the Mission had carried out its mandate very successfully in the Territory and that the courteous, tactful and wise manner in which the Mission had handled matters there, especially at public meetings, was much appreciated.

474. Mr. Stanley informed the Mission that, while in the Territory, he and Mr. Duff had told Caymanian leaders about the visit of the United Nations Visiting Mission, although initially the Caymanians had resisted it very strongly. The

argument which had prevailed with them was that if Caymanians had such strong views it would be better for them to tell the Mission directly what those views were.

475. One result of the visit had been a better understanding by the islanders of the United Nations. The Mission had also learned first-hand of the wishes and aspirations of the Caymanians. The Mission had been very useful.

1. Diversification of the economy

476. Referring to the economy, Mr. Stanley pointed out that the United Kingdom Government had been trying to encourage diversification although there were problems connected with the small size of the Territory, the paucity of natural resources and the fact that the wage level was very high. Over-all, it was felt that more resources could be invested in agriculture and related activities. Other areas of production investment needed to be explored. Efforts to establish new service facilities such as the oil-transfer terminal would provide additional sources of revenue, although the expectations of the Caymanians in regard to ship registration seemed too optimistic.

477. The administering Power had also financed a natural resources study so as to enable the Territory to utilize and manage its natural resources better. The territorial Government was reviewing the study.

2. Regional co-operation

478. According to Mr. Stanley, several attempts had been made to organize regional co-operation among the Caribbean Territories, including the Cayman Islands, in order to overcome the economic disadvantages of their small size, but for some reason the islands had not been easily persuaded. Each island looks at things very much from its own point of view and feels different from its neighbours. There were also the special circumstances of the Cayman Islands.

3. Policy on aid

479. In response to a question as to the role of the administering Power in attempts to diversify the economy, Mr. Stanley briefed the Mission on the policy of the United Kingdom on aid. It was his Government's policy to delegate maximum authority to the Territory; consequently, the territorial Government was to a large extent acting independently, and it would not be constitutionally wise to reverse the process.

480. By a mixture of hard work and good luck, the Caymans were now a very prosperous country. The per capita income put them near the category of the countries of the developed world. They were, for example, on a par with the United Kingdom and much better off than most other countries. He remarked that financial operations were of a fragile nature, whereas tourism, being based on the provision of services and the availability of a ready market nearby, was less fragile.

481. The thrust of the United Kingdom aid programme was to concentrate on the alleviation of poverty. The criteria used for granting aid, e.g., income per capita, level of literacy and standard of social services, disqualified the Cayman Islands from receiving capital aid on a grant basis. It was therefore impossible to obtain much capital aid for the Cayman Islands. The United Kingdom had maintained a small capital development aid programme, and once that ended in 1980, there would be no more. The capital development aid was to be channelled into productive investments.

482. The Territory qualified to secure commercial loans on its own; however, the United Kingdom programme of technical assistance would continue. For example, the United Kingdom would like to provide assistance to train and upgrade more Caymanian teachers so as to replace British teachers in the management of the Caymanian educational system. The United Kingdom would also welcome assistance from the United Nations, the specialized agencies and other sources.

4. Constitutional development

483. Mr. Stanley went on to say that the Cayman Islands presented a new and special case: a new relationship had to be developed.

484. Some institutional changes could be made. There was an intermediate stage before full internal self-government. The current structure of the Executive Council could not be left as it was permanently. The relationship between the Executive Council and the Legislative Assembly required adjustment. Historically, the next orthodox step would be to move to a ministerial system and have an elected Executive Council with a Chief Minister and an appointed member of the Legislature, for example the Chief Secretary, to speak for the Governor in the Legislature on those matters reserved to the Governor.

485. The United Kingdom Government would consider working out some such changes and recommendations, in co-operation and consultation with the Cayman Islands Government.

III. OBSERVATIONS, CONCLUSIONS AND RECOMMENDATIONS

486. The Visiting Mission had an opportunity to learn the views and feelings of the Caymanians on each of the two islands visited, viz., Grand Cayman and Cayman Brac, both at public meetings and on informal occasions. Members of the Legislat: Assembly and/or Executive Council were always present except when the Mission met members of the public either singly or in groups. Most of the following observations and views are reflected elsewhere in the present report.

A. Political and constitutional conditions

487. General elections were held in November 1976. As in previous elections, no political parties emerged but a group of candidates supported each other on their individual platforms. For the first time, they appeared to be politically organized. Most of the members returned are associated with current political trends in the Territory.

488. Following the elections, four new elected members were appointed to the Executive Council. They are working as a team and are in constant consultation with the other members of the Legislative Assembly.

489. The Governor is responsible for defence, external affairs, internal security, the police and the public service and has reserve legislative powers necessary in the exercise of his special responsibilities. He has delegated responsibility for finance to a Financial Secretary who is a Caymanian and responsibility for public service and broadcasting to the Chief Secretary who is also a Caymanian. Responsibility for other departments of the Government is distributed among the four elected members of the Legislative Assembly. The "elected executive member portfolio" system was introduced in 1972 and appears to be functioning to the satisfaction of the general public. The Governor also presides over the meetings of the Legislative Assembly.

490. The vast majority of the people with whom the Mission met do not desire independence at this stage of Caymanian development but are proud to continue as a British Crown colony. Consequently, they do not desire internal self-government either, since full internal self-government would lead to independence within 18 months. r/ This attitude is due to the fear of disturbing the two fragile pillars of the economy: tourism and off-shore financial operations. The Mission has the firm impression that the general public believes that the only option next available for constitutional advancement is a move towards full internal self-government.

491. Bearing in mind paragraph 490 above, the Mission is of the view that there is room for constitutional advancement - falling short of full internal self-government - which would be in harmony with the expressed wishes of the islanders and with the economic constraints of the Territory.

---

r/ Ibid., para. 157.

492. The Mission therefore recommends that the administering Power, in co-operation and consultation with the Cayman Islands, work out appropriate constitutional changes.

B. Economy and economic development

493. The Mission observed general satisfaction with the performance of the economy. However, concern was expressed over the fact that tourism and off-shore financial operations were very much dependent on external factors.

494. There is an urgent need to diversify the economy. The expansion of the agricultural sector would utilize more local resources, thus creating employment opportunities and conserving some foreign exchange. To facilitate agricultural production, long-term credit on soft terms and marketing arrangements would have to be set up.

495. The Mission recommends that the Government should give more attention and support to the expansion of the agricultural sector.

496. Boat building, jewellery making and other small-scale industries should be investigated.

497. The Mission notes that a fishing co-operative has been discussing a scheme with the Caribbean Development Bank (CDB) involving several countries.

C. Education and manpower development

498. The most precious asset of the Cayman Islands is its people. The Mission notes that education is free and compulsory from the age of 5 to 15 years. The quality and output of the Cayman Islands High School should be improved so as to provide candidates for the training of the skilled people needed to run both the civil service and the private sector.

499. The Mission notes that the Government attaches a high degree of priority to the training and "Caymanization" of the civil service and the private sector.

500. The Governor, in his speech of 2 March 1977, said:

> "The Government's policy on staff recruitment and promotions is to give precedence to Caymanians with the qualifications for the job and an acceptable minimum of experience. This policy must, however, be compatible with the need to run an efficient ship. There is no substitute for experience but in order to upgrade the qualifications of Caymanians both in the public and private sector your Government sees the need for a special drive in training and higher education and will ensure that no candidate with the basic qualifications for further training is hampered by lack of funds. To indicate the degree of priority that your Government attaches to this policy 1977 will be known as the Training and Education Year."

501. Teacher-training and vocational training are now being given more prominence.

502. A manpower study related to the employment situation in 1977 and the next decade is to be launched.

503. The Mission hopes that through the improvement of the quality of performance of the graduates of the Cayman Islands High School, the acceleration of teacher-training, the enhancement of vocational training and the carrying out of the manpower survey related to the employment situation, a sound basis for the "Caymanization" of both the public and private sectors will be laid.

504. The Territory would appreciate scholarship assistance to augment its efforts to meet middle-grade and high manpower needs in the islands.

505. The Mission notes that medical services available to the public are of a high quality and that they are readily accessible to the public. However, there is an urgent need to intensify the study of genetic disease. The Mission strongly urges the World Health Organization and the Pan American Health Organization to look into this problem with a view to giving assistance.

506. The Mission notes that economic development engenders social problems and that the Cayman Islands are no exception. Problems of juvenile delinquency, truancy and the elderly are examples.

507. The Mission welcomes the formation of the National Council for Social Services and its efforts to respond to community needs.

508. The Mission notes that there is no labour union movement. Comprehensive labour legislation is being drafted with technical assistance from the International Labour Organisation (ILO).

509. The Mission notes the lack of general knowledge of the work of the United Nations and recommends that a joint effort be mounted by the administering Power, the territorial Government and the appropriate organs of the United Nations system to rectify this situation.

510. The Mission requests the administering Power to continue to enlist the assistance of the specialized agencies and other organizations within the United Nations system in the development and strengthening of the economy of the Territory.

Appendix I

Statement made by the Chairman of the Visiting Mission to the Cayman Islands, on 17 April 1977

1. I would like, on behalf of the Visiting Mission, to say how happy we are to be here. The members of the Visiting Mission which I have the honour to lead are from Tunisia, Trinidad and Tobago and Fiji. Two members of the Mission come from countries which share a lot in common with yours. As you know, Fiji and Trinidad and Tobago are island countries which have gone through the process of decolonization under the guidance of your administering Power, the United Kingdom of Great Britain and Northern Ireland. Both of us have always retained an interest in Non-Self-Governing Territories, particularly smaller Territories, and have actively participated in the work of the Special Committee and its Sub-Committee on Small Territories. The third member of the Mission is a representative from Tunisia, a Member State which has contributed significantly to the work of the United Nations in the field of decolonization.

2. The United Nations has been deeply involved since its inception in the welfare of dependent Territories and in the related question of decolonization. The inclusion of the question of decolonization in the Charter of the United Nations as an important aspect of the purposes and functions of the United Nations, and the adoption of the Declaration regarding Non-Self-Governing Territories as part of the Charter were major landmarks in bringing the administration of the peoples and Territories under colonial rule within the purview of the international community.

3. Under the Declaration regarding Non-Self-Governing Territories in the Charter of the United Nations, Members responsible for the administration of Territories, whose people have not yet attained a full measure of self-government, accepted certain obligations. In accepting the Charter, Members administering such Territories recognized that the interests of the inhabitants of those Territories were paramount. They accepted as a sacred trust the obligation to promote to the utmost the well-being of the inhabitants of those Territories. The administering Power undertook to ensure the inhabitants' political, social and educational advancement, their just treatment and their protection against abuses. They undertook to develop self-government, to take due account of the political aspirations of the peoples and to assist them in the progressive development of their free political institutions. These obligations of the administering Powers became the concern of the United Nations by virtue of their inclusion in the Charter.

4. In order to implement its role of ensuring the well-being of the inhabitants of Non-Self-Governing Territories as proclaimed in the Charter, the United Nations, through the General Assembly, adopted the often-quoted resolution called the Declaration on the Granting of Independence to Colonial Countries and Peoples (resolution 1514 (XV)). This resolution has become one of the corner-stones of the

work of the Special Committee which was set up to examine the application of the Declaration and to make suggestions and recommendations on the progress of the implementation of the Declaration. The resolution declares that all peoples have the right to determine freely their political status and pursue their economic, social and cultural development. It further states that inadequacy of political, economic, social and educational preparedness should never serve as a pretext for delaying independence.

5. In order to discharge its functions, the Special Committee has adopted various procedures to collect information relevant to its role and the United Nations regarding the Territories coming under the Committee's consideration. The Visiting Mission is here to obtain first-hand information concerning your political aspirations within the full knowledge of options available to you. We are also here to observe at first-hand the progress achieved by you through the assistance of the administering Power in all fields of development in order to help fulfil your legitimate aspirations.

6. Time and again criticisms have been levelled against the United Nations - more especially the Special Committee, of which we as a visiting mission are a part. We are not here to tell you what to do or how to manage your affairs. Rather we are here to gather first-hand information to enable the United Nations not only to be informed but to be better informed on what is happening in your beautiful islands. We do this by talking with the administering Power, with the officials here and, above all, by talking with the Caymanians who must ultimately be the ones to decide the direction which their country must take.

7. A programme for our visit has been agreed upon with the administering Power. We have specifically asked that time be set aside to enable members of the public to come and see us as individuals. There will be some who may find it difficult to speak in a public meeting - for these a time has been set aside to enable them to convey their views to us freely. We hope you will take advantage of the opportunity. Only then will we be able to convey a picture which we hope reflects accurately the views of the people of the Cayman Islands. We hope that we will be able to convey your hopes, your ambitions, your fears but above all your confidence that at the end of the day you can feel that what is to happen represents your genuine hopes and aspirations.

8. For a visiting mission to be successful, the co-operation of the administering Power is not only necessary but paramount. The Special Committee is grateful for the co-operation and assistance so readily available to this Visiting Mission from Her Majesty's Government of the United Kingdom. We look forward to meeting with as many of you as possible. We hope you will let us have your views. Finally, let me reiterate once again that we are here not to meddle in your affairs, but rather to assist you, your administration and the administering Power in arriving at decisions which safeguard your interests.

Appendix II

Cayman Islands: members of the Executive Council and of the Legislative Assembly

A. Executive Council

Chairman:	H.E. Mr. Thomas Russell, C.B.E., Governor
Official members:	Hon. Dennis H. Foster, M.B.E., J.P., Chief Secretary
	Hon. G. E. Waddington, C.B.E., Q.C., Attorney-General
	Hon. Vassel G. Johnson, O.B.E., Financial Secretary
Elected members:	Hon. George Haig Bodden, Bodden Town
	Hon. James M. Bodden, Bodden Town
	Hon. Truman M. Bodden, George Town
	Hon. Captain Charles L. Kirkconnell, Cayman Brac, Little Cayman

B. Legislative Assembly

President:	H.E. Mr. Thomas Russell, C.B.E., Governor
Official members:	Hon. Dennis H. Foster, M.B.E., J.P., Chief Secretary
	Hon. G. E. Waddington, C.B.E., Q.C., Attorney-General
	Hon. Vassel G. Johnson, O.B.E., Financial Secretary
Elected members:	Hon. Annie H. Bodden, M.B.E., George Town
	Hon. George Haig Bodden, Bodden Town
	Hon. James M. Bodden, Bodden Town
	Hon. Truman M. Bodden, George Town
	Hon. Craddock Ebanks, J.P., North Side
	Hon. Dalmain Ebanks, West Bay
	Hon. Esther L. Ebanks, West Bay
	Hon. Captain Charles L. Kirkconnell, Cayman Brac, Little Cayman
	Hon. John McLean, East End
	Hon. Garston Smith, West Bay
	Hon. George Smith, George Town
	Hon. Keith P. Tibbetts Sr., Cayman Brac, Little Cayman

Appendix III

Banks and trust companies licensed to operate by the Government of the Cayman Islands, 1977*

A. Category "A" licence

American Express International Banking Corporation
Arawak Trust Company (Cayman), Ltd. a/
Bank of America National Trust and Savings Association b/
Bank of Virginia (Grand Cayman), Ltd.
Barclays Bank International, Ltd. b/
Barclays Finance Corporation of the Cayman Islands, Ltd.
Canadian Imperial Bank of Commerce b/
Canadian Imperial Bank of Commerce Trust Company (Cayman), Ltd. a/
Caribbean Bank (Cayman), Ltd. b/
Cayman International Trust Company, Ltd. a/
Cayman National Bank and Trust Co., Ltd. b/
Chase Manhattan Trust Cayman, Ltd. a/
Citibank, N.A. b/
Cititrust (Cayman), Ltd.
European-American Bank and Trust Company c/
Guinness Mahon Cayman Trust, Ltd. b/
J. Henry Schroder Banking Corporation
LBI Bank and Trust Company (Cayman), Ltd. b/
Mercantile Bank and Trust Company (Cayman), Ltd. b/
Morgan Guaranty Trust Company of New York
Royal Bank Trust Company (Cayman), Ltd. a/
Swiss Bank and Trust Corporation, Ltd. b/
The Bank of Nova Scotia d/
The Bank of Nova Scotia Trust Company (Cayman), Ltd. a/
The Chase Manhattan Bank a/

---

* Unless otherwise indicated, the banks listed are engaged solely in banking and trust operations.

The Northwestern Bank b/
The Royal Bank of Canada d/
The Royal Bank of Canada International, Ltd. b/
World Banking and Trust Corporation (Cayman), Ltd. b/

B. Category "B" licence

Agri-Industrial Bank
Allamanda Trustees, Ltd. e/
Altajir Bank
American Deposit Trust Company
American International Bank and Trust Company Limited f/
American National Bank and Trust Company of Chicago
Arc Trust Company, Ltd.
Atlantis Bank, Ltd.
Baer American Banking Corporation
Baerbank (Overseas), Ltd. c/
Bahamas International Trust Company, Ltd.
Banco De Colombia, Ltd. c/
Banco Di Roma Finance Company, Ltd.
Banco do Brasil, S.A. c/
Banco do Estado de São Paulo, S.A. c/
Banco Financiero Del Caribe
Banco International Finance, Ltd. c/
Banco Real, S.A. c/
Bank Für Gemeinwirtschaft Aktiengesellschaft
Bank of Bergendal
Bank of Montreal c/
Bank of Montreal Trust Corporation (Cayman), Ltd.
Bank of Credit and Commerce International (Overseas), Ltd.
Bank for Credit and Foreign Commerce (Cayman), Ltd. c/
Bank Hapoalim (Cayman), Ltd.
Bank Intercontinental, Ltd.

Bank Leumi Le Israel, B.M. c/
Bank Leumi Trust Company of New York
Bank Von Ernst Trust Company, Ltd.
Banque Commerciale (Cayman), Ltd.
Banque de l'Ouest c/
Banque Scandinave (Cayman Islands), Ltd.
Barclays Bank of California c/
Baring Sanwa Multinational, Ltd. c/
Berliner Handels und Frankfurter Bank
Bentley and Co., Ltd. g/
BNS International (Hong Kong), Ltd., c/
Bolivar International Merchant Bank
Brazilian American Merchant Bank
Bridge Management (Cayman), Ltd. g/
British Atlantic Bank and Trust, Ltd.
Brown Brothers Harriman and Company c/
Butterfield's Bank and Trust Company, Ltd.
Cabaco, Ltd. c/
Canada International (Cayman), Ltd.
Capital National Bank
Caribbean Bank
Castle Bank and Trust (Cayman), Ltd.
Cayman Overseas Bank and Trust Company, Ltd.
Cayman Trust Bank, Ltd.
Central American Exchange Bank c/
Central National Bank in Chicago
Central Penn National Bank
Channel International Bank (WI), Ltd.
City National Bank of Detroit
Commerce Union Bank
Commercial Banking Corporation
Concord American Bank, Ltd.
Consolidated Trust, Ltd. e/
Continental Bank, Ltd.

Continental Investment Bank

Credit and Finance Corporation, Ltd.

Cowrie, Ltd.

Crédit Lyonnais c/

Crocker International Trust Company (Cayman), Ltd.

Crocker National Bank c/

Deutsche Genossenschaftsbank c/

Deutsche Girozentrale Overseas, Ltd. a/

Discount Bank (Overseas), Ltd.

Dow Banking (Overseas), Ltd.

Dresdner Bank Aktiengesellschaft

Euratlantis Maritime Bank, Ltd. c/

Finansbanken (International), Ltd. c/

First American National Bank of Nashville d/

First National Bank of Commerce c/

First National Bank in Dallas c/

First National Bank of Oregon c/

First National State Bank of New Jersey c/

First Pennsylvania International, Ltd.

First Pennsylvania Overseas Development Company (Cayman), Ltd.

First National Bank of Louisville

First National Bank of Minneapolis c/

First Virginia Bank

Foreign Commerce Bank and Trust Corporation

Foreign Trade Bank, Ltd. g/

Gefinor Bank, Ltd.

Georgetown Trust Company

Girard Trust Bank

Habib Bank Zurich (International), Ltd.

Hentsche and Company International

Hydrocarbons Bank, Ltd.

Industrial National Bank of Rhode Island c/

Industrial Valley Bank and Trust Company c/

Inter-Continental Bank and Trust Company
International Credit and Investment Company (Overseas), Ltd.
International Resources and Finance Bank (Overseas), Ltd. c/
Irving Trust Company
Island Security Bank, Ltd.
Israel Discount Bank, Ltd. c/
K.B.C. Banking Corporation
Kynast Banking, Ltd.
LaSalle National Bank c/
M and G (Cayman), Ltd. g/
M and I Marshall and Ilsley Bank c/
Mediterranean Arab Bank, Ltd.
Mellon Bank, N.A.
Mercantile National Bank at Dallas
Mercantile Trust Company National Association
Midlantic National Bank c/
Multi-Banking Corporation (Overseas), Ltd.
Nagrafin Bank, Ltd. c/
National Central Bank c/
National City Bank of Minneapolis
National Commercial Bank (BWI), Ltd. f/
Neptune Trustees, Ltd. e/
New Jersey Bank (National Association)
Nordic American Banking Corporation c/
North Carolina National Bank
Old Kent Bank and Trust Company
Orag-Bank, Ltd. c/
Overseas Bank (Grand Cayman), Ltd.
Overseas Cayman Trust Corporation, Ltd. h/
Pacific National Bank of Washington c/
Panatrust Corporation, Ltd.
Pariente International Bank
Pelikan Bank

Popular Bank and Trust Company, Ltd.

Privaco Trust Company, Ltd.

Real Bank and Trust Company

Richard Daus and Company Bank and Trust, Ltd.

Royal Bankest, Ltd.

Santo Spirito Trust Company, Ltd.

Security Trust Company (Cayman), Ltd. e/

Simonbank International, Ltd. c/

Societe Bancaire Barclays (Overseas), Ltd.

Solandra Banking, Ltd.

South American Bank and Trust Company

South Carolina National Bank

State National Bank of Connecticut

Sumitomo and East Asia, Ltd. c/

Swiss Bank Corporation

Swiss Italian Banking Corporation, Ltd. g/

Swiss Pacific Bank and Trust Company

Target Trust Managers (Cayman), Ltd. c/

The Arizona Bank

The Bank of New York

The Bank of Tokyo Trust Company (Cayman), Ltd.

The Carolina Bank f/

The Colonial Bank and Trust Company

The Detroit Bank and Trust Company c/

The First National Bank and Trust Company of Oklahoma City c/

The First National Bank of Atlanta c/

The First National Bank of Birmingham c/

The First National Bank of Chicago c/

The First National Bank of Denver c/

The First National Bank of Maryland

The First New Haven National Bank

The Fort Worth National Bank c/

The Hibernia National Bank in New Orleans

The Huntington National Bank of Columbus

The International Commerce Bank

The Irving Bank of Chicago International Subsidiary, Ltd.

The Latin American Bank c/

The Lion Corporation, Ltd. h/

The Merchants Bank Corporation, Ltd.

The Northern Trust Company

The Republic Bank of the West Indies

The Winters National Bank and Trust Company of Dayton

Third National Bank in Nashville

Tokai Asia, Ltd.

Transatlantic Trust Corporation

Transitbank (Cayman), Ltd.

Trinkaus and Burkhardt (International), Ltd.

Trio Bank (Cayman), Ltd.

Trust Company Bank

Trust Corporation (Cayman), Ltd.

UBAF Arab American Bank c/

Ultramar Banking Corporation c/

Underwriters Bank (Overseas), Ltd.

Union Bank of Bavaria (Bayerische Vereinsbank)

Union Bank of Switzerland c/

Union Planters National Bank of Memphis

United Bank International

United Jersey Bank

United States Trust Company of New York

United Trust Overseas Bank, Ltd.

United Virginia Bank

WFC Banking Corporation

Wacayman Banking Corporation, Ltd.

Wachovia Bank and Trust Company, N.A.

Wells Fargo Bank National Association

Westdeutsche Landesbank Girozentrale c/

World Shipping Development Bank

Worldwide Commercial Bank, Ltd.

York International Bank c/

Source: Cayman Islands Department of Finance and Development, George Town, 31 March 1977.

a/ Authorized agents, banking and trust operations.

b/ Authorized agents, authorized dealers, banking and trust operations.

c/ Banking operations.

d/ Authorized agents, authorized dealers, banking operations.

e/ Trust operations.

f/ Restricted banking and trust operations.

g/ Restricted banking operations.

h/ Restricted trust operations.

Appendix IV

Cayman Islands: government revenue and expenditure, 1974-1976

(Cayman Islands dollars)

	1974	1975	1976
Revenue			
Import duty and tonnage tax	4 530 000	4 500 000	4 177 000
Sale of stamps	1 250 000	1 050 000	1 590 000
General tax	131 000	120 200	321 000
Warehouse fees	145 000	110 000	100 000
Companies registration	650 000	1 100 000	1 540 000
Bank and trust licences	600 000	950 000	1 000 000
Tourist accommodation and airport tax	260 000	290 000	390 000
Miscellaneous revenue	636 337	832 186	2 416 531
Total local recurrent revenue	8 202 337	8 952 386	11 534 531
Overseas Service Aid Scheme and development aid	969 718	363 699	177 018
Loan funds	2 753 809	2 753 162	2 022 339
General reserve balance	...	...	...
Total revenue	11 925 364	12 069 247	13 733 888
Expenditure			
Recurrent			
Administration and general	1 077 601	1 385 898	1 266 257
Revenue collection departments	1 443 868	1 898 449	1 701 911
Education, health and Mosquito Research and Control Unit	2 003 727	765 359	3 151 195
Public Works Department	660 326	416 116	693 180
Public debt charges	166 294	718 591	685 603
Revenue earning departments	615 145	1 318 715	1 101 314
Other	982 788	2 820 696	1 820 643
Total recurrent expenditure	6 938 380	9 323 824	11 420 103
Capital			
Land purchase and development	612 509	374 050	-
Docking facilities	-	-	1 497 721
Buildings	2 669 562	993 276	770 871
Furniture, equipment and vehicles	378 904	437 199	-
Roads	1 223 665	710 810	256 454
Security fencing	-	-	43 749
Other construction	279 750	1 201 000	-
Other	-	-	507 346
Other schemes, Mosquito Research and Control Unit, natural resources and water studies	230 140	1 149 416	-
Total capital expenditure	5 412 521	4 875 760	3 076 141
General revenue balance			
Opening balance, 1 January	2 173 610	2 016 035	(414 760)
Deficit on year	425 537	(114 302)	(177 116)
Closing balance, 31 December	1 748 073	(114 302)	(177 116)

Sources: The Cayman Islands Government Report for the Year 1974; ibid., 1975 and 1976.

Appendix V

Cayman Islands: public debt

		(Cayman Islands dollars)
Roads and airport resurfacing loans, 1958 (Intercolonial loan, 1978)		
Amount due at 1 January 1976	160 000	
Less sinking fund	135 084	
		24 916
Intercolonial loan, 1981		
Amount due at 1 January 1976	50 000	
Less sinking fund	34 735	
		15 265
Intercolonial loan, 1983		
Amount due at 1 January 1976	50 000	
Less sinking fund	26 214	
		23 786
Exchequer loan, 1967		
Airport rehabilitation (principal repayment commenced in 1974)	514 000	
Less repayments to 1975	16 831	
		497 169
Airport extension	40 000	
Less repayments to 1975	6 605	
		33 395
Barclays Bank loan (local)		
Approved in 1967 to reconstruct the Bodden Town - East End - North Side roads	400 000	
Less repayments to 1975	100 000	
		300 000
	Carried forward	894 531

		(Cayman Islands dollars)
Brought forward		894 531
Consortium loan (local)	(United States dollars)	
Repayment commences 1 May 1977 and ends in 1986		
Two equal instalments payable in May and November at approximately $US 426 220 per annum	4 262 195	3 500 122
Port expansion loan (Caribbean Development Bank)	(Cayman Islands dollars)	
Repayment to commence July 1977. Schedule is amortized over the period July 1977-January 1994		2 200 000
Loans, British Development Division (interest free)	(pounds sterling)	
Loan No. 1 (1975), broadcasting station	85 580	124 091
Repayment commences 1 December 1982 and ends in 2000. Two equal instalments at half yearly intervals, £4,800 per annum		
Loan No. 2 (1975), security fencing, Public Works Department	30 172	43 749
Repayment commences 1 April 1983 and ends in 2000 at £1,700 per annum		
Loan No. 3 (1975), Learning Resources Centre	116 286	168 615
Repayment commences 1 January 1983 and ends in 2000. Two equal instalments at half yearly intervals, £6,600 per annum		
Loan No. 4 (1975), printing facilities	16 572	24 029
Repayment commences 1 January 1983 and ends in 2000. Two equal instalments at half yearly intervals, £940 per annum		
Loan No. 5 (1975), Cayman Brac Airport	152 467	207 355
Repayment commences 1 January 1984 and ends in 2001. Two equal instalments at half yearly intervals, £8,600 per annum		
Note: Loans 1-4 converted at $CI 1.45 and No. 5 converted at $CI 1.36. The dollar equivalents are subject to change because of fluctuating conversion rates.		
Total loan outstanding as at 1 January 1976		$CI 7 162 492

Source: Estimates of Revenue and Expenditure of the Cayman Islands for the Year 1977, pp. 5-6.

Appendix VI

Cayman Islands: students studying abroad under government sponsorship, 1977

Field of study	Course of study	Institution
1. Humanities		
Rynlee Webb	Psychology	University of Florida, Gainesville, United States of America
2. Education		
Sharon Welds	College course	Erdiston Teachers' Training College, Barbados
Marie Martin	" "	"
Angela Tatum	" "	"
Ellen Sue Tibbetts	" "	Weymouth College of Education, England
Lana Tibbetts	" "	"
Oswell Rankine	Degree course	Bristol College, England
J. Arthur Bodden	" "	Trent University, Canada
Arthurlyn Ebanks	" "	Guelph University, Canada
Dona Ryan	" "	Lamar University, Texas, United States of America
David Barnes	" "	New York State University, United States of America
3. Fine arts		
Gary Ebanks	Music	University of Miami, United States of America
4. Law		
Lorna Dilbert	Law (LL.B.)	University of the West Indies, Barbados
Steve McField	Bar finals	Lincoln's Inn, England
5. Social sciences		
Leonard Dilbert	Political science	MacMaster University, Canada
Jennifer Jackson	Economics	Brock University, Canada
Joseph C. Ebanks	Accounts	Drake College of Business, New Jersey, United States of America
Karen Nixon	Social welfare	Florida State University, United States of America
6. Natural sciences		
Jerris Miller	College course	University of the West Indies, Jamaica
Gene Banks	Mathematics (B.Sc.)	Thames Polytechnic, England
Joseph Parsons	Marine biology	Miami, Dade Community College, United States of America
7. Engineering		
James Arthur Smith	Electronics and electrical engineering	University of Surrey, England
Nigel Miller	Auto mechanics	National Technical Schools, Los Angeles, United States of America
8. Medical science		
Neely Panton	M.B., B.S.	University of the West Indies, Jamaica
Balfour Christian	M.B., B.S.	"
Zillah Johnson	Physical therapy	"
Hazel Bush	Nursing	West Indies College, Jamaica
Annie Mae Anderson	"	Royal Masonic Hospital School of Nursing, London, England
Sarah Jefferson	"	Miami, Dade Community College, United States of America
Evette Jackson	"	William Carey College, Mississippi, United States of America
Juline Fay Porter	"	"
Delroy Webb	Dentistry	University of South Florida, United States of America
Donald McLean	Pharmacology	Florida A and M University, United States of America
Marvin Connolly	Optometry	Miami, Dade Community College, United States of America
Harwell McCoy	Dentistry	Louisiana State University, United States of America
Lloyd Bush	Medical technology	Mandl School of Technology, New York, United States of America
Jennifer Ebanks	Dietetics	Sir Sanford Fleming College, Ontario, Canada
William Bodden	M.B., B.S.	University of the West Indies, Jamaica

Source: Principal Secretary, Department of Health, Education and Social Services, Government of the Cayman Islands.

Appendix VII

Cayman Islands: students training abroad, 1976

Name	Course	Institution	Date of commencement	Duration	Date of completion	Financing
Bridget Glasgov	Nursing	Jamaica School of Nursing	September 1973	3 years	October 1976	Treasury approp.
Annie Kay Johnson	"	St. Thomas Hospital	January 1974	"	December 1977	C.I. Govt./Treasury approp.
Linda Walton	General nursing	Jamaica School of Nursing	September 1974	"	July 1977	Treasury approp.
Lana Tibbetts	Teacher-training diploma	Weymouth College of Education, England	September 1974	"	June 1977	C.I. Government
Pauline Nelson	General nursing	Jamaica School of Nursing	"	"	"	Treasury approp.
Sarah Jefferson	Nursing	Miami Dade Community College, United States of America	August 1975	2 years	July 1977	C.I. Govt.
George McIrvin	Hotel management	Hotel Training Council, Bahama	September 1975	"	"	Commonwealth Secretariat
Rollin Jackson	"	"	"	"	"	"
Thelma Myrie-Luke	"	"	"	"	"	"
Juline Fay Porter	Nursing	William Carey College, United States of America	August 1974	3 years	July 1978	C.I. Govt.
Leonard Dilbert	English (B.A.)	McMaster University, Canada	September 1974	4 years	"	"
Janice Ebanks	Teacher-training	Weyworth College of Education	"	"	"	"
James Arthur Smith	Electronics and electrical engineering (B.Sc.)	University of Surrey, England	October 1974	"	"	"
Annie Mae Anderson	Nursing	Royal Masonic Hospital of Nursing, London	January 1975	3 years	December 1978	"
Evette Jackson	"	William Carey College	August 1975	"	July 1978	"
Thomas Jefferson	B.A. and M.A.	University of South Florida, United States	September 1975	2 1/2 years	April 1978	United Nations and C.I. Govt.
Zillah Johnson	Physical therapy	University School of Physical Therapy	October 1975	3 years	June 1978	C.I. Govt.
Harwell McCoy	Dentistry	Louisiana State University, United States	September 1972	7 years	June 1979	"
Allan Moore	Electronic engineering (B.Sc.)	Warner Pacific College, United States	September 1975	4 years	July 1979	C.I. Govt.
Gary Ebanks	Music (B.A.)	University of Miami, United States	August 1975	"	"	"

Appendix VII (continued)

Name	Course	Institution	Date of commencement	Duration	Date of completion	Financing
Arthurlyn Ebanks	Education (B.A. and Dip.)	Guelph University, Canada	January 1976	4 years	September 1980	C.I. Govt.
Delroy Webb	Dentistry	University of South Florida	January 1975	6 years	December 1981	"
Ellen Sue Tibbetts	Teacher-training	Weymouth College of Education	September 1976	3 years	June 1979	"
Jerris Miller	Sanitary engineering (B.Sc.)	University of the West Indies	"	"	"	"
Joseph C. Ebanks	Accounting	Drake College of Business	"	1 year	June 1977	"
Sharon Welds	Teacher-training	Erdiston Teachers' Training College	"	2 years	June 1978	"
Marie Martin	"	"	"	"	"	"
Angela Tatum	"	"	"	"	"	"
Joseph C. Parsons	Biology	Miami Dade Community College	"	"	"	"
Karen Nixon	Sociology (B.A.)	Florida State University	"	"	"	"
Jennifer Jackson	Economics (B.A.)	Brock University, Canada	"	3 years	June 1979	"
Donald McLean	Pharmacology	Florida A and M University, United States	"	"	"	"
Hazel Bush	Nursing (B.Sc.)	West Indies College	"	"	"	"
Lloyd Bush	Laboratory technician	Mandl School of Technology, New York, United States	"	2 years	June 1978	"

Source: Principal Secretary, Department of Health, Education and Social Services, Government of the Cayman Islands.

Appendix VIII

Members of the Cayman Islands Chamber of Commerce, 1977

Member	Representative
* Alices Texaco Station	A. V. Anderson
Arawak Trust Company (Cayman), Ltd.	Sydney Coleman
Artifacts, Ltd.	S. Dutton
Bank of America NT and SA	C. H. Knoblauch
(The) Bank of Nova Scotia	C. M. Smith
(The) Bank of Nova Scotia Trust Company (Cayman), ltd.	R. D. Ellis
Barclays Bank International, Ltd.	G. Stirzaker
Beach Club Enterprises, Ltd.	Joh . K. Hanna
* Black Coral and ..., Ltd.	Carlyle Ebanks
Truman Bodden and Company	Truman Bodden
* Bodden Motors, Ltd.	George Seymour
Martyn Bould	M. C. W. Bould
Butterfield's Bank and Trust Company, Ltd.	P. Bailey
By Rite, Ltd.	D. R. Wight
Cable and Wireless (West Indies), Ltd.	B. Ward
Canadian Imperial Bank of Commerce	A. Skovmose
Canadian Imperial Bank of Commerce Trust Company (Cayman), Ltd.	Andrew Jackson
* Caribbean Bank (Cayman), Ltd.	C. J. Whitelock
* Caribbean Gems and Jewellery, Ltd.	D. Smith
Caribbean Utilities Company, Ltd.	E. Bowyer
Castle Bank and Trust (Cayman), Ltd.	A. R. Field
Cayman Air Conditioning Company, Ltd.	J. R. Bodden
* Cayman Airways, Ltd.	Norman W. Bodden
Cayman Aqua Gardens, Ltd.	W. L. Everson
Cayman Distributors, Ltd.	Ken Hall
Cayman Drug, Ltd.	Brian Eustace
* Cayman Economy Cars, Ltd.	G. A. Bodden
Cayman Free Press	B. Uzzell
Cayman Imports, Ltd.	Hurley Merren

Member	Representative
Cayman International Trust Co., Ltd	P. Townsend
Cayman Island Basic Industries	M. Dise
Cayman Islands Bus and Transport Company, Ltd.	Ira Walton
* Cayman Islands Taxi Cab Association	Ira Walton
Cayman Management Services, Ltd.	I. Paget-Brown
Cayman National Bank and Trust Company, Ltd.	P. A. Tomkins
* Cayman Optical and Photo Service	Innis McTaggart
Cayman Tours and Travel, Ltd.	Hugh Coxe
Cayman Turtle Farm, Ltd.	Dr. W. A. Johnson
Citibank, N.A.	C. Bain
* Ralph Coatsworth	Ralph Coatsworth
(The) Colonial Bank and Trust Company	C. A. Rowlandson
Columbus, Ltd.	N. Cruickshank
Comart, Ltd.	William Coe
(Honorary) Commercial Representative, Government of Canada, Department of Industry, Trade and Commerce	Mrs. J. Eustace
B. O. Ebanks and Sons	B. O. Ebanks
* Spurgeon A. Ebanks	Iva Ebanks
Edwards and Muse Insurance (1974), Ltd.	M. Muse
Christopher Evans	C. Evans
Far Away Places	Mrs. C. McGaw
* C. L. Flowers and Sons, Ltd.	C. L. Flowers
Foster Brothers, Ltd.	H. Duquesnay
C. S. Gill	C. S. Gill
Grand Cayman Craft Market	John Gunter
Grand Cayman Estates, Ltd.	W. C. Rackley
* Guiness Mahon Cayman Trust, Ltd.	John Collins
Hampstead, Ltd.	D. Diedrick
Harbour House Marina	S. McSorley
* Hobbies and Books, Ltd.	W. H. Adam
* Home Supplies, Ltd.	T. R. Bodden
* Hunter and Hunter	A. Hunter

Member	Representative
* (The) Insurance Company of the Cayman Islands, Ltd.	K. P. Tibbetts, Jr.
International College of the Cayman Islands	J. H. Cummings
International Management Services, Ltd.	Paul Harris
Island Interiors, Ltd.	Gurney Panton
* Kel's Farm Supplies	Norberg Thompson
* Alan N. Kimble	A. N. Kimble
* Kirkconnell Brothers, Ltd.	J. Smith
L. B. I. Bank and Trust Co. (Cayman), Ltd.	G. Ansell
Mango Tree Drive In	D. Simmons
Maples and Calder	Douglas Calder
William H. McTaggart	W. H. McTaggart
Mercantile Bank and Trust Company (Cayman), Ltd.	N. Duggan
* H. O. Merren and Company, Ltd.	V. C. M. Bodden
* Moxam Industries, Ltd.	Rupert Moxam
Myries Pest Control Service	C. Myrie
National Car Rentals	Murray Mitten
National Employers Mutual General Insurance Association, Ltd.	J. Joyce
(The) Northwester Company, Ltd.	Desmond Seales
(The) Northwestern Bank	M. S. Edwards, Jr.
Oasis Holdings, Ltd.	Veronica De Cano
Onions Bouchard and McCulloch	W. Bissell
Pannell Fitzpatrick and Company	R. Graham-Taylor
Panstructures, Ltd.	R. G. W. Willcocks
Peat Marwick Mitchell and Company	Michael Austin
* Pioneer Builders, Ltd.	D. R. Arch
Derek H. M. Price and Company	D. H. M. Price
Price Waterhouse and Company	R. O. Moyle
(The) Print Shop	Desmond Seales
* Ranja Construction Company, Ltd.	S. Thomas Bodden
Richardson Securities of Canada	Evans S. Ross
Robert Roth	R. Roth
(The) Royal Bank of Canada	H. A. Jacobsen

Member	Representative
(The) Royal Bank of Canada International, Ltd.	P. Leggatt
Royal Bank Trust Company (Cayman), Ltd.	John Morgan
Peter Isbell Associates	P. Isbell
Rutkowski, Bradford and Partners	C. R. Rutkowski
J. Henry Schroder Banking Corporation	Paul Wise
Jacques Scott and Company	D. W. Foster
Shirley's Super Store	R. M. Powell
Southern Airways, Inc.	G. Benoit
* Sun Isle Insurance Company, Ltd.	A. D. Rollings
Swiss Bank and Trust Corporation, Ltd.	R. L. Bond
W. A. Thompson Agencies, Ltd.	Chris Talbert
Touche Ross and Company	T. A. Wylie
Trust Corporation (Cayman), Ltd.	D. M. Wheaton
* Vampt Motors, Ltd.	T. R. Bodden
* W. S. Walker and Company	W. S. Walker
Mike Watler	Mike Watler
* West Indian Club	Rudi Selzer
West Wind Holdings, Ltd.	W. Bazelmans
World Banking and Trust Corporation (Cayman), Ltd.	R. Pierce
Transnational, Ltd.	Ian Kilpatrick
* A. L. Thompson Building Supplies	
* P. Phillips	

Honorary Members

H.E. Governor Thomas Russell

The Honourable Financial Secretary

The Honourable Member for Tourism, Aviation and Trade

---

* Represented at the meeting.

Source: Secretary, Cayman Islands Chamber of Commerce.

Appendix IX

Members of the public who met with the Visiting Mission to the Cayman Islands

Dr. Roy E. McTaggart, businessman: supermarkets, paint store, gas station, car dealership, freeport shop

Captain Theo Bodden, businessman: Ford car dealership, Toyota car dealership, home gas, furniture and home appliances, flower shop, funeral services

Steve and David Foster, businessmen: Rent-a-car

Norman Bodden: manager of Cayman Airways

Dr. Edlin Merren: private dental practice, renting of apartments

Kent Rankin, businessman: carpeting services, tiling business

Derek Wight, businessman: in supermarket and other business with Dr. McTaggart

Richard Arch, businessman: free art shop, clothing and souvenir shop

John Jefferson, businessman: restaurant

Billy Adams, businessman: bookshop

Corine Thompson, businesswoman: hardware store, housing rentals

Consuelo Ebanks: manageress of local cinema

Lassie Bush

Queenie Ebanks businesswoman: grocery store

Berna Hargest: headmistress of local school

Ena Watler: Justice of the Peace

Rita McMurray: housewife

Victoria Ebanks: housewife

Grace Powery: housewife

Mr. and Mrs. Tommie Adams, businesspeople: insurance

David Yates: truck driver

Reverend and Mrs. Jonas Shepherd

Stephen and Patricia Smith: retired United States nationals

William Jackson: retired sea captain

Bertram Ebanks: church worker

Corinthia Bodden: runs nursery school

Rupert Ebanks: immigration officer

James A. Lawrence, businessman: housing rentals

Anita Ebanks: school teacher

Arley J. Miller, businessman: owns night club and pest control business

Appendix X

Letter dated 19 April 1977 from Stephen and Patricia Smith, addressed to the members of the Visiting Mission

To: UNITED NATIONS MISSION

GRAND CAYMAN ISLAND

A PLEA TO ALL SHIPS

TO

REFRAIN FROM DUMPING

AND CLEANING OUT

BUNKER OIL

FROM THEIR VESSELS

INTO

THE OCEANS

Honourable Sirs,

1. We beseech you to bring to the attention of the United Nations the horrible ravages to the beaches of the north, north-east and south shores of Grand Cayman, by the acts of ships passing these islands and unloading and cleaning out their bunkers as they proceed towards their destination.

2. All storage holds, for oil in ships, are bunkers and a sludge residue gathers in the bottom of the bunkers.

3. Bunker oil is a heavy, sludgy oil which collects in small beads, blobs and globs; some even reaching soccer-ball size. It washes ashore and mars the sand and rock.

4. Everyone knows there is an energy crisis, and this valuable bunker oil is wasted in the sea, also upon the beaches and shores of Grand Cayman.

5. The ruin and devastating effect on the shores, swimming beaches, shoreline and marine life is horrendous to behold.

6. We are precisely aware of the damage caused by this act, within the areas marked on this map, as we are constantly walking and hiking along these areas.

7. We are part-time residents on this lovely island, residing at Gun Bay, East End; returning to the United States in late May. Eventually, in the near future, we expect to be full-time residents.

8. These islands are so beautiful in natural surroundings. The Caymanian people are unspoiled, friendly, tolerant, hospitable and loving. We are sad to see this unwanted, unnecessary destruction of their homeland.

9. Tourism is the only profitable means they have of making a living.

10. Because of the tourists, there are hotels to be maintained; roads to be built; services and shops to be staffed. With the advent of much more oil on the beaches, tourists are not going to want to come to a place where your shoes are ruined by walking on the shore; your clothing and body is constantly being smeared with a tar-like substance. One has to stop by the hotel or beach club or cottage entrance and avail oneself of the bottle of kerosene and paper towel to clean oneself off, before proceeding into the building.

11. This creates a bad impression on visitors, plus costing them money to replace clothing or footwear, if the damage is too severe to be cleaned off.

12. As yet, Seven Mile Beach, where most of the tourism is centred, has not been adversely affected by this problem; but should the wind change and bring it in their direction, the results would be most alarming in a very short time.

13. Aeroplanes flying north of the island have sighted several oil slicks, and it is announced in the paper and on the radio, and we are helpless and must just wait for the wind to bring it to the shores.

14. We speak for ourselves, but know that hundreds of people would reiterate our words and second our statements.

15. Thank you for this opportunity to present our entreaty; we trust some result may occur from our plea.

Appendix XI

Letter dated 20 April 1977 from Dr. Roy E. McTaggart addressed to the Chairman of the Visiting Mission

As the leader of the representative group of businessmen of Grand Cayman who met with you and your party yesterday, I wish to thank you for so graciously receiving us and listening to our opinions regarding the question of the future status of the Cayman Islands.

I am sure that after listening very carefully as you did to the various speakers who were present that you could only conclude that we, the people of the Cayman Islands, are very satisfied with our present status as a British Crown colony. As was emphasized very strongly in the meeting, there is a unanimous feeling that there is no desire nor need for independence.

We are a proud and independent people but we know the limitations of our independence which means that we have no desire to sever our long connexion with our mother country. We are proud of our identification with Great Britain. We wish to maintain our heritage.

Caymanian leaders have proven themselves wise in their past judgements when offered constitutional changes, such as declining the invitation to join the ill-fated Federation of the West Indies in the late 1950s and later in 1962 electing to remain as a British Crown colony rather than becoming independent in association with Jamaica. These decisions have resulted in our not suffering the same social and economic problems with which those countries are now burdened. We have observed with interest the changes which have taken place in other former colonies in the Eastern Caribbean, viz., Trinidad and Tobago, Barbados and Guyana. These changes would not be acceptable to the people of the Cayman Islands. We do not feel that any benefits have been derived by their receiving their independence.

Several years ago Cayman began to prosper and grow to the benefit of the entire population. Development was steady until we began to feel the effects of the recession in the United States and, unfortunately, the liquidation of a local bank at the same time. We experienced a slump which retarded business somewhat but have been able to overcome this and now today our economy is vastly improved with everyone again sharing in the benefits. We have a great future before us. People in general are confident in the present system of government and feel a responsibility to work with the leadership in vital decision making.

We have no objections to organizations such as yours making suggestions and would seek your advice in the future if and when we should see the need for a change. At the present time, however, we feel that we have the best system for our own particular needs.

cc: H.E. Governor Thomas Russell
Mr. Kurt Waldheim, Secretary-General of the United Nations
The Caymanian Compass
The Nor'wester

Appendix XII

Undated letter from James A. Lawrence

I am completely opposed to any form of constitutional change for the Cayman Islands for the following reasons:

(a) Of a population of over 13,000 people, I have heard only about 16 voice any favourable interest in this direction. Of the 16, only about 6 were vigorously in favour.

(b) Time has proven that seldom, if ever, does self-rule succeed in such a small Territory. Added to that problem is the complete lack of natural resources, other than political stability.

(c) Part II of our Constitutional Order of 1972 bestows upon the Cayman Islands a form of government that is the envy of many of the so-called independent countries. (It would perhaps be well for the Special Committee of 24 to study this.)

(d) The people of the Cayman Islands have fared well under British rule, and all signs point to a continuation of this arrangement.

Appendix XIII

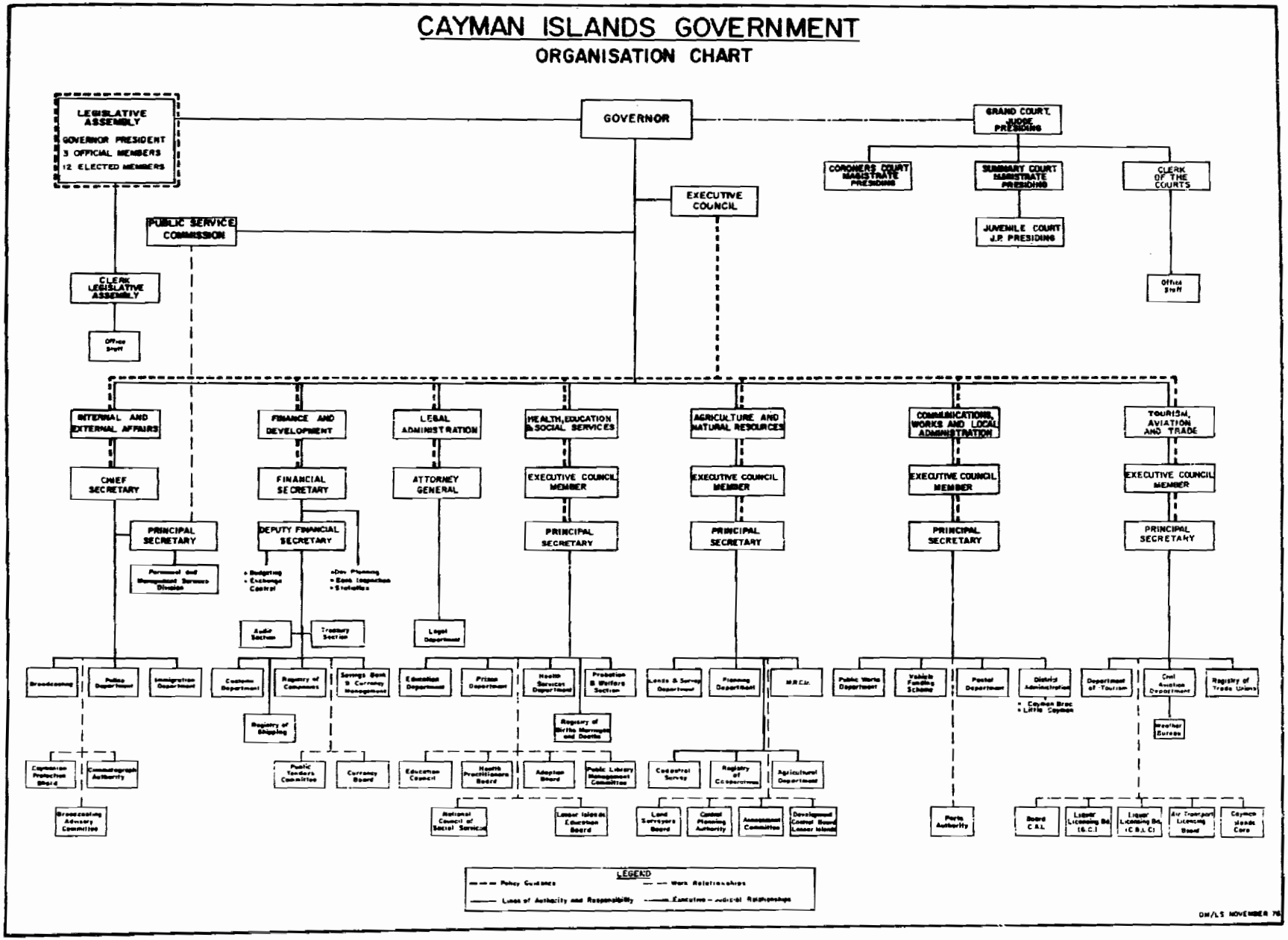
Letter dated 22 April 1977 relating to the civil service

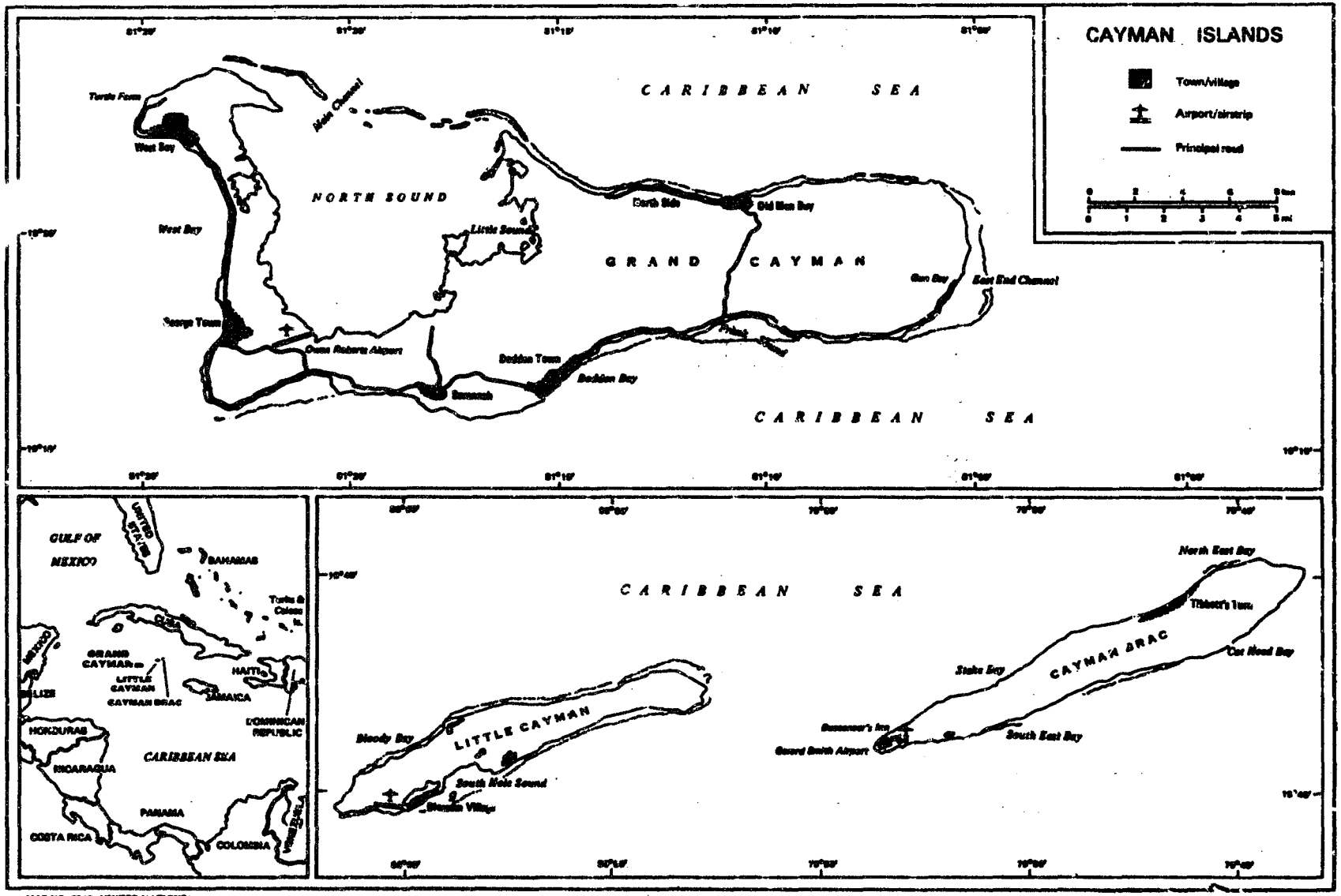
I feel that unless more and immediate emphasis is placed on preparing Caymanians to assume the top jobs within the civil service, the seeds of discontent that already exist will flourish and who knows what the outcome will be.

Even if the top jobs are to be filled by expatriate officers for some time to come, Britain must exercise more care in the selection of those officers in terms of their attitudes towards the Caymanian national. Arrogance will not be tolerated by Caymanians.

/The writer of this letter wished to remain anonymous/

ORGANIZATION CHART OF THE CAYMAN ISLANDS GOVERNMENT





MAP NO. 3848 UNITED NATIONS
JULY 1997

CHAPTER XXVII

(A/32/23/Add.6 (Part II))

UNITED STATES VIRGIN ISLANDS

CONTENTS

		Paragraphs	Page
A.	CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 11	129
B.	DECISION OF THE SPECIAL COMMITTEE	12	130
ANNEX:	REPORT OF THE UNITED NATIONS VISITING MISSION TO THE UNITED STATES VIRGIN ISLANDS, 1977		132

CHAPTER XXVII

UNITED STATES VIRGIN ISLANDS

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 1060th meeting, on 31 January 1977, by approving the eightieth report of the Working Group (A/AC.109/L.1137), the Special Committee decided, inter alia, to refer the United States Virgin Islands to the Sub-Committee on Small Territories for consideration and report.

2. The Special Committee considered the item at its 1072nd and 1098th to 1100th meetings, between 21 April and 20 September.

3. In its consideration of the item, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 31/143 of 17 December 1976 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By paragraph 12 of this resolution, the Assembly requested the Special Committee, inter alia, "to continue to seek suitable means for the immediate and full implementation of General Assembly resolution 1514 (XV) 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 to report thereon to the General Assembly at its thirty-second session". The Special Committee also took into account General Assembly resolution 31/57 of 1 December 1976 concerning the United States Virgin Islands, by paragraph 9 of which the Assembly requested the Committee "to continue to seek the best ways and means for the implementation of the Declaration with respect to the United States Virgin Islands, including the possible dispatch of a visiting mission in consultation with the administering Power ...".

4. The representative of the United States of America, as the administering Power concerned, participated in the work of the Special Committee during its consideration of the item.

5. At the 1072nd meeting, on 21 April, the Chairman announced that, further to his consultations with the Permanent Representative of the United States to the United Nations concerning the question of sending visiting missions to Territories, referred to in the related report (see chap. III of the present report, annex (A/32/23/Rev.1, vol. I)), the Government of the United States had invited the Special Committee to send a visiting mission to the United States Virgin Islands. At the same meeting, the Special Committee decided to accept the invitation and, on the proposal of the Chairman on the basis of related consultations, agreed that the Visiting Mission should be composed of Fiji (Chairman), Mali, Trinidad and Tobago and Tunisia.

6. At its 1098th meeting, on 13 September, in the light of related consultations undertaken by the Chairman, the Special Committee took up the question of the United States Virgin Islands directly in plenary meeting.

7. At the same meeting, the Chairman of the Visiting Mission introduced the report of the Mission (see annex to the present chapter). The representative of the United States made a statement (A/AC.109/PV.1098).

8. At the 1099th meeting, on 16 September, the Chairman of the Special Committee drew attention to a draft consensus concerning the United States Virgin Islands (A/AC.109/L.1203), submitted by the members of the Visiting Mission. Statements were made by the representatives of Australia, Mali, the Ivory Coast and Iraq, as well as by the Chairman (A/AC.109/PV.1099).

9. At its 1100th meeting, on 20 September, the Special Committee had before it a revised draft consensus (A/AC.109/L.1203/Rev.1), in which the following new paragraph was added as the second paragraph:

> "2. The Special Committee reaffirms the inalienable right of the people of the United States Virgin Islands to self-determination and independence in accordance with the Declaration contained in resolution 1514 (XV)."

10. At the same meeting, the Special Committee adopted the revised draft consensus without objection (see para. 12 below). Statements were made by the Chairman and by the representative of the United States (A/AC.109/PV.1100).

11. On 21 September, the text of the consensus (A/AC.109/557) was transmitted to the Permanent Representative of the United States to the United Nations for the attention of his Government.

B. DECISION OF THE SPECIAL COMMITTEE

12. The text of the consensus (A/AC.109/557) adopted by the Special Committee at its 1100th meeting, on 20 September, to which reference is made in paragraph 10 above, is reproduced below:

(1) The Special Committee, recalling General Assembly resolution 1514 (XV) of 14 December 1960, containing the Declaration on the Granting of Independence to Colonial Countries and Peoples, having examined the report of the United Nations Visiting Mission dispatched to the United States Virgin Islands in April 1977 1/ at the invitation of the administering Power, the United States of America, and having heard the statements of the Chairman of the Visiting Mission, 2/ and the administering Power, 3/ takes note of the report of the Visiting Mission and the observations, conclusions and recommendations contained therein.

(2) The Special Committee reaffirms the inalienable right of the people of the United States Virgin Islands to self-determination and independence in accordance with the Declaration contained in resolution 1514 (XV).

1/ See annex to the present chapter.

2/ A/AC.109/PV.1098.

3/ A/AC.109/PV.1098 and 1100.

(3) The Special Committee notes with satisfaction the constructive work accomplished by the Visiting Mission and expresses its appreciation to the administering Power and the Government of the United States Virgin Islands for the co-operation and assistance extended to the Mission.

(4) The Special Committee requests the administering Power to take all necessary measures to assure the full implementation with regard to the Territory of the relevant provisions of the Charter of the United Nations and the Declaration.

(5) The Special Committee decides, subject to any directives which the General Assembly might give in this regard at its thirty-second session, to continue the examination of this question at its next session in the light of the findings of the Visiting Mission.

ANNEX*

REPORT OF THE UNITED NATIONS VISITING MISSION TO THE UNITED STATES VIRGIN ISLANDS, 1977

CONTENTS

		Paragraphs	Page
Introduction		1 - 7	133
I.	Information on the Territory	8 - 188	135
II.	Programme of meetings	189 - 317	172
III.	Discussions held in Washington, D.C.	318 - 363	197
IV.	Observations, conclusions and recommendations	364 - 381	206

Appendices

I.	Itinerary of the United Nations Visiting Mission to the United States Virgin Islands, 1977	210
II.	United States Virgin Islands: personal income and per capita personal income, 1960-1975	212
III.	United States Virgin Islands: visitors to the Territory by means of arrival, 1950-1976	213
IV.	United States Virgin Islands: tourist facilities, 1960-1976	214
V.	United States Virgin Islands: estimated tourist expenditure, 1960-1976	215
VI.	United States Virgin Islands: external trade, 1960-1975	216
VII.	United States Virgin Islands: employment and unemployment, 1960-1976	217
Map of the United States Virgin Islands		218

---

* Previously issued under the symbol A/AC.109/L.1198.

INTRODUCTION

A. Terms of reference of the Visiting Mission

1. At its thirty-first session, the General Assembly adopted resolution 31/57 of 1 December 1976 concerning the United States Virgin Islands, which read in part as follows:

> "The General Assembly,
>
> "...
>
> "6. Requests the administering Power to consider favourably inviting a United Nations mission to visit the United States Virgin Islands for the purpose of observing conditions in the Territory and learning first-hand of the aspirations of the people concerning their political status;
>
> "...
>
> "9. Requests the Special Committee to continue to seek the best ways and means for the implementation of the Declaration with respect to the United States Virgin Islands, including the possible dispatch of a visiting mission in consultation with the administering Power, and to report to the General Assembly at its thirty-second session on the implementation of the present resolution."

2. At the 1072nd meeting of the Special Committee, on 21 April 1977, the Chairman announced the decision to accept the first invitation received by the Committee to send a visiting mission to a Non-Self-Governing Territory administered by the United States of America. On the proposal of the Chairman, the Committee agreed that the members of the mission would be Fiji (Chairman), Mali, Trinidad and Tobago and Tunisia (A/AC.109/PV.1072).

B. Composition of the Visiting Mission

3. The composition of the Mission was as follows:

Mr. Berenado Vunibobo	Fiji (Chairman)
Mr. Noumou Diakite	Mali
Mr. Philip R. A. Sealy	Trinidad and Tobago
Mr. Mohamed Bachrouch	Tunisia

4. The Mission was accompanied by the following staff members of the United Nations Secretariat: Mr. Tsung-Lung Kuo, Principal Secretary; Mr. Kenneth N. Jordan, Political/Administrative Officer; Mr. Kibbe Fitzpatrick, Interpreter; Miss Hazel Bryan, Interpreter; and Miss Martha Springer, Secretary.

Mr. John Kriendler, Political and Security Affairs Adviser of the Permanent Mission of the United States to the United Nations, also accompanied the Mission as the representative of the administering Power.

C. Itinerary

5. The United Nations Visiting Mission to the United States Virgin Islands, 1977, the first mission appointed by the Special Committee to visit the Territory and to report on conditions there, arrived at Charlotte Amalie, the capital, on 24 April 1977 and remained in the Territory until 1 May. After its return to New York, the Mission visited Washington, D.C. from 30 June to 1 July for consultations with representatives of the administering Power and with Mr. Ronald de Lugo, the Territory's non-voting delegate to the United States House of Representatives. The Mission's itinerary is set out in appendix I to the present report. The present report was adopted by the Mission on 31 August 1977.

6. The Mission had discussions with the Governor, the Honorable Cyril E. King, and senior officials of his Administration, the members of the Legislature, members of the Chamber of Commerce, trade unionists and teachers and held public meetings on the three main islands. All of these, added to the large amount of written and printed materials made available to it, helped the Mission greatly in undertaking its task.

D. Acknowledgements

7. The Mission wishes to place on record its appreciation to the United States Government for the close co-operation, assistance and courtesy it received during its consultations. It also wishes to express its thanks for the kind hospitality and co-operation extended by the Governor and people of the United States Virgin Islands.

I. INFORMATION ON THE TERRITORY

A. General description

8. The United States Virgin Islands are located some 1,434 nautical miles south-east of New York City, 991 nautical miles south of Miami and 40 nautical miles east of Puerto Rico. The Territory consists of about 50 islands and islets, of which three are inhabited and of economic importance. They are St. Croix (217 square kilometres), St. Thomas (72 square kilometres) and St. John (51 square kilometres).

9. The islands are of volcanic origin. St. Thomas and St. John are rugged and mountainous, their highest elevation being 457 and 396 metres respectively. St. Croix is 64 kilometres south of St. Thomas, is relatively flat, rises abruptly on the north and east to 304 metres and then changes to a low-lying plain along its southern coast.

10. The excellent natural harbour at Charlotte Amalie makes St. Thomas one of the favourite ports of call for cruise ships. It is the commercial and tourist centre of the Territory. The smallness of the island and its ruggedness limit the area of land which can be cultivated.

11. St. Croix, with its larger land area and relative flatness, is suitable for agricultural and industrial development on a limited scale. The island has two improved harbours, one at each of the towns, Christiansted and Frederiksted. The port at Christiansted attracts pleasure and medium-sized commercial craft. The Frederiksted port, a deep-water harbour, can accommodate ocean liners, and this has led to an increase in cruise ship traffic to the island.

12. St. John, the smallest of the three islands, both in area and population, is quite mountainous. In addition, most of the island is included within the Virgin Islands National Park, under the jurisdiction of the United States Department of the Interior, on which commercial activity is restricted.

13. The Territory enjoys a nearly perfect climate. Temperature ranges between 20° and 32°C, with an average of 25°C. Average rainfall is about 115 centimetres per year and humidity is reasonably low.

14. At the last census, taken in 1970, the population totalled 62,468, an increase of 30,369 persons over the 1960 census figure of 32,099, or an annual rate of increase of 7.0 per cent. The population was distributed among the islands as follows.

	1970	1960	Percentage of total	
United States Virgin Islands	62,468 a/	32,099		
St. Croix	31,779	14,973	51.0	46.6
St. Thomas	28,960	16,201	46.2	50.5
St. John	1,729	925	2.8	2.9

Source: Information provided by the administering Power.

a/ The official census figures for 1970 were revised upwards by the Virgin Islands Government to 75,151. The Government contended that non-citizens had not complied with census arrangements.

15. Immigration has contributed substantially to the growth of the population of the Territory. Its volume expanded sharply during the 1960s, when the Territory experienced an economic boom, based largely on tourism, with significant growth also in manufacturing activity. Despite the appearance in 1970 of a downward trend in the economy, the population continued to grow rapidly. In the years 1970-1973, it increased from 75,151 to 89,620. In 1973, population density on St. Thomas was 524 per square kilometre. (St. Croix is also considered to be of high density.) This figure excluded the daily tourist flow and put the Territory in the category of one of the most densely populated areas in the world. The population is now estimated to be about 100,000, with approximately an equal number living on St. Croix and St. Thomas. St. John has a permanent population of about 2,000.

16. In 1950, approximately 74 per cent of the population were Virgin Islanders by birth, 11 per cent were born in Puerto Rico, 11 per cent were from the West Indies and 4 per cent were from the continental United States. By 1970, the breakdown was estimated as follows: indigenous Virgin Islanders, 40 per cent; West Indians, 24 per cent; Puerto Ricans, 15 per cent; continental United States nationals, 12 per cent; and Europeans, 9 per cent. The growth in population has been largely due to the increase in the number of persons of West Indian origin and an influx from the continental United States. Approximately 70 to 80 per cent of the Virgin Islands population is black, but this is not the social classification commonly used by the people of the Territory. Following local custom, more emphasis is placed on where people come from, their citizenship, how long they have been on the island, etc., rather than on their racial origin.

B. Constitutional and political developments

1. Constitution

17. After the United States Government had purchased the islands from Denmark on 17 January 1917, the Territory was administered by the United States Department of the Navy until 27 February 1931, when administrative supervision of the islands was transferred to the United States Department of the Interior by an Executive Order from the President of the United States. The Organic Act of the Virgin Islands, enacted on 22 June 1936, among other things, made this transfer permanent, abolished property and income requirements for the local voters and brought universal adult suffrage to the Territory. The next constitutional step taken by the administering Power was the passage on 22 July 1954 of the Revised Organic Act of the Virgin Islands, to which two substantial amendments were approved on 23 August 1968 and 10 April 1972 respectively.

18. An outline of the constitutional arrangements set out in the Revised Organic Act, 1954, as amended in 1968-1972, appears in an earlier report of the Special Committee. a/ In brief, the Government consists of three branches, executive, legislative and judicial. The Governor and the Lieutenant Governor are elected jointly by majority vote for a period of four years. In addition, the present Cabinet is composed of an Executive Assistant to the Governor; three administrative assistants each responsible for the three main islands; and 18 other members, each in charge of the following departments: agriculture; budget; civil defence; commerce; conservation and cultural affairs; consumer services administration; education; finance; health; housing and community renewal; law; labour; personnel; planning; property and procurement; public safety; public works; and social welfare.

19. The Governor is responsible for the administration of all activities of the executive branch, the appointment and the removal of all officers and employees of that branch, and the execution of federal and local laws (including the application in the United States Virgin Islands of those provisions of the Constitution of the United States and its amendments to the extent that it 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 Revised Organic Act. He submits an annual report to the United States Secretary of the Interior on the state of the Territory for transmission to the United States Congress.

20. There is a unicameral Legislature consisting of 15 senators elected by universal adult suffrage for a two-year term: 7 from St. Croix, 7 from St. Thomas-St. John and 1 who must be a resident of St. John, elected at large by the voters of all the islands. Each bill passed 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.

---

a/ Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 23 (A/9623/Rev.1), vol. VI, chap. XXIV, annex, paras. 9-14.

21. Until 1976, the judicial power of the Territory was vested in a District Court (established by federal law) and in a Municipal Court (established by local law). During the year, legislative measures were taken for the modification of the system (see paras. 32-35 below).

22. Finally, the Territory may send to the United States House of Representatives a non-voting delegate, who is elected by a majority vote for a two-year period. Since January 1973, the present delegate has been a member of its Committee on Interior and Insular Affairs. He has also served on the sub-committees dealing with territorial and insular affairs, national parks and environment. He has had full voting rights and privileges on these bodies.

23. The views on future consitutional development in the Territory expressed by government officials and others with whom the Visiting Mission met in the Territory and at Washington D.C., are summarized in the next two sections.

2. Constitutional reform

24. As indicated in paragraph 17 above, the Revised Organic Act of 1954 was amended by the United States Congress between 1968 and 1972. The two most important amendments were based on the recommendations of the First Constitutional Convention, held in 1965. The first conferred on the people of the Territory the right to elect their own Governor and Lieutenant Governor. The second amendment authorized the Virgin Islands to send a non-voting delegate to the United States House of Representatives.

25. The results achieved by the Second Constitutional Convention, which held its first meeting in September 1971, have been described in previous reports of the Special Committee. b/ Briefly, the Convention was authorized to draft a constitution for the Territory and a federal relations act. Its proposals failed to receive an overwhelming endorsement from United States Virgin Islands voters in a referendum held on 7 November 1972, and, in consequence, were not presented to the Congress for approval.

26. On 6 October 1975, c/ the House of Representatives unanimously passed the Virgin Islands constitutional bill originally introduced by the Territory's non-voting delegate to the House. The bill would authorize the people of the Territory to draw up their own constitution, while leaving their relationship with the United States unchanged. Under the bill, the territorial Legislature would be empowered to call a constitutional convention under procedures of its own. The text of the draft constitution would be sumitted to the voters for approval in a referendum. If approved by a majority of the voters, the draft would then be submitted to the President of the United States for final approval.

---

b/ Ibid., Thirtieth Session, Supplement No. 23 (A/10023/Rev.1), vol. IV, chap. XXVI, annex, para. 14.

c/ Ibid., Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXXI, annex, paras. 21-29.

27. On 20 July 1976, the United States Senate unanimously passed the bill with several changes. Among other things, its version would have the Congress consider the President's views on the proposed constitution. Upon congressional ratification, it would then be submitted to the voters of the Virgin Islands for approval in a referendum.

28. On 22 October 1976, the President signed into law the measure agreed to by the Senate-House Conference, following a review of the two versions of legislation concerning the United States Virgin Islands constitution. The measure permits the territorial Legislature to call a convention to draft a constitution for the Territory, which will be subject to presidential and congressional review, as well as to approval by the voters in a referendum. It specifies that the draft constitution will comply with requirements for a republican form of government and a bill of rights but will not deal with the question of the Territory's political status.

29. On 10 January 1977, a bill concerning the constitutional convention was introduced in the territorial Legislature by its Committee of the Whole, pursuant to the federal law referred to above. On 26 April 1977, the bill was passed with amendments. Under the amended legislation, the convention would consist of 60 delegates (30 each from the electoral districts of St. Croix and St. Thomas-St. John, with the provision that no less than two delegates be residents of St. John). To be a delegate, the candidate would have to be a citizen of the United States, a qualified elector of the United States Virgin Islands and a resident in the electoral district for a period not less than three years immediately preceding the date of election, which would be 25 July 1977. The convention would begin on 8 August and would adopt its draft constitution on 16 December.

30. In signing the measure on 6 May 1977, the Governor expressed reservations on the residential qualification for the elected membership of the convention which, he believed, would violate the constitutional guarantees of freedom of movement within a unified political entity. On 16 June 1977, after examining a suit on this matter, the District Court in the Territory declared the residency requirement to be invalid on constitutional grounds. The Court expressed the view, however, that the Legislature had the authority to set a three-year territorial residency requirement.

31. Five days later, the Legislature amended the Constitution Convention Act to change the residency requirement from three years in the electoral district to three years in the Territory. Among other amendments were the following: (a) the date of the election for the convention and that of convening were changed to 19 September and 3 October 1977 respectively; and (b) the draft constitution was to be scheduled for completion on 3 February 1978. Two additional important developments affected the constitutional convention:

(a) In May 1977, two legislative leaders asked the Federal Government to finance a political education programme to prepare the public at large for the convention;

(b) In the following month, a series of public meetings was held in the Territory under the auspices of the League of Women Voters to inform its members and the general public about constitutional issues.

3. Judicial reform

Territorial Court

32. Under a local law which took effect on 1 January 1977, a Territorial Court replaced the Municipal Court. The new Court consists of a Chief Judge and five other judges (unchanged from the former Municipal Court) appointed by the Governor with the advice and consent of the Legislature for six-year terms and subject to removal with cause by a newly created Commission on Judicial Disabilities. On that date, Mr. Verne Hodge, former Attorney General, became the Chief Judge. The Territorial Court has juries of six members and civil, criminal, family and small claims divisions.

33. The Court has original, exclusive jurisdiction of civil actions, where the matter in dispute does not exceed $US 500; d/ of criminal actions, where the maximum punishment is a $US 100 fine and/or six months' imprisonment; and of all violations of police and executive regulations. It also has original jurisdiction concurrent with the United States District Court of the Virgin Islands over civil matters where the maximum disputed amount is $US 50,000. Among the important civil matters are those relating to child custody, divorce and estate settlement. Additionally, it has original jurisdiction concurrent with the District Court over criminal matters where the maximum punishment is a fine exceeding $US 100 and/or more than six months but less than two years in prison. On 1 January 1979, this jurisdiction is to be extended to prison terms of not more than five years.

United States District Court

34. The status of the District Court of the Virgin Islands has remained unchanged. With the advice and consent of the United States Senate, the President of the United States appoints the two judges of the District Court and the United States District Attorney. The Court exercises appellate jurisdiction over the Territorial 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.

35. On 24 February 1976, a bill was introduced in the United States Congress, authorizing the federal Judicial Conference (the governing body of the administration of the federal judicial system as a whole) to establish a magistracy in the Territory. During the week ending 2 October, both houses of the Congress passed the bill, which was signed into law by the President of the United States later in the same month.

---

d/ The local currency is the United States dollar.

4. Political parties and elections

36. There are three political parties active in the Territory: the Democratic Party of the Virgin Islands (DPVI); the Independent Citizens Movement (ICM), founded by former members of the DPVI; and the Progressive Republican Party of the Virgin Islands (PRPVI).

37. The three parties contested the second gubernatorial election on 5 November 1974. As no candidate received a majority of the votes cast, a run-off election took place on 19 November 1974. As a result, Messrs. Cyril E. King and Juan Francisco Luis of ICM were elected Governor and Lieutenant Governor respectively.

38. The state of the parties in the Eleventh Legislature following the 1974 general election was (1972 figures in brackets): DPVI, 9 (7); ICM, 5 (7); and PRPVI, 1 (1). The latest general election, which took place on 2 November 1976, was contested by the three parties and 12 independent candidates. According to the election results released on 4 November 1976, DPVI won 13 of the 15 seats in the Twelfth Legislature; the remaining two went to one ICM candidate and one independent. The victory gave the Democrats an absolute majority in the Legislature. Of the 13 newly elected senators, 10 retained their seats, of whom 7 represented the electoral district of St. Thomas-St. John. The results were interpreted as a rebuke to the King Administration or a mandate for a definite change. On 10 January 1977, the Twelfth Legislature was sworn in, after which Mr. Elmo D. Roebuck was re-elected its President. The Legislature also chose Mr. Britain H. Bryant to be its Vice-President and retained Mr. Lloyd Williams as the Majority Leader. All three officers are members of DPVI. Subsequently, legislative and legal activities concerning apportionment of the Legislature were reported.

39. At the 1972 general election, Mr. Ronald de Lugo (DPVI) was elected to be the Territory's first non-voting delegate to the United States House of Representatives. In the subsequent two general elections held in 1974 and 1976 respectively, he retained his seat in the House.

40. According to press reports, as at 13 June 1977, the total number of registered candidates for election to a new constitutional convention to be held in the Territory was 168 (79 on St. Thomas-St. John and 89 on St. Croix).

5. Future status of the Territory

41. On 1 December 1976, the General Assembly approved resolution 31/57 concerning the United States Virgin Islands (see also para. 1 above), which reaffirmed the inalienable right of the Territory to self-determination and independence. The resolution also called on the United States as the administering Power to take all the necessary steps to bring about the full and speedy attainment of the goals set forth in General Assembly resolution 1514 (XV) with regard to the Territory.

42. The First Constitutional Convention, held in 1965, adopted a resolution concerning the Territory's future status. In the resolution, the Convention declared:

(a) That "the people of the Virgin Islands are unalterably opposed to annexation of the Virgin Islands by any State of the Union ... or to any commonwealth or other territory under the jurisdiction of the United States"; and

(b) That "the people of the Virgin Islands are unalterably opposed to independence" and "desire to have the Virgin Islands remain an unincorporated Territory under the constitutional system of the United States with the fullest measure of internal self-government and in the closest association with the United States".

43. A similar resolution was adopted by the Second Constitutional Convention. The results of the referendum held in November 1972 showed that this resolution and its proposals, including a draft federal relations act, did not receive an overwhelming endorsement from Virgin Islands voters. The forthcoming Constitutional Convention is not authorized to consider any change in the Territory's present status in relation to the administering Power.

44. The Mission heard views on this subject expressed by those with whom it met in the Territory and at Washington, D.C., summaries of which are given in the next two sections of the present report.

6. Public safety and law enforcement

45. With increasing crime threatening the local community, the Legislature in January 1977 requested its Committee on Public Safety to embark immediately on a thorough investigation of the Virgin Islands Public Safety Department, the police and the criminal justice system, as well as to recommend positive programmes for the protection of the community from burglars, robbers and all others who believed that they could commit any crime and get away with it.

46. In his annual message on the state of the Territory presented to the Legislature on 8 February 1977, Governor King stated that although certain types of offences had declined, crimes against property had escalated at an "alarming" rate. He further stated that during 1976, his Administration had done more than acknowledge the problem of crime in the Territory. It had in fact responded within the limits of available resources by formulating a comprehensive crime control policy and devising specific measures to deal with it. The results would not be immediate and much remained to be done.

47. Mr. King then called for greater public participation in the crime prevention drive as well as increased parental responsibility for crimes committed by juveniles. Dealing with the problem of juvenile delinquency, he attached great importance to rapid completion of the juvenile correctional rehabilitation centre on St. Croix and the establishment of a comprehensive juvenile justice system with

central authority over all aspects of the problem. He also called for lowering the age of responsibility for certain crimes and for the creation of a territorial service corps. Finally, he suggested that the Department of Public Safety should be upgraded, with special attention to improving the quality of the police.

48. On 28 April 1977, the Governor signed into law the anti-burglary and anti-robbery bill recently passed by the Legislature. Provision is made for stiffer penalties for certain crimes specified in the bill.

7. Immigration policy

49. The census figures provided by the Federal Government show that the influx of aliens, particularly from other Caribbean islands, swelled the total population of the Territory to 32,099 in 1960 and to 62,468 in 1970. Of the latter total, 46 per cent were native-born Virgin Islanders. The territorial Government claimed, however, that the native-born proportion of the total population might be even lower because the 1970 census underrepresented illegal aliens residing in the islands.

50. In April 1970, the United States Congress passed a law admitting to the Territory dependants of non-resident aliens. At about the same time, the Manpower Certification Office (MCO) of the United States Department of Labor in the Virgin Islands began to reduce the number of work permits granted to new aliens. This policy did not offset the effect of the law, however. As a consequence, population growth continued at a rapid pace in 1970/71. In the light of this growth and the economic slowdown, the United States immigration authorities took action to deport 7,000 illegal aliens from the Territory during the first half of 1971.

51. As previously noted, e/ Mr. Melvin H. Evans, then Governor, stated in his 1973 message on the state of the Territory that for the first time in the history of the United States Virgin Islands, there existed fear, ethnic tensions, outspoken intolerance, disregard for authority and law on an unprecedented scale and threats posed by groups of terrorists. He believed that among the causes of those problems were the uncontrolled growth of tourism, the economic mainstay, leading to an uncontrolled inflow of alien workers and the slackening of the economic boom of the 1960s, which in turn resulted in rising unemployment, especially among the 18 to 25 age group, and a breakdown in family and social structures. With this in mind, the territorial Government urged the Federal Government to expand the investigative unit of the Immigration and Naturalization Service (INS) assigned to the Territory as a first step towards tackling the sources

---

e/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), vol. V, chap. XXV, annex, para. 32.

of the recent unrest. INS responded by increasing the number of its agents in 1974. From then until late 1975, INS intensified its efforts to expel illegal aliens from, and reduce their flow into, the Territory, with the result that the problem was finally under control.

52. According to MCO, the non-resident labour force in the islands decreased from an estimated 10,200 on 1 July 1975 to approximately 7,250 on 30 June 1976. The decline was primarily attributed to loss of eligibility by those non-resident workers failing to find new employment within 60 days. During the same period, only six new aliens were granted work permits (the lowest since 1970, when about 100 new permits had been issued to such aliens). The effect of the policies of INS and MCO referred to above was a reduction in the average annual rate of population growth to 3.3 per cent during the years 1971/72-1975/76 (8.8 per cent during 1970/71).

53. With regard to aliens legally residing in the islands, the territorial Government takes the position that since they have become part of the local community, consideration should be given to the manner in which the adjustment of status for suitably qualified aliens should be made. The delegate of the United States Virgin Islands in the United States Congress has tried to solve this problem by proposing federal legislation giving permanent resident status to those aliens considered to be suitably qualified. Among the unsuccessful attempts recently made in this regard was the introduction in December 1975 f/ of a bill in the United States House of Representatives by the Chairman of its Sub-Committee on Immigration, Citizenship and International Law. The bill would have provided for a commission, with United States Virgin Islands representation, to review the cases of individuals admitted into the Territory as non-immigrant aliens on or before 12 May 1970. Were it to find the applicants qualified for permanent resident status under the criteria specified in the bill, the commission would have been authorized to recommend to the United States Attorney General that the applicants and their dependants residing with them be granted such status. Subsequently, two other members of the House proposed another bill which would have entrusted to the United States Attorney General the task of screening the aliens residing legally in the Territory for the same purpose.

54. The two bills in question died with the Ninety-Fourth Congress owing to lack of action by the House. Nevertheless, the Western Hemisphere Immigration Bill was signed into law by the President of the United States on 21 October 1976 and was made operative on 1 January 1977. The most important provision of the Act is the increase of the annual quota for permanent resident status, from 200 to 600, allocated to each dependent Territory under the administration of a foreign country in the Eastern Hemisphere (a reference to the Territories in the Eastern Caribbean).

---

f/ Ibid., Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXXI, annex, paras. 9-10.

55. On 14 June 1977, the first of the two bills referred to above was reintroduced in the House with some modification. Under the main amendment proposed, a nine-member commission would be created, consisting of senior officials of the Federal Government and a majority of United States Virgin Islanders to be appointed by the President of the United States.

56. The problem of the alien population of the Territory has remained unresolved and its dimensions have not yet been precisely identified. In this connexion, the Special Committee took note of another bill g/ introduced in the House in January 1976. The bill would establish a 22-member commission to study the special immigration problems of the islands and other Territories under United States administration. The commission would consist of members of the Congress (including the Territory's non-voting delegate to the House), presidential appointees and representatives of the Federal Government. On 11 January 1977, the same bill was reintroduced in the House. One of its sponsors stated that the commission would treat the problem of the United States Virgin Islands as its top priority and report within six months on ways in which it could be solved without disrupting the local community. He added that the commission would also study the impact of the Western Hemisphere Immigration Act on the Territory to ensure that there would be no negative effects.

57. During its visits to the Territory and Washington, D.C., the Mission heard views on the immigration problem presented to it by the government officials concerned and by others. A summary of these views is given in sections II and III below.

8. Military installations

58. Early in 1967, the United States transferred its former naval base on St. Thomas to the territorial Government but retained the right to reoccupy the facilities at the base. The United States Navy maintains a radar and sonar calibration station in the Territory. An important development during May 1976 was its establishment of a permanent recruiting station on St. Thomas. In early 1977, Rear-Admiral William R. Flanagan, Commander of the United States Naval Forces in the Caribbean, announced that the Annual Caribbean Naval Exercises would take place from 17 January to 4 March with the participation of units from six countries (including the United States) (see also chap. V of the present report (A/32/23/Rev.1, annex IV, paras. 17-20).

9. External relations

59. On 22 September 1976, the Governor issued a proclamation designating 11 October 1976 as a public holiday in the Territory in order to promote closer relations with Puerto Rico. Later, on 30 October 1976, a similar celebration was held in Road Town, the capital of the British Virgin Islands, in which political leaders and others from the United States Virgin Islands participated.

---

g/ Ibid., para. 12.

60. In his latest message on the state of the Territory, Governor King announced his intention to make official visits to certain Caribbean countries to broaden contacts and develop better cultural and economic relations. Emphasizing the need to re-examine the relations between the Territory and other Territories administered by the United States, Mr. King proposed the creation of an off-shore Governor's conference to facilitate an exchange of views on common problems and concerns.

C. Economic conditions

1. General

61. The Territory's economy is distinguished by its small size, limited resources and its extremely open structure. After the closure of the sugar processing and export industry and the by-passing of the islands as an inter-continental shipping node, and until the incipient development of tourism in the 1950s, the economy remained stagnant. The period from 1960 to 1969 saw a spectacular but uncontrolled expansion of tourism as well as a marked growth of other business activities (notably construction and retail trade) and manufacturing.

62. The statistical information received by the Visiting Mission (see appendix II to the present report) indicates that per capita personal income (wages and other factor income earned in the Territory) rose from $US 625 to $US 2,496 during that period, an average annual rate of gain of 15.6 per cent. However, the upsurge in total economic activity was followed by a downward trend over the period 1970-1975, when the rate slowed to 10.2 per cent. After accounting for inflation, the rate of growth in per capita personal income for the latter period would be negative. This was borne out by the sharp increase in the rate of unemployment in the islands, from 1.3 per cent in 1969/70 to 10.8 per cent in 1975/76. The recent economic slowdown is primarily attributed to the decline in the number of tourists visiting the Territory, most of whom come from the United States. The principal causes of this decline were a recession in the United States economy and one major criminal occurrence on St. Croix that received widespread news coverage in the United States.

63. In 1974, Arthur D. Little, Inc. of the United States prepared an inflation study for the territorial Government. By constructing a partial consumer price index, the company reported the following major findings. General price increases in the Territory for 1971-1973 were 6.0, 11.5 and 11.0 per cent, considerably higher than the 3.6, 3.4 and 7.9 per cent in the United States for the same three years. Food and shelter were the major contributors to local inflation. The over-all cost of living in the Territory was 20 to 25 per cent higher than the average in the United States.

64. The company found sources of inflation in both external and internal conditions. External conditions included world-wide inflation, devaluations of the United States dollar and rising transport costs. Among domestic determinants were over-rapid growth, especially in land and rental values, the excessive import structure of the local economy, the high cost of service and the inefficiency of public utilities and possibly high-price policies in protected markets.

65. According to a study on the economy published by the territorial Government in 1975, the 20 to 25 per cent differential between the islands and the United States was believed to be underbiased. As an example, it was pointed out that the prices of certain food-stuffs and construction materials not included in the partial index appeared to have risen faster than those included in the index. Furthermore, conditions of internal demand and the operation of local supermarkets had been insufficiently analysed. The study therefore concluded that inflation in the Territory was probably more serious than had been previously portrayed; that a more comprehensive index would have to be constructed to reflect real price trends more accurately; and that the territorial Government should consider taking stronger measures to encourage competition and to develop agriculture for domestic consumption.

66. The Government reports that the rise in prices in the islands moderated substantially during 1976, reflecting improved stability in prices for imported food-stuffs and certain basic services. During the year ending 31 October 1976, the partial index referred to above showed an increase of only 1.3 per cent. Nevertheless, inflation remains a major problem in the Territory, because the over-all cost of living is still much higher than that in the United States.

67. An important factor hampering economic development in the United States Virgin Islands is the deficiency of basic facilities, especially those for air and sea communications. There are two major airports: the Harry S. Truman Airport on St. Thomas and the Alexander Hamilton Airport on St. Croix. Ocean-going ships use Charlotte Amalie Harbor on St. Thomas or Frederiksted Harbor on St. Croix. An additional port, also located on St. Croix, takes smaller vessels. Improvement and expansion of Truman Airport is now under way and work is expected to start soon on St. Croix's third port.

68. In his speech of 10 January 1977, Mr. Elmo Roebuck said:

> "The year 1976, just ended, was not a particularly good year for the Virgin Islands and its people. We continued to suffer the effects of a world-wide recession, with declining revenues and serious budget shortages. It was a year of inflation, with higher prices for food, clothing, shelter and all the other important commodities ... It was a year when businesses were adversely affected by this downward economic trend, resulting in many hundreds of employees being added to our already too high number of the unemployed ... It was a year of water rationing, power shortages and declining public services. It was a year ... when an American Airlines jet crashed and burned at the Harry S. Truman Airport, killing 38 persons and injuring many others ...
>
> "... our prospects are that there will be some stimulation of economic activity in the United States which will reflect favourably on the people of the Virgin Islands ... But there are many actions which we ... can now take in the Virgin Islands ourselves that are not dependent on the stimulation of economic activity in the United States." h/

---

h/ See also para. 107 below.

69. In his latest message on the state of the Territory, Governor King said that its major economic problems included unacceptable levels of unemployment and underemployment; the undue seasonal concentration of tourism; an overly compressed industrial base; the depressed condition of the construction industry; and continuing, severe budgetary difficulties. He added, however, that despite the paucity of the Territory's productive resources and other obstacles to recovery in the economy, significant advances had been made in the economic field (see paras. 108-109 below).

2. Tourism

70. The dominance of the tourist industry, particularly on St. Thomas, has been an accepted fact of the territorial economy. St. Croix, which has developed a more balanced economic mix through the establishment of manufacturing industries, also has a significant tourism sector. Both islands are served by jet carriers, although landings on St. Thomas are limited to the smaller B-727 aircraft while St. Croix can accommodate the widebodied DC-10 and L-1011 currently used by American Airlines and Eastern Airlines of the United States. Owing to the superb natural harbour and good berthing facilities of the port of Charlotte Amalie, St. Thomas is better equipped to handle the cruise trade than St. Croix, whose cruise ship facilities are essentially limited to a single deep-water pier at Frederiksted, capable of accommodating only two ships simultaneously.

71. Statistical data for the period 1949/50-1975/76, which the territorial Government provided to the Mission to show the historical growth pattern of tourism in the Territory, are reproduced in appendix III to the present report. Although accurate records of arriving cruise ship passengers have been maintained, similar data are not available for air visitors. The Government assumes that large increases or decreases in total air arrivals reflect somewhat similar movements in tourist air activity. Those air passengers staying in the Territory for one or more nights create the greatest impact on the economy, both in terms of demand for services and facilities and expenditures.

72. Air arrivals from 1949/50 to 1968/69 increased each year without a setback. The 1968/69 figure of 795,003 is over 20 times as great as that for 1950/51 and over six times greater than that for 1959/60. During the 1960s, a compound growth rate of over 20 per cent was attained. From 1968/69 to 1975/76, only one year showed a gain in total air arrivals over the previous year. In the first 10 months of 1976/77, however, air arrivals rose by about 7 per cent to 486,341, an indication of resumption of positive growth in air tourist arrivals.

73. Charlotte Amalie has become virtually an obligatory stop and is included in nearly every Caribbean cruise itinerary. This preferred position was achieved owing mainly to its free port status. Since 1952, there have been only two years in which the number of cruise ship visitors did not exceed that of the previous year. During the period 1959/60 to 1968/69, the number of such visitors increased from 49,700 to 213,541. From 1968/69 to 1975/76, that figure more than doubled with only one year, 1974/75, failing to show a gain. In the first 10 months of

1976/77, cruise ship arrivals rose by 7 per cent to 443,393. Over the years, certain seasonal patterns related to both air arrivals and cruise ship arrivals have become apparent. Differences exist between the winter (in season) and the summer (off season) visitors.

74. Official data on tourist facilities (see appendix IV to the present report) indicate that long after the influx of visitors began to decline, hotel expansion had continued, reflecting the optimism of hoteliers about the growth potential of the industry. From 1968/69 (the peak year of air arrivals) to 1975/76, air arrivals decreased from 795,000 to 528,000, while the number of available hotel rooms increased from 3,258 to 4,460.

75. According to the territorial Government, the larger hotels (those having 50 or more employees) became more dominant in the industry during 1972/73. On St. Thomas, at least one large hotel (Virgin Isle Hilton Hotel) has closed down, and a number of others have been taken over by new owners. In December 1973, the 350-room Frenchman's Reef Holiday Inn (the largest single hotel complex in the Territory, which is owned by American Motor Inn, Inc. of the United States) was opened in the middle of the downward trend in air arrivals. There is no record of the activities of the guest houses or small hotels usually owned and operated by Virgin Islanders. There is also no statistical information on hotel ownership.

76. Tourist expenditures were estimated to have risen from $US 24.8 million in 1959/60 to $US 112.3 million in 1968/69, an average annual rate of growth of 16.8 per cent. During the period 1969/70 to 1975/76, however, this rate slowed to 3.3 per cent (see appendix V to the present report).

77. In 1971/72, the United States Virgin Islands Department of Commerce began to compile hotel occupancy statistics in order to assess the state of the industry. In the 1972/73 season, St. Croix occupancy rates fell drastically, as a result of a major criminal occurrence at the Fountain Valley Golf Club, and only began to show signs of recovery in the 1975/76 season. Similarly, on St. Thomas, although the decline was neither as drastic nor as prolonged as that on St. Croix, it also persisted until the 1975/76 season showed the first sign of a reverse trend. The over-all territorial rate decreased from 57.7 per cent in 1971/72 to 48.2 per cent in 1975/76.

78. The Mission was informed by officials of the King Administration of certain measures recently taken or contemplated to promote further development of tourism (see paras. 302-304 below). An important development occurring on 26 May, following the Mission's visit, was the introduction by Mr. de Lugo in the United States House of Representatives of a bill to maintain the competitive position of the tourist industry in the Territory. The bill would give the Legislature the authority to set the rate of the customs duty on all products coming into the islands. It would also allow the Legislature to reduce the current 6 per cent duty on items from developing countries which are exported to the United States duty-free. In introducing the bill, Mr. de Lugo said that "the Virgin Islands reputation as a shopping mecca is being eroded as a result of stores on the mainland selling the same duty-free items which are charged a 6 per cent tax in our tourist shops".

3. Trade and industry

79. During the 1960s and up to 1973, certain structural patterns were becoming evident in the Territory in the areas of trade and industry. Apart from the distillation of rum, a traditional industry, new manufacturing activities began to grow with a definite shift to St. Croix as the manufacturing centre of the Territory. On the other hand, retailing reflected the dominance of St. Thomas as a destination for cruise ships. The service sector of the economies of the two islands showed continuing strength. In general, the activity on St. Croix demonstrated a growth pattern that far outstripped St. Thomas in terms of employment, payrolls, size and numbers of establishments in the areas of trade and industry.

80. The growth in manufacturing on St. Croix has been marked by the beginning of truly large-scale industry and the expansion of assembly-type industries. The number of industrial firms employing 50 or more workers on St. Croix increased from 6 in 1966 to 13 in 1973, while that on St. Thomas decreased from 5 to 3 in the same period.

81. Tax benefits, and the ability to ship into the United States, under certain conditions, duty-free conventional watches assembled in the Territory from foreign-made parts, are the primary reasons for the establishment of a watch industry in the islands. According to the administering Power, in the past few years, the industry has suffered a setback and laid off some 200 employees (in April 1977, the industry had 600 full-time and 300 part-time employees). This was due to several factors, including the recent economic recession in the United States, increased competition from digital or electronic watches and more attractive tax benefits offered by Puerto Rico to watch companies. Taking this into account, the territorial Government in early 1977 decided to assist the industry particularly through the lowering of the labour cost from $US 1.00 to $US 0.90 per watch required for local companies seeking tax incentives. The quota system established in 1966 limits the duty-free entry of watches and movements from Territories administered by the United States to one third of its total watch consumption. Of this total, 87.5 per cent is assigned to the Virgin Islands. It is believed that the industry will be able to meet its full quota for the year allocated by the United States.

82. The Mission visited the Atlantic Time Products Corporation (a subsidiary of the Bulova Watch Corporation of the United States) on St. Croix on the afternoon of 27 April. The Mission was told that the company imported from Switzerland and Japan watch parts which were used to make watch movements for export to the United States. At its inception in 1966, the company had had to recruit workers from Switzerland, many of whom had later been replaced by United States Virgin Islanders. At present, it has 107 employees (mostly women), down from a 1975 peak of 225. The company views the digital or electronic watches as a passing fad, and expects its own products to do well eventually.

83. The most important industrial enterprises in the Territory are an alumina plant which products about 500,000 tons a year, and an oil refinery with a capacity

of approximately 700,000 barrels daily. Both are located on St. Croix and are owned, respectively, by the Martin Marietta Corporation of the United States and the Hess Oil Corporation (a subsidiary of the Amerada Hess Corporation of the United States). The two companies have concluded agreements on their respective investment plans with the territorial Government.

84. The alumina plant began operations in late 1966. Bauxite is imported from Australia and West Africa for processing into alumina and shipment to refining plants in Oregon (United States) and Norway. The Martin Marietta Corporation appears to be seriously considering spending some $US 100 million to more than double the present capacity of the plant.

85. The Hess Oil Corporation estimates the total cost of construction of its large, highly automated refinery on St. Croix at over $US 600 million covering the period 1966-1976. The refinery, which is the largest in the Western Hemisphere and one of the largest in the world, processes crude oil mainly from Iran, Nigeria and Venezuela.

86. The Mission paid a visit to the corporation on the same afternoon. It was informed that over 5,000 workers had been employed at some of the earlier stages of construction of the refinery. There are now only about 2,000 employees, of whom more than 95 per cent are United States citizens and permanent residents of the Territory. Workers are obliged to take on-the-job training for six weeks; the corporation also offers eight-week training courses in instrument work, quality control, pipe fitting and welding.

87. According to the annual report of the Amerada Hess Corporation for 1976, a copy of which was given to the Mission, the St. Croix refinery is mainly geared to turning out residual fuel oil, which accounts for more than half of the company's total annual sales of refined products. The refinery is required to send all of its refined products to the United States and is regulated by the Federal Energy Administration, but is treated as a foreign refinery by the Federal Government in certain areas such as customs duties.

88. A law enacted in January 1975 i/ provides for the establishment on St. Croix of a second oil refinery (100,000 barrels daily) by the Virgin Islands Refinery Corporation (VIRCO), which is controlled by United States interests. Faced with financial difficulties in 1976, VIRCO asked for revision of its 1973 agreement with the territorial Government to supplement various benefits. As of late May 1977, the Finance Committee of the Legislature was considering amendments to the agreement recently submitted by Governor King, and was expected to take final action thereon shortly.

89. During its visit to the Territory, the Mission received information from officials of the King Administration concerning industrialization (see paras. 204-206 below) Three important developments in this field took place late in May 1977

---

i/ Official Records of the General Assembly, Thirtieth Session, Supplement No. 23 (A/10023/Rev.1), vol. IV, chap. XXVI, annex, para. 42.

following the Mission's visit. The first was a decision taken by the Governor to veto a bill recently passed by the Legislature, which would set up an industrial park development corporation. In his veto message, the Governor said that his Administration agreed on the need for some kind of industrial park development programme. It had proposed and continued to support the idea of such a programme under the jurisdiction of the Industrial Incentive Commission (IIC). The Governor noted that under the bill presented by the Legislature, the corporation would require "a separate board of directors and a separate, highly paid executive director". This would mean that "potential industrial investors in the Virgin Islands would have to deal with two separate government agencies, entailing an inevitable increase in red tape". On 9 June, the Legislature overrode the Governor's veto of the bill.

90. The second important development was an announcement made by the Commissioner of Commerce that the Vitex Manufacturing Company, Ltd., a major textile firm located on St. Croix, which had been closed for three years, had received an extension of its previous tax benefits from IIC, and that this extension would make it feasible for the firm to consider reopening, since market conditions had improved.

91. The third important development was a further announcement by the Commissioner that IIC had decided to grant full tax benefits to G.G.R., Inc. of St. Croix, which would make an initial capital investment of $US 500,000 for the manufacture of ready-mixed concrete and concrete products to be used by the construction industry in the building of prefabricated houses.

4. Construction industry

92. In January 1977, Mr. John F. Tinsley, the territorial Government's chief economist, prepared a background paper on the construction industry for the Economic Advisory Board. According to Mr. Tinsley, during the 1950s and 1960s, tourists began to come to the islands in increasing numbers. With this influx and its attendant demands, construction activity expanded sharply. In the period 1957-1966, the number of building permits issued almost tripled (490 to 1,306), and the estimated value of construction increased tenfold, from $US 3.2 million to $US 33.0 million. These figures did not include a total of $US 50.0 million spent by the Martin Marietta Corporation on its alumina plant. Because of agreed-upon procedures with the territorial Government, neither this plant nor the refinery of the Hess Oil Corporation was required to obtain building permits.

93. From 1966 to 1969, the number of permits issued rose by over 50 per cent, while the value of construction more than doubled ($US 33 million to $US 67 million). During the next three years, construction value remained above the $US 60 million mark, reaching a peak of $US 77 million in 1972, an all-time record. In the period 1966-1976, the Hess Oil Corporation invested over $US 600 million in developing its refinery.

94. The construction activity slowed down in the years 1973-1976, when the value decreased from $US 50 million to $US 24 million, and the number of permits issued dropped from 1,434 to 890. The completion of the above-mentioned refinery added to

the construction slump, with St. Croix suffering much more than St. Thomas. Concurrent with the recession experienced by the industry came a substantial decline in the total number of construction workers.

95. Government spending on capital projects represents a substantial amount of construction activity. Capital expenditures by the territorial Government and three of its agencies (the Water and Power Authority (WAPA), the Port Authority and the Housing Authority) increased from $US 11.9 million in 1965/66 to a peak of $US 45.9 million in 1971/72. In the next three years, these expenditures decreased from $US 33.2 million to $US 27.8 million. Mr. Tinsley noted, however, that expenditures on construction included a substantial sum spent by WAPA for the purchase of heavy equipment and machinery.

96. Finally, Mr. Tinsley stated that the short-range outlook for the industry was favourable. Over the period 1976/77 to 1980/81, he estimated that the public and private sectors would spend $US 180 million and $US 685 million respectively on various construction projects.

5. Agriculture, livestock, forestry and fisheries

97. Agriculture (once the main economic sector dominated by sugar cane), livestock, forestry and fisheries contribute only marginally to the economy. The total land area in farms in the Territory was almost 16,000 hectares in 1964 (17,831 hectares in 1960 and 25,135 hectares in 1950). Of this total, 12,381 hectares were located on St. Croix; 2,607 hectares on St. Thomas and 1,011 hectares on St. John. Over 50 per cent of all farms were 3.5 hectares or less in size. No comparable figures are available for the subsequent years. Mr. Tinsley stated that if there were to be any serious revival of agriculture in the Territory, it would have to occur on St. Croix. St. Thomas, which has less than half the land area of St. Croix, has a topographical structure little suited to agriculture. St. John an even smaller island, is dominated by the Virgin Island National Park area which in effect precludes any significant agricultural development. In Mr. Tinsley's opinion, it would be difficult to visualize the extensive use of land for agriculture in the Territory.

98. According to the annual report of the Virgin Islands Department of Agriculture for 1975/76, under the impact of the rapidly expanding tourist trade in the 1960s, agriculture became a forgotten vocation and the Territory imported almost all its food. Subsequently, owing to a world-wide recession and exorbitant prices of imported food, more and more people evinced an interest in farming. The Department gave assistance to all interested residents to encourage agricultural development. The main thrust of its activities was: (a) encouraging food crop production; (b) providing livestock farmers with feed and subsidy for sorghum (St. Croix has a potential for sorghum production of some 5,260 hectares); (c) increasing the supply of agricultural water by building dams and renovating old ones, as well as by exploring other possible sources; and (d) providing land preparation and other agricultural services. The Department continued to be charged with the responsibility of administering and determining the eligibility of land for

farmland tax exemption, the intent being to promote agricultural development. During the tax year 1975, 6,807 hectares were certified for exemption.

99. During 1975/76, the Department initiated a Senepol breed development programme. An expert of the College of the Virgin Islands was quoted as saying that Senepol cattle raised on St. Croix for beef could be sold abroad as breeding stock for $US 5,000 to $US 6,000 per head (10 times the local price), if the result of a test being conducted by the Federal Agricultural Research Service proved satisfactory.

100. In its annual report, the Department stated that it was implementing the government forestry programme, whose main objectives were the following: (a) to recognize officially lands which, for physical and economic reasons, should remain under forest; (b) to protect recognized forest lands through forestry incentives and technical assistance to forest landowners; (c) to intensify utilization of forest products, especially high-quality craft-wood and fenceposts; and (d) to protect, manage and utilize the Territory's forested areas and recommend methods for further advancement. The report indicated that there were no plans for major investment in the forest industry.

101. In a report covering the period from 1 July 1974 to 30 June 1976, the United States Comptroller for the United States Virgin Islands said that the programme of the Department for providing agricultural services and equipment to local farmers was not efficiently and effectively managed. He added that "the obvious high cost of equipment and labour if compared with benefits for the Virgin Islands, would call for a substantial curtailment, or possibly abandonment, of equipment services offered by the Department".

102. In late 1976, the Caribbean Fishery Management Council was set up under a federal law to develop plans for fishery management and conservation, and to monitor fishing activity within the 200-nautical-mile zone. The plans were expected to be completed before 1 March 1977, when the new federal law came into effect. The Council consists of four members each from Puerto Rico and the United States Virgin Islands.

103. On 30 March 1977, the Legislature approved several bills which would: (a) exempt persons wholly engaged in agriculture and fishing from certain local taxes and licence fees; (b) authorize the Governor to enter into negotiations for the acquisition of property in Estates Dorothea and Bonne Resolution for agricultural purposes, and to request a study of the possible exploitation of potential ground-water supplies in the Dorothea area; (c) allow fishermen to borrow from the Farmers Loan Fund; and (d) appropriate $US 50,000 for the Drought Relief Fund j/ and $US 40,000 for the Sorghum Production Subsidy Fund.

104. On 28 April 1977, the Mission met with the Commissioner of Agriculture at departmental headquarters on St. Croix. Besides drawing attention to the

---

j/ In this connexion, it may be noted that on 14 June, the President of the United States declared the Territory a disaster area because of its prolonged drought, permitting the use of federal funds in relief and recovery efforts.

information contained in the Department's report for 1975/76 (see above), the Commissioner pointed out to the Mission that a prominent feature of the economy had been the growth of a substantial market for food required by the tourist industry. Local production accounted for only 20 per cent of the amount of foodstuffs consumed, and the balance was imported from the United States. Under federal law, the territorial Government could not stop such imports. Nevertheless, it had set up a new agricultural marketing system, whereby the large supermarket chains operating in the Territory agreed to purchase local farm produce. Furthermore, it had taken measures, in co-operation with the College of the Virgin Islands, to help local farmers (now numbering 250 to 300) increase their productivity and income. The College continued to carry out its programmes of agricultural research and extension work.

105. Commenting on some aspects of the land problem in the Territory, the Commissioner stated that lands previously used for growing sugar cane were mainly owned by private concerns which had purchased the lands from the Federal Government, also an owner of farmlands. The territorial Government was trying to buy the lands from these concerns and from the Federal Government but at very high prices. Apart from local zoning laws, there were no plans for the development and protection of agricultural land.

106. Finally, the Commissioner said that both the Federal and territorial Governments should substantially increase the allocation of their respective financial resources for agricultural development so as to accelerate the rate of such development. He added that it would not be possible for the United States Virgin Islands to become self-supporting in agricultural products, particularly bearing in mind the paucity of land and water resources and the promotion of further expansion of tourism.

6. Economic development plans

Proposals of the President of the Legislature

107. In his speech of 10 January 1977, Mr. Roebuck suggested that a series of measures should be taken to improve the economic situation in the Territory, including: (a) establishment of a government-owned development bank and a housing finance agency to stimulate investment and construction; (b) re-examination of the Industrial Incentive Development Program to ensure fulfilment of its objectives; (c) formulation of a capital improvements programme to construct new schools, hospitals, government office centres, juvenile detention facilities and other public buildings; (d) development on St. Croix of a second oil refinery, warehousing facilities and a small industrial park on the site of the proposed third port, and an industrial complex on the island's south-western shores; (e) improvement of marine docking facilities at both Frederiksted and Christiansted and the two main airports; (f) an increase of cruise ship traffic to St. Croix and provision of adequate facilities in public buildings for small tourist-oriented shops; (g) construction of a golf course on St. Thomas, as well as a major port

facility and an industrial park in its Crown Bay area; and (h) amendments to the customs laws of the United States Virgin Islands to permit certain goods to be imported duty free.

Implementation of the Governor's plan

108. According to the Governor, his Administration had implemented the plan of action announced by ICM during the 1974 election campaign, and measures outlined in his 1976 message on the state of the Territory as well as in the "operation recovery" programme in an effort to revive the economy. k/ In 1976, the Territory had experienced some resurgence in tourism resulting from the combined efforts of the private sector and the Department of Commerce. Two important projects (the Coki Point Marine Park and the Underwater Observatory) had been carried out. The Industrial Incentive Commission had granted tax incentives to more than 24 firms. A third of these had been new enterprises, the principal ones being a clothing manufacturing firm and a textile processing plant. Furthermore, all the necessary local and federal permits incidental to the construction of a second oil refinery had been granted. The Department of Commerce had completed a number of administrative reforms to enhance the industrial promotion programme. It also took steps to initiate an over-all economic planning process.

109. Among other achievements reported by the Governor in the economic field during 1976 were the following:

(a) The signing of an agreement between the Territory and the Hess Oil Corporation providing for construction of a third major port for St. Croix, which is to be financed by the Corporation, but is to be controlled and owned by the Government;

(b) The completion of a plan for modernization of Harry S. Truman Airport, designed to make it safe and adequate for visitors and residents alike, and part ($US 50 million) of the cost of which is to be financed by the United States;

(c) The formulation of a 20-year plan for the improvement of Alexander Hamilton Airport;

(d) The decision taken by the Federal Government to provide the Territory with aid amounting to some $US 20 million for financing school construction throughout the Territory. Additionally, the United States Virgin Islands participates in federal programmes concerning emergency public works, community development and comprehensive employment and training;

(e) The enactment of a federal law extending to the Territory special aid totalling $US 69.5 million, with the objectives of helping cover a serious budget deficit and initiating employment-generating projects.

---

k/ Official Records of the General Assembly, Thirtieth Session, Supplement No. 23 (A/10023/Rev.1), vol. IV, chap. XXVI, annex, paras. 48 and 51-54; ibid., Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXXI, annex, para. 58.

New proposals of the Governor

110. In his 1977 message, Governor King stated that his Administration would continue to intensify its efforts towards revitalizing and strengthening the Territory's economy, and that the immediate and most urgent objective was to increase the capacity of the economy to absorb the unused labour. To [illegible] objective, he suggested that attention should continue to be focused particularly on tourism development, industrial expansion, infrastructural improvements and the infusion of external funds for employment-generating programmes.

111. With regard to tourism development, he recommended: (a) further improving the machinery of tourism promotion with particular emphasis on more even distribution of tourism throughout the calendar year and among the islands; (b) supporting legislation recently introduced by Mr. de Lugo in the United States Congress which would increase the value of merchandise a tourist could bring back duty free from the Territory from $US 200 to $US 400; and (c) giving high priority to improving the Frederiksted pier.

112. In the area of industrial development, Mr. King announced a programme to broaden employment opportunities and diversify the economy. In this programme, he proposed: (a) to launch an "aggressive" campaign to attract selected industries to the Territory; (b) to create an industrial park system (see para. 89 above); (c) to eventually establish "some financial mechanism to attract and assist desirable industries in the islands"; (d) to modify parts of the Industrial Incentive Development Act to make it more workable; and (e) to revise the federal customs laws to facilitate the duty-free entry of locally produced industrial goods into the United States.

113. Other recommendations made by Mr. King included: (a) expediting the Truman Airport project; (b) completing all matters relating to the formation of the Antillean Economic Region, composed of Puerto Rico and the United States Virgin Islands; (c) completing an over-all economic plan for the Territory; (d) taking steps to participate fully in the federal economic aid programmes concerning emergency public works and comprehensive employment and training (in late May 1977, the President of the United States signed into law a bill to continue the federal counter-cyclical aid programme established by the Federal Public Works Employment Act of 1976. Under the new law, the territorial Government will for the first time be provided with such aid totalling $US 500,000 for the second half of 1976/77 and $US 1 million for 1977/78); (e) continuing efforts to enhance and protect the environment, including in particular establishment of an oil-spill pollution control scheme, adoption of the coastal zone management plan and expansion of the territorial park system; (f) resurfacing or constructing over 30 kilometres of roads on the three main islands, and (g) extending and improving potable water and sewage lines throughout the Territory.

114. In his comment on the economic policies and programmes as outlined in the Governor's latest message, Mr. Roebuck said that despite the recent improvement in the tourist trade, a "poor" industrial climate had been created that was "hardly conducive to attracting new investments". The Governor's proposals for industrial development contained no "fresh new ideas". Furthermore, Mr. King had not dealt with such matters as agriculture and inflation.

7. Public finance

115. On 13 April 1976, Governor King submitted to the Legislature a revised operating budget of $US 121.4 million for 1976/77, replacing the one presented earlier, which the Legislature had refused to consider because it had not been balanced as required by law. In his budget message, Mr. King described the Administration's spending programme as an "austerity budget shaped and moulded by the harsh constraints of our present fiscal plight". He also announced the intention to balance the budget mainly through submission of a proposal to the United States Congress for financial assistance and the imposition of certain new taxes and fees.

116. On 29 June, the Legislature approved an operating budget of $US 125.4 million, $US 4.0 million more than the amount requested by the Governor. At the same time, it disallowed almost all of his proposed tax measures, but authorized him to borrow $US 10.0 million from the Government Employees Retirement Fund and suggested the establishment of a sewer use charge, as well as an increase in traffic fines. Among other appropriations, it also adopted a separate budget for the Internal Revenue Matching Fund for 1976/77 1/ which would require a contribution of $US 2.0 million to the general fund for government operating expenses and $US 14.7 million for capital improvement projects. On 2 July 1976, the Legislature's version of the budget became official except for certain minor changes made by the Governor. The budget represented a $US 1.7 million increase over actual expenditures for 1975/76.

117. The total estimated local revenue for 1976/77 would be derived mainly from the following sources: income tax, $US 61.0 million; gross receipts tax, $US 13.4 million; real property tax, $US 9.0 million; trade and excise tax, $US 6.6 million; customs duties, $US 4.0 million; licences, fees and permits, $US 2.1 million; water service charges, $US 2.0 million; and contributions from other sources such as the Internal Revenue Matching Fund, $US 2.0 million.

118. The total estimated operating expenditure for that financial year would be allocated as follows: education, $US 32.0 million; health, $US 24.0 million; public works, $US 24.0 million; public safety, $US 11.0 million; social welfare, $US 10.0 million; the Office of the Governor, $US 4.7 million; finance, $US 4.6 million; commerce, $US 4.4 million; the College of the Virgin Islands, $US 3.9 million; and conservation and cultural affairs, $US 2.7 million.

119. In August 1976, the United States Government enacted a law providing for a grant of $US 8.5 million to the territorial Government for its operating expenses and granting it the authority to issue $US 61.0 million in bonds for financing capital improvement projects.

1/ Federal excise taxes on imports from the United States Virgin Islands are collected in the United States and returned to the Territory as matching funds. To receive such funds, the Territory is required to raise, through local taxes, money which matches in size the excises to be returned. It is also required to use the funds only for financing development projects.

120. In his speech of 10 January 1977, Mr. Roebuck stated that the poor performance of the economy in the previous year had weakened the financial position of the islands (see para. 68 above). He therefore suggested that: (a) the territorial Government should continue to negotiate with the Hess Oil Corporation concerning the advance payment of taxes in lieu of modification of its tax exemption benefits; and (b) the Territory's non-voting delegate to the United States House of Representatives should expedite, as soon as possible, legislation providing for a federal grant to compensate for losses which the territorial Government might incur under a tax rebate proposal recently announced by the then President-elect of the United States (later withdrawn).

121. Mr. Roebuck, in referring to the newly enacted federal law (see para. 119 above), said that instead of "abdicating" its responsibility to establish projects for the Territory, the Legislature had pledged itself to make its own recommendations, which should be discussed by the public. He added that if the Legislature failed to initiate new, and support existing, self-financing projects, the Territory would face enormous financial problems in the years ahead.

122. In his 1977 message on the state of the Territory, Governor King said that "one of the more salient accomplishments over the past year was keeping this Government financially solvent". He criticized the Legislature for failing to pass the additional tax measures he had proposed and added that most of the measures outlined in his previous message for dealing with budget deficits had been implemented, m/ and the budgetary system "further modernized". Despite an improving economy, he continued, the territorial Government was "still very much in the throes of a financial crisis". It was still confronted with an estimated deficit of $US 15.0 million for the financial year 1976/77.

123. Subsequently, Mr. Justin Moorhead, the Budget Director, indicated that that figure had remained unchanged. On 11 May 1977, he told reporters that the King Administration planned to keep the territorial Government going by using earmarked reserves during the last quarter of that financial year.

124. On 16 June, the Governor presented to the Legislature a budget for 1977/78 recommending total operating and capital outlays of $US 197.9 million. This sum would consist mainly of $US 137.1 million from the General Fund for over-all government operating expenses; $US 30.8 million from federal aid to supplement a variety of local programmes of education, health and social welfare; $US 20.9 million from the Internal Revenue Matching Fund, largely for capital projects; $US 3.5 million from the Road Fund for road construction and improvements; and $US 3.9 million from the Health Revolving Fund to supplement the operating expenses of the Department of Health.

125. In introducing this budget, Governor King said that the proposed operating budget of $US 137.1 million represented an 8.1 per cent increase over current

---

m/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXXI, annex, para. 67.

appropriation levels and that the increase "barely offsets inflation and serves to sustain only a minimally acceptable level of services and select programmes".

126. The Governor also said that the proposed capital budget would provide for an expenditure of $US 24.2 million, for the construction of public buildings and roads, to complement certain ongoing projects, including school construction and modernization of the two airports of the Territory.

127. In the operating budget, the Governor continued, the major sources of revenue were expected to be: the General Fund, $US 93.5 million; the Interest Revenue Fund, $US 5.2 million; and the Internal Revenue Matching Fund, $US 2.0 million. Of the remaining $US 36.5 million required to balance the suggested level of operating expenses, some $US 30.0 million would come from a proposed tax agreement with the Hess Oil Corporation (see para. 120 above). It was anticipated that the balance of $US 6.5 million would be obtained from a graduated income tax surcharge on individuals making more than $US 6,000 a year.

128. On 29 June, following the announcement of the Hess Oil Corporation that it was withdrawing from the proposed tax agreement referred to above, the Legislature decided to reduce the proposed operating budget by $US 4.4 million, and to raise regular revenues from $US 99.0 million to $US 110.0 million.

129. During its visit to Washington, D.C. on 30 June and 1 July, the Mission discussed the question of the Territory's fiscal position with Mr. de Lugo and the representative of the United States Department of the Interior (see paras. 324 and 358 below). Mr. de Lugo informed the Mission that a committee of the United States Senate had just passed the omnibus territories bill which, among other things, would provide the Territory with budgetary aid amounting to more than $US 14.0 million.

130. Despite the Committee's action, it was believed that the territorial Government might still have difficulty in balancing its 1977/78 operating budget (see below).

131. A summary of information on the proposed operating budget for 1977/78, which became available in the latter part of June, is given in the following table:

Total estimated local revenue	Total estimated expenditure	Anticipated deficit	Anticipated federal aid
	(million United States dollars)		
111.7	132.7	7.0	14.0

Source: Information derived from reports published in the local press and later revised by the administering Power. See paras. 127-128 above. It was reported that the Legislature was unwilling to approve the income tax surcharge recommended by Governor King.

8. External trade

132. On the basis of trade statistics provided to the Mission (see appendix VI to the present report), the Territory's external trade expanded rapidly, from $US 50.7 million in 1960 to $US 4.1 billion in 1975. During this period, annual increases in imports, exports and deficits in merchandise trade averaged 31.4, 49.5 and 19.4 per cent respectively. The United States provided the main markets, and was the primary source of imports until 1968, when other countries became the principal sources of supply. The adverse balance of trade continued to be normally offset by economic and financial aid from the United States, the inflow of foreign investment capital and tourist spending.

133. In January 1972, Clapp and Mayne, Inc. of Puerto Rico submitted to the United States Department of Commerce a report on a survey of potential economic development programmes and projects for the United States Virgin Islands. In this report, it was stated that the largest import items for the Virgin Islands were crude oil, gasoline, bauxite, perfume, whiskey, automobiles, jewellery, yarn, cordials and liqueurs. The major export items were petroleum products, watches and tourism. A large portion of so-called imports were really imported temporarily for the sole purpose of re-export and, therefore, reappeared in a slightly different form as exports in the trade accounts. For example, crude oil, bauxite, jewellery, whiskey perfume, cordials and liqueurs were brought into the islands for further manufacture or marketing and were sent out again in the form of petroleum products, alumina, watches and tourist purchases. The effect on the Territory was income in the form of wages and salaries of employees employed in further manufacture. The Mission has received no additional information to indicate any significant changes in the structure of the Territory's external trade since the publication of the above-mentioned report.

134. According to a study on the economy issued by the territorial Government in 1975 (see para. 65 above), the major source of economic instability of the Territory is its heavy dependence on external markets. Excessive income leakages and lack of internal integration hinder self-sustained independent development. Thus, growth relies on continually expanding levels of export revenue and tourist injection. This diverts a fragile and already specialized production structure farther from possibilities of internal development and towards increased imports.

D. Social conditions

1. Labour

135. The territorial Government provided the Visiting Mission with statistics on the local labour force, employment and unemployment, which are reproduced in appendix VII to the present report.

Employment

136. These statistics indicate that during the 1950s, employment expanded relatively slowly at an average 3 per cent per annum. In the economic boom of the

1960s, employment grew phenomenally at 22.4 per cent on a yearly average. The accumulation of tourist and manufacturing capital generated strong demands for labour, which were met partly by workers from abroad, particularly other Caribbean islands. The result was a tight labour market vis-à-vis the Caribbean region with a relatively low wage structure vis-à-vis the United States. The slackening of demands in the tourist-industrial sector is reflected in the 2.6 per cent annual employment growth during the present decade.

137. During the period 1950-1974, both the private and public sectors grew in absolute size. A significant trend was the proportionate increase in government employment and a corresponding decline in the importance of the private sector. The public ratio rose from 19.5 per cent in 1950 to 26.2 per cent in 1974. At the end of this period, employment figures were classified as follows: government, 10,450; wholesale and retail, 6,070; construction, 5,675; hotels and restaurants, 3,180; manufacturing, 2,890; transport and utilities, 2,175; finance, insurance and real estate, 1,450; agriculture, 200; and other occupations, 7,800.

138. In general, non-United States Virgin Islanders have been employed in the private sector. Native-born islanders have tended to be employed in the public sector. A noteworthy change in the occupational structure took place during the period 1950 to 1970: all white-collar employment rose from 28 to 43 per cent of total employment. On the other hand, blue-collar jobs fell proportionately from 71 to 57 per cent. The author of the 1975 study on the economy (see paras. 65 and 134 above) stated that the white minority was over-represented in the higher-paying, managerial, white-collar categories and under-represented in the blue-collar occupations. Conversely, the non-white majority was over-represented in blue-collar work and under-represented in white-collar jobs. The fact that non-white inhabitants held 52 per cent of the positions in the latter classification in 1970 reflected the upward bias in occupational levels and the assimilation of those inhabitants into the growing public sector. Three categories (construction, service and private household occupations) absorbed almost all of the total alien labour supply. Ethnic stratification in the occupational distribution was reported to be a potential source of social stress, especially during periods of economic instability. All the information given above is provided by the territorial Government.

Unemployment

139. During the 1960s and early 1970s, there was virtually no unemployment in the Territory. During much of this period, the rate was less than 2 per cent. Local government employment had a stable character with little tendency towards decreasing in size, the impact of the unemployment rate noted in appendix VII to the present report falling on the private sector. It was believed that the rate of 10.8 per cent shown for 1975/76 would result in a rate of more than 13 per cent in the private sector. The large industrial enterprises on St. Croix were considered likely to maintain a fairly steady level of employment. This, coupled with the stable public sector, narrowed the portion of the private sector bearing the brunt of unemployment even further on that island.

140. A substantial number of owner-operated, service-type businesses associated with both tourism and construction suffered from a form of underemployment which

rarely showed up in the statistics on the effects of a recessionary period. For example, when a trucker had less opportunity to provide trucking services, he worked less.

141. The total number of aliens engaged in all industries decreased from 11,500 in July 1972 to 7,250 in July 1976. In construction, which was beset by the downward swing of the business cycle, alien employment dropped from 4,295 to 1,800 during the same period.

142. In late April 1977, it was reported that unemployment in the Territory had dropped from an all-time high of 10.8 per cent at the end of June 1976 to 7.6 per cent at the end of March 1977. According to some government officials, including Mr. Hugh Smith, Director of the Virgin Islands Employment Security Agency (VIESA), the figures only reflected claims made under the unemployment insurance system and did not take into account persons who had exhausted their benefits, did not qualify for such benefits or had never been employed. According to Mr. Smith, if VIESA had been able to count accurately all unemployed persons, the March 1977 figure would probably be in the area of 8 or 9 per cent. The Virgin Islands Department of Labor is reportedly planning to carry out a study to identify those genuinely unemployed and to include detailed classifications. By collecting such data, the Department would be able to learn what the future might hold for members of the local labour force. The Territory's unemployment rate continued to follow a downward trend in June, when it was officially estimated to have declined to 7.5 per cent. Figures on unemployed youth available to the Mission do not show secondary school or college graduates (see below).

Programmes for the alleviation of unemployment

143. From 1971 to 1974, the territorial Government sought to cope with the unemployment problem through the enactment of laws authorizing unemployment compensation, employment and training schemes and participation in the Federal Food Stamp Program. It has since continued to pursue these policies in co-operation with the Federal Government. A federal law came into operation on 12 July 1976, providing a loan of $US 15 million ($US 10 million more than that approved in the previous year for the same purpose) to the Virgin Islands Unemployment Compensation Fund (which had been exhausted since the end of June 1975). Under another federal law, enacted in late October 1976, the Federal Unemployment Insurance Program was extended to the Territory, thus eliminating its need for further emergency loans. Among other things, the law makes unemployed local workers eligible for substantially increased benefits. Subsequently, the Virgin Islands Department of Labor began to prepare legislation for submission to the Legislature concerning integration of the Territory into that programme.

144. As has been indicated in preceding sections of the present report, and will be seen in the next section, the territorial Government has also endeavoured to ameliorate the unemployment situation by intensifying efforts to tackle the problem of immigrants as well as to revitalize and strengthen the economy.

145. In his speech of 10 January 1977, Mr. Roebuck stated that the unemployment rate in the Territory was too high, especially among young people. He suggested that a new agency should be established to combat unemployment by using both federal and local funds and by attracting new businesses, and that the Legislature should consider formulating a youth development programme to train the youth of the Territory and to create meaningful jobs in all professions. Mr. Roebuck also suggested that efforts should be continued to seek approval from the United States Congress of a substantial increase in welfare payments to those out of work and without resources.

146. Subsequently, the Legislature approved a sum of $US 250,000 for a summer youth employment programme. Of this sum, $US 200,000 was to be used to match federal funds totalling over $US 600,000 and to finance summer jobs for some 2,000 students.

147. In mid-March, Governor King announced that the territorial Government would receive new funds from the United States Government under the Comprehensive Employment Training Act (CETA) of 1973. It would therefore be able to more than double the number of public service jobs to help combat unemployment in the Territory, especially among its youth, and to stimulate the over-all economy. New public service projects would be established with a maximum duration of one year and a financial ceiling of $US 50,000. Efforts were also being made to find additional federal funds for continuing employment for many participants in the current CETA programme.

148. On 28 April, the Governor made a proposal for the development of a comprehensive and meaningful vocational training programme to meet present and future demands for occupational skills in the islands. Taking into account current fiscal constraints, he said that the programme could be implemented in phases as funds became available.

149. On 13 June, Mr. Earle B. Ottley, Chairman of the Legislature's Finance Committee, told reporters that the Committee had recommended immediate appropriation of $US 10 million for vocational and technical training schools. The Committee had been informed that in the current academic year, of the 334 students who had graduated from vocational schools, only 90 had found employment.

150. In his message on the budget for 1977/78, the Governor stated that spending on education would be increased by some $US 5.4 million, with special attention to vocational training.

151. On 31 January, Mr. de Lugo introduced in the United States House of Representatives legislation which would increase the federal contribution for the United States Virgin Islands social security programmes from $US 2.3 million to $US 13.3 million a year, while the territorial Government's contribution would remain unchanged at approximately $US 3.6 million annually. More specifically, the Virgin Islands Department of Social Welfare, among other things, would qualify for $US 6.9 million per annum in federal funds, provided that local spending would be

maintained at its current $US 2.3 million level. This would represent an increase of over 850 per cent in the federal contribution for the Territory's need. On 14 June, the House passed the proposed legislation, which was then submitted to the United States Senate for action.

2. Housing

General

152. On the basis of the official information provided to the Mission, effective housing demand has lagged behind income increases. This partially explains the sluggish performance of the housing industry during the period 1960-1964, when the total number of dwelling units was estimated to have risen from 9,557 to 9,682. In the next six years, with rapid expansion of the economy, housing units were increased by 11,132 to 20,814, or an average annual rate in excess of 19 per cent. There were quality improvements as well, both in terms of an increase in owner-occupancy and a decrease in substandard units. In 1973, the Territory had 26,914 units compared with 25,497 in 1972 and 23,350 in 1971, an average annual rate of increase of 9 per cent.

153. A housing study published by the territorial Government in February 1974 n/ found that 22,900 new and rehabilitated units would be needed to ameliorate the housing shortage in the next 12 years, and that, with the continuing rise in housing costs, only 15 per cent of the islanders could afford to buy or build new dwellings without government assistance. In May 1975, the high cost of imported building materials, coupled with generally poor economic conditions, brought the construction of private homes to a virtual standstill. In the year ending June 1976, the value of residential construction on St. Croix rose by about 2 per cent to $US 8.2 million, indicating that the decline in the recent past might be coming to an end. Mr. Tinsley, the territorial Government's chief economist, estimated that the value of residential construction would total at least $US 15 million annually in the Territory, at least for the years 1976/77-1980/81.

Public housing

154. The territorial Government has continued to promote public housing development. Its Department of Housing and Community Renewal administers certain programmes, including in particular those for emergency housing, moderate income housing, loans for the purchase of homesteads and homes, 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 (VIHA) (a public corporation established under the Federal Housing Act of 1949, as amended, to develop low-cost housing projects) and the Virgin Islands Urban Renewal Board (which is mainly responsible for the execution of urban renewal projects).

---

n/ Ibid., para. 73.

155. According to VIHA, since 1971, St. Croix has had more public housing than St. Thomas. In 1975, there were 27 housing communities on St. Thomas and 17 on St. Croix, with a total of 4,913 units (4,500 in 1974). In 1976, it was decided to construct 250 additional units in the Tutu and Taarneberg-Ross areas on St. Thomas, or 50 less than had been planned in 1972. This was due to the spiralling cost of construction in relation to the financing available from the United States Department of Housing and Urban Development (HUD). Other major problems confronting VIHA were its inability to keep a stable population in the housing units and the destruction of property. Vandalism had reached such an extent that it was necessary to move a new tenant in within a few hours after completion of repairs and renovations. Under-staffed police had been unable to provide adequate protection against vandalism.

156. In his speech of 10 January 1977, Mr. Roebuck said that "our construction industry has been in deep trouble", and that "it could have been assisted long ago if certain housing development programs for which local and federal funds have been available for more than two years ... had been initiated". He recommended that: (a) legislation on housing, land reform and community development should be enacted, to enable residents to fulfil their desire to own homes of their own; and (b) a local housing finance agency should be created within the Department of Housing and Community Renewal, to enable the Territory to qualify for substantial assistance from the Federal Government and from private financial institutions.

157. In his latest message on the state of the Territory, Governor King, referred among other things, to the annual report of the above-mentioned Department for 1975/76, which was later presented to the Mission. He stated that "the unavailability of funds over the past year prevented the construction of new public housing units in the Territory". He then cited his administration's achievements, despite the unusual budgetary constraints. In particular, he referred to several housing projects which had been completed or initiated; the completion of two urban renewal plans; the construction of approximately 250 single-family dwelling units under the moderate-income housing programme; and the submission to the Legislature of a bill to help meet the "acute" housing needs of low-income families.

158. The Governor also announced that measures to be taken to satisfy public housing needs would include: (a) completion of the acquisition of existing housing units for those with moderate or limited incomes; (b) expedition of the home loan and homesteading programmes; (c) implementation of the urban renewal projects for the Savan and Damarara areas; and (d) completion of all work preliminary to construction of the 250 single-family units referred to above.

159. On 23 March 1977, Governor King opened a conference on the Territory's housing needs, asking participants to "make available your views and suggestions to help achieve a little bit richer lives, not for some, but for all". He said that "there is a need for the community to express concern over what is done and what is not done in connexion with future and present housing projects", and that "the object of the conference should be to intensify efforts in the direction of home ownership".

160. While in the Territory, the Mission received additional information from the King Administration concerning housing development (see paras. 308-310 below). In the week ending 21 May 1977, following the departure of the Mission, VIHA announced that it had received an offer from HUD for the development of 50 new dwellings, the first offer from HUD since 1972.

3. Public health

161. The Virgin Islands Department of Health administers four medical institutions in the Territory: two general hospitals (Knud-Hansen Memorial Hospital (201 beds) on St. Thomas and Charles Harwood Memorial Hospital (102 beds) on St. Croix); and two clinics (Ingeborg Nesbitt Clinic (23 beds) on St. Croix and Morris F. de Castro Clinic on St. John). Both clinics are satellites of the hospitals with all the attendant back-up and support services. The ratio of physicians to population is 1:1,500.

162. In his recent speech, Mr. Roebuck stated that: "Not only are the existing hospital plants inadequate, but they continue to suffer from the lack of maintenance and from the lack of key medical personnel ... This Department has suffered crippling budget cuts which were mostly unnecessary." He further stated that the Health Committee of the Legislature had the responsibility of reviewing those problems and submitting recommendations to that body for action. According to the administering Power, capital improvements are now under way and 11 physicians have been hired since February 1977.

163. According to Governor King, some progress was also made during 1976 in the field of public health, despite budgetary and other major constraints. He drew particular attention to the following: (a) the appointment of a new and highly qualified Commissioner of Health, an administrator for the Charles Harwood Memorial Hospital and a territorial director of hospitals; (b) discussions with hospital management firms on the development of a proper administrative system in the Department of Health; (c) improvements to some of the existing medical facilities; (d) the establishment of a modern mobile health clinic for St. John; and (e) the implementation of a new dental health programme for the aged.

164. For 1977, the Governor called for introducing management reforms in hospitals, meeting accreditation standards, expediting completion of hospital renovation projects and launching a drive to secure federal funds to build two hospitals (on St. Thomas and St. Croix) and a clinic on St. John.

165. With regard to the proposed medical facilities, the Governor stated that several studies of the hospital situation indicated that "our hospitals are far below minimum", and that "no amount of additions, alterations or patchwork will remedy the situation".

166. On St. Thomas, the proposed new hospital would be built on 8 hectares owned by the territorial Government. The hospital would have 250 beds divided as follows:

medical, 50; surgical, 50; gynaecological, 20; paediatrics, 35; obstetrics, 35; mental health, 35; and extended care, 25. St. Croix's 250-bed hospital would be built on 38 hectares owned by the Government. It would have basically the same features as its St. Thomas counterpart. The St. John Clinic (12 beds) would be built on a plot of 2 hectares. These facilities would include all elements required for accreditation by the United States Department of Health, Education and Welfare (HEW) and the Joint Commission on Accreditation of Hospitals.

167. On 9 June 1977, four of the five groups interested in the proposed projects were reported to have met with a special evaluating committee to present detailed information on their professional and financial capabilities. The Commissioner of Health, who is also the head of the committee, referred to the financial arrangements originally suggested by the territorial Government, whereby the private group thus chosen would find capital for the construction initially and the Government would pay it off over a 30-year period. He pointed out that the committee was exploring the possibility that federal funds would be available for the new facilities, and that a combination of the two methods of financing might be adopted ultimately. He estimated the cost of the proposed projects at $US 47 to $US 48 million.

168. On the morning of 26 April 1977, the Mission visited the only government-run medical institution on St. John, the Morris F. de Castro Clinic located at Cruz Bay. The physician-in-charge, a United States national, submitted to the Mission the annual report of the clinic for 1975/76, containing the following information.

169. In general, the clinic operated efficiently during the year, performing its function of caring for the sick, disabled and injured of St. John. Hypertension and diabetes were the most common diseases on the island. Its staff consisted of two physicians, a dentist, a medical technologist, four registered nurses, two licensed practical nurses and two nurses aides. The nursing services were under the supervision of a chief nurse, who was also a United States national, under the jurisdiction of the Director of Nursing Services of the Knud-Hansen Memorial Hospital, with which the clinic maintained close co-operation in various fields (see above).

170. No bed-care facilities were available at the clinic , even for short-term observation periods, impending child birth or any other medical, surgical or obstetrical problems. Every day, patients were brought in from distant points of the island by two ambulance drivers (each of whom was on duty for an eight-hour shift), and were sent home after having been treated promptly. Two ambulances were available, both of which were out of date and not completely equipped. A new one was on order and a new hospital boat (which was seen by the Mission during its visit) was expected to be put into operation shortly. A modern mobile health unit would soon be installed at Coral Bay (also shown to the Mission). The operation of this unit and a home for juvenile delinquents at Calabash Boom were expected to decrease demands on the already attenuated clinic.

171. According to the annual report of the clinic (see para. 168 above), the aging, depressed state of the physical plant made good medical care all but impossible.

If the clinic were to continue functioning at all, certain items, including X-ray viewing units, would have to receive immediate attention, as would the inadequacy of the most elementary supplies and medicines.

172. An analysis of services provided by the clinic from July 1974 to June 1975 revealed that there had been a high acceptance and use ratio by the local community and that it had made a major contribution to community medical care.

173. The physician in charge told the Mission that the out-patients treated at the clinic averaged about 40 a day. There was still a shortage of qualified physicians to staff the clinic, and the few islanders who had sufficient qualifications showed no interest in working there because the salaries were too low. Public funds made available to the clinic were barely enough to meet St. John's health needs.

174. Early in 1977, Senator Cleone Creque Hodge, the elected representative for St. John in the Legislature (who attended the public meeting held by the Mission in her constituency), met with the Commissioner of Health to discuss health care services for the island. The Senator had made a series of recommendations, including in particular: (a) provision of midwife services; (b) establishment of a communication link between the clinic and the Knud-Hansen Memorial Hospital for the treatment of emergency cases; and (c) provision for the part-time service of a physical therapist on St. John for post-stroke patients. During her meeting with the Commissioner, Senator Hodge also discussed dental services for, and the nutrition needs of, the islanders. Senator Hodge reported that the Commissioner had been receptive to her recommendations. The Mission was informed by the administering Power that the recommended communication link had been established, that three physical therapists now visited the clinic at least three times a week and that a dentist was now on duty eight hours a day.

175. During its visit to the Knud-Hansen Memorial Hospital on 27 April, the Mission received the following information. The hospital, the principal government-operated institution in the Territory, had been opened in August 1953. Its budget had been increased from $US 5.6 million in 1974/75 to about $US 6.4 million in 1975/76, but there had been a decrease in the allocation made by the Federal Government during that period. The hospital had some 500 employees, including 30 physicians, most of whom worked partly for the Government and partly in private practice.

176. The hospital continued to stress the health and well-being of people of many cultures. Of the patients admitted, 70 per cent were United States citizens, and the remainder were non-resident, non-citizens. Out-patient services were administered as part of the total community and mental health programme, which focused on ambulatory care. The hospital was seeking to improve patient education, upgrade its employee skills, continue education for its professional staff and update total health care.

177. Patients were charged a fee of $US 67 per day, although the daily operating costs of the hospital amounted to $US 120. Those unable to pay the full rates received assistance from the Federal Government primarily under its Medicaid

Program. In this connexion, reference was made to the Medicaid reform bill recently introduced by Mr. de Lugo in the United States House of Representatives, which its Commerce Committee had approved in March 1977. Under the present law, the Territory was limited to $US 1 million a year in federal funds, which must be matched by the territorial Government on a 50-50 basis. Under the terms of the de Lugo bill, the $US 1 million ceiling would be removed and the matching formula would be revised so that the Federal and territorial Governments would pay 30 and 70 per cent respectively. Provision would be made for the treatment of the United States Virgin Islands as a state of the United States, thus enabling the territorial Government to qualify for an additional $US 2 million in federal Medicaid funds to improve the quality of its health care services for the poor.

178. A $US 1.2 million renovation project for the hospital was scheduled for completion in December 1977. The project included modernization of many rooms and expansion of the dialysis and surgical services. Attention was also drawn to the proposed new medical facilities referred to above.

179. Hypertension was one of the major health problems of the Territory. Gastro-intestinal infections and bronchitis were common among children. The two problems were partly attributed to impure water supplies.

180. On 7 May, after the Mission's departure from the Territory, the Commissioner of Health was reported to have told the St. Croix Public Information Association that he would not countenance the Legislature's interference in the day-to-day management of his department, and that he would put an end to the practice of employees running to their senators with complaints about imagined injustices. The Commissioner also said that unless means were found to finance adequately the Department's existing programmes, the chances for modernizing the health care system in the islands would be minimized.

181. In his message on the budget for 1977/78, the Governor proposed to increase government expenditure on public health by about 16 per cent, or $US 2.7 million. The additional outlay would be devoted to: (a) upgrading the level of in-patient and out-patient services; (b) providing essential equipment; and (c) satisfying staffing needs.

E. Educational conditions

182. Education is compulsory between the ages of 5 1/2 and 16 years. Public, private and church schools provide kindergarten, primary, junior, secondary and vocational education. On St. John, the only government schools are kindergartens, primary and junior schools. On the basis of the provisional figures provided by the Department of Education, a total of 25,382 pupils were enrolled in the public schools during the 1976/77 academic year, representing an increase of more than 10 per cent over the previous year. Of that total, 15,735 were in primary schools and the remainder in secondary schools. The Department reported that some schools were overcrowded, while others were on double sessions, and that the overcrowding was greater at the secondary school level. Higher education is provided at the College of the Virgin Islands (CVI)

on St. Thomas, which has an extension centre on St. Croix. In September 1976, the College had 620 full-time and 1,502 part-time students (629 and 1,450 in 1975), including 42 students undertaking graduate courses in education (see also paras. 284-296, 312-314 and 333 of the present report).

183. In his recent speech, Mr. Roebuck stated that there was a need for "radical changes" in the Department. He hoped that the Committee on Education of the Legislature would look into new ways of improving the Territory's school system. He also promised to seek legislative action to give the elected Board of Education control of that system.

184. With regard to educational development, Governor King said in his 1977 message on the state of the Territory that the problems encountered by its school system were both "deep-seated and long standing". He added, however, that the system had continued to operate despite lack of funds, and that no mass lay-offs of teachers had been necessary. He particularly cited as his administration's accomplishments in 1976 the withstanding of a six-week strike by teachers over their contract, the expansion of the bilingual-bicultural programme, the improvements in the Office of Federal Programs, and the launching of several school expansion or construction projects.

185. The Governor also listed the following as educational priorities: (a) acceleration of administrative reforms; (b) improvement of levels of student discipline; (c) continued work on reforms to the curricula to make them more relevant to the Territory's needs and setting; (d) completion of all matters relating to the formal adoption of a comprehensive plan to build two vocational schools, one on St. Thomas and one on St. Croix; (e) completion of the above-mentioned projects, especially the erection of two elementary, one junior and one secondary schools; and (f) initiation of a new school construction programme to be carried out at an estimated cost of $US 20 million.

186. While in the Territory, the Mission saw a number of public schools on St. John and St. Croix as well as the campus of the CVI on St. Thomas. It also had discussions with teachers and government officials concerned with educational matters both in the United States Virgin Islands and at Washington, D.C., whose views and explanations, given to the Mission, are summarized in the next two sections of the present report.

187. The Mission was informed that the educational problems of the Territory included the difference in the standard education given in public and private schools; overcrowding in the public schools; and the departure of better-educated islanders. The Mission was also informed that the Government of the United States Virgin Islands was aware of the problems associated with overcrowding and had undertaken a major programme for the construction of additional facilities.

188. On 16 June 1977, following the departure of the Mission from the Territory, Governor King submitted to the Legislature a message on the budget for 1977/78. In the message, he stated that education, as usual, had more money budgeted than any other government department. His recommendation of $US 36.9 million represented a $US 5.4 million increase over the previous year. Much of that increase was to be allocated for the staffing and equipment needs of the five new schools constructed over the past three years. Special attention was also being accorded to vocational education and programmes for handicapped youths.

II. PROGRAMME OF MEETINGS

189. During its visit to the Territory, between 24 April and 1 May 1977, the Visiting Mission had talks with the Governor and senior officials of his Administration, met with members of the Legislature, heard the views of the general public at public meetings on the three main islands, and held discussions with labour leaders, members of the St. Thomas-St. John Chamber of Commerce and representatives of CVI. On 10 May, after its return to New York, the Mission met with a delegation from the St. Croix Independent Truckers Association.

A. Initial talks with the Governor and senior officials of his Administration

1. General

190. On 25 April 1977, at Charlotte Amalie, the Mission held preliminary discussions first with Governor King and then with members of his Cabinet. At the outset of the first meeting, the Chairman, speaking on behalf of the Mission, thanked the Governor for the arrangements made for its visit to the Territory. After considering the proposed programme for it, he expressed the hope that the Mission would have an opportunity to hear the views of the general public at public meetings on the three main islands. As a result, he said, the Mission's report would reflect all shades of opinion in the Territory. He also said that on 28 April, following its visit to each of the three main islands, the Mission would like to meet again with the Governor and members of his Cabinet for further discussions.

191. In extending a welcome to the Mission, the Governor stated that his Administration would co-operate with the Mission in achieving its objective. He hoped that the Mission's visit would point out differences among colonial Powers in the administration of their respective Territories. He was of the opinion that the situation in the Territory was complex and that there was room for adjustments by the administering Power. He also said that the United States Virgin Islands had all the possibilities of internal self-government and that their relationship with the United States could stand the test of every inspection.

192. The Chairman responded by explaining the purpose of the Mission and the mandate of the Special Committee. At the same time, he emphasized that the ultimate decision rested with the people of the Territory itself regarding the direction they wanted to take, a view which was shared by Governor King. The Chairman expressed appreciation to the Governor for his assurance of the co-operation of the territorial Government with the Mission on its visit.

193. Following is a summary of the views of Governor King and members of his Cabinet and the information presented by them on various subjects in the course of the ensuing discussions.

2. Political future of the Territory

194. According to Governor King, the people of the Territory had no sentiment for or interest in independence from the United States. The United States Virgin Islands would prefer to remain as an unincorporated Territory of the United States, but would seek a maximum degree of local autonomy in the immediate future. In addition, the people of the Territory wanted to participate in the election of the United States President. They wished to have discussions with the Federal Government regarding taxation, and to send a voting delegate from the Territory to the United States House of Representatives. Commonwealth status was not very clearly defined. Statehood had been discussed in the United States Congress, but not among United States Virgin Islanders. They could not afford statehood nor to become independent.

195. The Governor also stated that the people of the Territory were politically mature, because they elected their own Governor and Lieutenant Governor as well as the legislature and exercised "all possible internal self-government".

3. Population, immigration laws and relations with other Caribbean countries

196. The population of the Territory was estimated at about 100,000. There were 2,000 more inhabitants on St. Croix than on St. Thomas-St. John. During the discussions, it was stated that the immigration of Puerto Ricans into the Territory had not created any problems. Many of the immigrants had come to work as sugar-cane cutters during the 1920s and 1930s, and had settled down on St. Croix. Those of Puerto Rican origin now accounted for 45 per cent of the inhabitants on that island. The United States Virgin Islands continued to maintain excellent relations with Puerto Rico.

197. The view was expressed that there was a need for some adjustment in the application of the United States immigration laws in the context of the Territory. For years, there had been an intimate relationship between the British Virgin Islands and the United States Virgin Islands, a matter which deserved special consideration. In the previous two decades, during an extended economic boom in the United States Virgin Islands, people from various Caribbean islands had come to the Territory because of shortages of local manpower. That type of situation should be taken into account in the formulation of immigration laws applicable to the Territory.

198. The Governor said that political maturity and political autonomy were not the same. The people of the United States Virgin Islands elected their own representative legislature and Governor, and exercised all internal self-government, as any state of the Union. In fact, Virgin Islanders had greater autonomy than states of the Union, since the Governor had an item veto. He went on to say that the United States Virgin Islands had no autonomy in foreign policy and foreign affairs. Concerning the Caribbean, the Governor stated that he was interested in broadening contacts and developing better cultural and economic relations with the area, and was proceeding in full consultation with the United States Department of State. He reiterated that "the Virgin Islands' exercise of total internal self-government is a recognition of the Virgin Islands' maturity".

4. Public safety and law enforcement

199. The Mission was informed that in 1976 the crime rate in the Territory had declined, but that the number of arrests had increased. The King Administration had proposed measures to improve the compilation of crime statistics.

200. Juvenile delinquency was considered to be one of the more serious problems confronting the islands. Efforts were being made: (a) to increase public participation in the crime prevention drive; (b) to construct a facility for juvenile delinquents; and (c) to develop a youth authority which would combine aid and services to juveniles, and which would co-ordinate with the Youth Commission, a statutory body created in 1974. The juvenile correctional-rehabilitation programme was designed to provide young offenders with vocational training and recreation, as well as to improve the social well-being of the people. With the completion of the above-mentioned facility, it was hoped that the territorial Government would be in a better position to formulate plans to solve the problem. The need to expand facilities for adult offenders was also stressed.

201. Since 1975, 25 projects had been established to provide improved recreational facilities for young people. Additionally, a youth conservation corps had been formed and other programmes such as that for youth employment in each summer had been carried out. Attention was also drawn to the activities of boy scouts and girl scouts.

5. Problems of unemployment and economic development

202. The Mission was told that 7.9 per cent of an estimated labour force of 44,000 were currently unemployed. The Government was continuing in its efforts to broaden employment opportunities, especially for new entrants into the labour force, through a series of measures to revitalize and strengthen the economy.

203. Between 1955 and 1970, the tourist industry, the main economic support, had grown at an average annual rate of 10 to 15 per cent. The economic slow-down since 1970 was primarily attributed to the decline in the number of tourists visiting the Territory. As a result, several hotels had been closed, but there had been little change in employment provided by the industry.

204. In order to generate job opportunities, the territorial Government had established a programme to promote industrial development and diversify the economy. The view was expressed that the Government had succeeded in attracting light and non-polluting industries to the Territory through the granting of tax incentives to investors.

205. The hard-hit construction industry was now in a position to deal with a hoped-for expansion of capital projects. In particular, reference was made to: (a) the possible construction of an oil refinery by the Virgin Islands Refinery Corporation formed by United States interests; (b) the modernization of Truman Airport with assistance from the Federal Government; and (c) projects for the erection of new schools to be financed by the sale of bonds which the territorial Government had issued under a newly enacted federal law.

206. It was indicated that the development funds required were to be provided by private investors and the Governments of the United States and the Virgin Islands. It was pointed out that the Federal Government had been more than generous in providing the Territory with economic, financial and technical assistance. Owing to lack of local manpower, the territorial Government did not intend to create jobs too quickly. Recent studies had shown that it would be difficult to develop agriculture and commercial fishing in the islands. With that in mind, the territorial Government attached greater importance to the development of tourism and manufacturing industries. It was familiar with economic models other than that of the United States. In developing its economic policies and programmes, it paid particular attention to those of Barbados, Ireland and Singapore, which were considered to be the most appropriate for the Territory.

6. Agriculture and fishing

207. According to information given to the Mission, agricultural development was being encouraged on St. Croix, which had more potential than the other two main islands. The territorial Government had acquired 30 hectares of privately owned land for that purpose and intended to purchase a further 810 hectares of the best farmland but was not yet able to do so owing to lack of financial resources. In the past, local people had been reluctant to grow food, partly because the large supermarket chains could import food-stuffs at lower prices. Taking that into consideration, the Government was encouraging those chains to buy locally produced food-stuffs. A total of 100 families had shown interest in small-scale farming operations. The supply of food was much below demand, however, and the majority of food-stuffs had to be imported.

208. Commercial fishing was characterized by small-scale production, because of limitations on the amount of fishing within territorial waters. Sports fishing was being promoted as part of the programme for tourism development. Foreign fishing boats without permits issued by the United States Virgin Islands Government were not allowed to operate inside the territorial waters, the objective being to prevent over-fishing.

B. Meeting with members of the Legislature

209. On the afternoon of 25 April, the Mission met with the 15 members of the Legislature at Charlotte Amalie. Mr. Roebuck, the President of the Legislature, welcomed the Mission. Responding to the welcome on behalf of the Mission, the Chairman stated that the presence of a United Nations mission had been made possible as a result of an invitation extended by the United States Government to the Special Committee. The Mission expressed its appreciation to the Governments of the United States and the United States Virgin Islands for their positive attitude and co-operation in the matter. After explaining the purpose of the Mission, the Chairman expressed the hope that all sections of the local population would come forward with their views on various issues relating to the Territory.

210. A summary of the exchange of views which took place at that meeting is given below.

211. In reply to questions raised by four senators (Messrs. Eric Dawson, John Bell, Lloyd Williams and John Maduro), the Chairman further explained the mandate given to the Mission by the Special Committee and the General Assembly. He also described briefly the form and contents of the report to be prepared by the Mission and the procedure for its submission to the above-mentioned bodies for action.

212. Senator Bell observed that the islands' culture was in the process of disappearing, not because the local people wanted it that way, but because the islands had become an open area in the world, where no governmental forces could determine what they should have unless it was in keeping with the United States Constitution. He cited as examples that the islanders could not exercise full control over their educational system, and had no say in regard to the United States immigration laws applicable to the Territory. He was of the opinion that the Mission should stay longer or return to the islands so that it could understand better the local situation, a view which was shared by three other members (Messrs. Britain Bryant, Otis Felix and Fritz Lawaetz) and Mr. Roebuck. In that connexion, the Chairman expressed the view that it was a matter for the Special Committee, in consultation with the Government of the United States, to decide on the practical arrangements for the Mission.

213. Senator Earle Ottley asked the Mission whether the Territory could participate in certain activities of the United Nations through the United States Government. The Chairman replied that during its forthcoming visit to Washington, D.C., the Mission would be glad to raise the matter with the administering Power.

214. In reply to a previous remark, Senator Sidney Lee said that he had come from the United States 22 years ago, and gave an assurance that he had been elected to the Legislature in the same way as its other members.

215. Before adjourning the meeting, the President of the Legislature stated that it was considering several bills which would establish a constitutional convention for the Territory. He stressed that the people wanted to maintain their present political status, to retain United States citizenship and to control the operation of the various branches of their Government as well as certain areas at present outside its jurisdiction. He considered that the Mission should take note of the Territory's potential and political maturity, its unique system of democracy and the aspirations of its people for a greater degree of local autonomy.

216. The meeting with the Legislature appeared to the Mission to have taken place at short notice.

C. Public meetings

1. St. John

217. On the morning of 26 April, the Mission arrived on St. John, where it visited the Morris F. de Castro Clinic, the Julius Sprauve and Guy Benjamin schools, and the Virgin Islands National Park. At the Caneel Bay Plantation, Mr. Roy Sewer,

the Administrative Assistant for St. John, gave a luncheon in honour of the Mission. Afterwards, a public meeting was held at Battery and was attended by about 60 persons.

218. Following an introductory statement by Mr. Sewer, the Chairman opened the meeting by explaining the purpose of the Mission and by inviting people of the island to give their views on various issues relating to the Territory. In supporting the Chairman's statement, one speaker drew attention to the accomplishments of the United Nations in the field of decolonization and expressed confidence in the usefulness of the Mission. He was joined by other speakers in commenting on the inadequacy of preparation for the Mission's visit, its short stay in the Territory and the coincidence between the visit and the celebration of carnival, which took place on St. Thomas, with particular emphasis on the latter's effect on the attendance at the meeting.

219. The Mission gained the impression that the participants in the meeting appeared to be aware of the available political options, including independence. A number of speakers favoured the maintenance of the present relationship between the United States and the United States Virgin Islands. Reference was made to the passage on the same day by the Legislature of the constitutional convention bill, which would leave such relationship unchanged. Two speakers stated, however, that the people of the Territory should be entitled to vote in the presidential elections in the United States and to send a voting delegate to the United States House of Representatives. Three others were of the opinion that, owing mainly to lack of natural resources, the Territory could not afford to become independent from the United States. One of these speakers also said that, under the present electoral system, the senator at large was a resident of St. John, but expressed concern that that arrangement might be altered. He stressed that the people of the island should be represented in the Territory's political institutions.

220. Dealing with the Virgin Islands National Park, several speakers informed the Mission that it had been established in 1956 and was administered by the National Park Service of the United States Department of the Interior. It covered "6,000 acres" (2,428 hectares) of the island's total land area of 4,856 hectares. The Service had announced its intention to expand the Park by acquiring another 1,214 hectares from St. John's residents, and had exerted strong pressure on many of them to sell their properties, a matter over which the speakers voiced their deep concern. The authorities concerned had rejected the plans of landowners to develop their properties. That action tended to lower the value of lands adjacent to the Park and would eventually lead to their acquisition by the Service. The speakers believed that in that event, St. John's culture would disappear, because many local people would be driven from the island. They therefore stressed their desire to see expansion of the Park halted and expressed the hope that the Service would not become involved in the internal affairs of the island. An official of the Service stated that the Park did not have the right of eminent domain and could purchase land only from those wishing to sell.

221. The Mission was also informed that there were no restrictions on the purchase of land by persons from the United States and other countries which had led to an increasing number of expatriate landowners on St. John. Many expatriates owned

land in areas considered to be not yet attractive to the local people. During the celebrations of the 200th anniversary of the foundation of the United States held in 1976, the people of St. John had wanted but had not been allowed to sell locally made handicrafts and other products in the park area, because the concession for the sale of similar imports had been granted to a firm owned by United States interests. It was suggested that ways should be devised to assist the local inhabitants effectively in the betterment of their living conditions.

222. At the meeting, it was stated that federal funds made available to the Territory were still insufficient to meet its needs. Such funds should be controlled by the territorial Government, and not by the Federal Government. St. John was not getting its fair share of the federally financed programmes for social development. The island continued to face social problems resulting from the development of tourism, the mainstay of its economy.

223. Finally, the Mission noted that speakers at the meeting were divided in their opinion on the Territory's educational system, but that they emphasized the need for more investment in education; revision of the curricula of the kindergartens and primary schools on St. John; and expansion of its vocational training facilities.

2. St. Thomas

224. Late on the same day, after returning from St. John, the Mission held a public meeting on St. Thomas, in which about 35 persons participated. At the outset of the meeting, the Chairman, speaking on behalf of the Mission, thanked the participants, and stated that at the invitation of the United States Government, the Mission was visiting the Territory to talk to its people and to ascertain their views and wishes on matters relating to the constitutional, political, economic and social developments.

225. Out of the 35 participants, only five made statements which covered the following main points.

226. The first speaker regretted that the meeting had taken place at short notice. He then briefly outlined the political history of the Territory. In particular, he pointed out that since the passage of the Revised Organic Act of 1954, the executive and legislative branches of the territorial Government had been steadily increasing their powers. He specifically referred to the enactment earlier that day of the constitutional convention bill, which would provide an opportunity for the people of the United States Virgin Islands to write their own constitution. He believed that in the proposed constitution, the people would seek an independent judiciary to take over many functions of the United States District Court in the Virgin Islands.

227. Dealing with the problems confronting the Territory, he drew particular attention to that of immigration, which was under federal jurisdiction. Taking into account the small size of the Virgin Islands, he considered it to be unrealistic to apply the United States immigration laws in the islands. He noted that legislation was pending in the United States Congress to help alleviate the situation and hoped that after the adoption of a new constitution for the Territory,

a new federal relations act would be passed which, among other things, would correct the problem of immigrants.

228. Following his statement, immigration became the central issue discussed at the meeting.

229. The second speaker said that Virgin Islanders were on "the brink of extinction". They could no longer determine the Territory's destiny because they were outnumbered by outsiders as a result of the application of United States immigration laws in the islands. The average Virgin Islander did not enjoy the benefits of the federal programmes in the Territory. The federal poverty level was substantially lower than it should be in the islands. She believed that "the prime beneficiaries in the Virgin Islands are the people coming from outside", and that "within the next 10 years, Virgin Islanders will have lost complete political control to others, who have a different political philosophy".

230. She also said that "our rights under the Constitution are being violated", and that "the right to survive in our homeland is being threatened". She went on to say that the loyalty that many Virgin Islanders had felt towards the United States was being undermined by federal laws. She expressed the view that the United States Government should review its immigration policy as soon as possible with a view to avoiding indiscriminate application of the relevant laws in the Territory.

231. The third speaker took an opposite view, saying that non-Virgin Islanders were not unproductive. She hoped that the atmosphere of brotherhood and open arms would remain in the Territory, the reason why, she said, she had moved from the United States. She believed that Virgin Islanders and immigrants would be able to find a solution to their problems.

232. The fourth speaker was Mrs. Edith Quetel Bryan, a representative of the Organization of Concerned Virgin Islanders for Action, who had appeared before a sub-committee of the Special Committee as a petitioner on 16 May 1975 (A/AC.109/SC.3/SR.232). On the question of immigration, her views were similar to those expressed earlier by the second speaker. In addition, she said that a serious situation had developed in the Territory because of the presence of large numbers of aliens with adverse consequences especially for employment and educational progress. She therefore considered that the Federal Government should provide compensation to the Territory to alleviate the problems caused by aliens, since they had come in under the United States immigration laws.

233. In that connexion, she reiterated that her organization was dedicated to the cultural, economic, social and, if necessary, political survival of the indigenous Virgin Islanders, whose inalienable rights were guaranteed particularly by the 1917 Treaty of Sale between Denmark and the United States. Article 6 of the Treaty provided that, if the existing laws were altered, the inhabitants of the islands should not thereby be placed in a less favourable position in respect of their rights and liberties than they enjoyed under those laws. She also raised other issues regarding greater local autonomy, federal guidelines, customs duties, promotion of further industrial development and social security benefits without giving any explanations. After the meeting, she submitted to the Mission educational

statistics for the years 1974-1976 and other materials concerning her organization and its recent activities. However, those materials included no additional information on the issues referred to above.

234. The fifth speaker, a non-Virgin Islander, said that much criticism had been made about the influx of immigrants, but that they had contributed substantially to the local community. He thought that the Territory should seek to preserve the tradition of accepting outsiders.

235. In a memorandum dated 30 May 1977, addressed to the Chairman of the Mission, Mr. Geraldo Guirty, a native-born St. Thomian, expressed support for those participants in the meeting arguing for revision of the United States immigration laws. In addition, he suggested that the Territory should be allowed to exercise the right to admit or reject immigrants, and that the Special Committee on Decolonization should examine the question as to whether article 6 of the 1917 Treaty of Sale between Denmark and the United States had been violated. He said that because of their economic dependence on the United States, the people of the Territory were not thinking of achieving independence now, adding that he believed in their gradual political advancement.

3. St. Croix

236. On the afternoon of 27 April, the Mission flew to St. Croix. Upon arrival there, it spent the rest of that afternoon visiting the Atlantic Time Products Corporation, a subsidiary of the Bulova Watch Corporation of the United States, and the refinery of the Hess Oil Corporation.

237. Over 250 persons attended the public meeting on St. Croix in the third of three island meetings conducted by the Mission. In addition, some 100 or so additional persons mingled with those attending the meeting, which lasted nearly four hours and adjourned about midnight.

238. At the outset of the meeting, Mr. Anthony Carlisle, who had been appointed to accompany the Mission throughout its visit, made an introductory statement. The Chairman then spoke on behalf of the Mission, stressing that it was the first time that the United States as the administering Power had ever invited the Special Committee to send a visiting mission to a Non-Self-Governing Territory under its administration. He said that the Mission wished to thank the Governments of the United States and the United States Virgin Islands for the arrangements made for its visit, although inadequate notice might have been given to the people of the Territory concerning the visit. After explaining the purpose of the Mission, the Chairman invited the public to come forward with their ideas and views on matters which would have an important bearing on the protection of their interests. As a result, he hoped that the Mission would be able to contribute significantly to informed and effective consideration of the Territory by the United Nations.

239. Those speaking at the meeting represented a broad spectrum of opinion and of St. Croix inhabitants. The latter included short-term and long-term residents, native-born Crucians, naturalized aliens, college students and other young persons, as well as older persons from various walks of life.

240. A group of political science students from CVI presented a petition to the Mission dealing with a variety of subjects. Four persons representing the group discussed issues in the petition. Their views and those expressed by 26 other participants at the meeting are summarized below.

241. The representatives of the petitioners and some other participants complained that they had had insufficient time to prepare comprehensive statements for the Mission because of the short notice given to the people of the Territory about the arrangements for its visit. They urged the Mission to stay longer or return to the islands so that it could better understand the local situation. Several of them pointed out that the people of St. Croix supported the mandate given to the Mission by the Special Committee and the General Assembly, as evidenced by the attendance at the meeting.

242. Subsequently, the Mission listened at length to the points of view of spokesmen for the above-mentioned group of students and of other participants in the meeting in regard to the problems confronting the United States Virgin Islands. Concerning the Territory's political future, none advocated independence or statehood. The spokesmen for the students stated that the majority of the local people had not been made aware of the available political options, including a closer relationship with other Caribbean countries. The Federal Government's policies had furthered neither assimilation of the Territory into the United States society, nor the full autonomy of the Virgin Islands. The policies had rather fostered a continuation of the Territory's present colonial status with the administering Power.

243. In that connexion, five other speakers said that a number of non-white people such as the Governor and some of his senior officials were occupying positions of responsibility. But at the same time, they added that the non-white population as a whole had no real power to manage its own affairs, because it did not participate effectively in the decision-making process and exercised no control over the future of the Territory. Under a newly enacted federal law, they continued, the territorial Legislature was authorized to call a constitutional convention to draft a constitution for the Virgin Islands. However, that law did not make provisions for the people to consider any change in the Territory's political status. Moreover, the constitution to be drawn up would be subject to presidential and congressional review, and they believed that it would not represent the genuine feelings and aspirations of the people. The Mission was therefore requested to make a recommendation in its report reaffirming the inalienable right of the people of the Virgin Islands to self-determination.

244. In drawing attention to the results of the legislative election held in November 1976 on St. Croix, the spokesmen for the petitioners said that out of 32,500 registered voters, 9,052 had participated in the vote; and that 3,500, or 38 per cent, of those had come from the United States, although those born there accounted for only 20 per cent of the total population of the island. That indicated that the influence and role of the immigrants from the United States in the political affairs of the Territory were of an importance out of proportion to their numbers. The spokesmen also said that the Federal and territorial Governments employed 4,085 workers on the island, and that a total of 12,000 adults received federal assistance in the form of "welfare payments" or stamps that could be used to

buy food. Comparison of those figures with the election results given above revealed that one of the most "dangerous" trends fostered by the policies of the Government of the United States was the creation of an unusually large government machinery for a small Territory like the United States Virgin Islands and the fostering of the growth of a "welfare programme" rather than sound economic development.

245. In reply to previous remarks, a member of the audience said that under the constitutional convention bill recently passed by the territorial Legislature, the United States Virgin Islands would achieve a greater degree of local autonomy. He did not agree that immigrants from the United States (including himself) had played a dominant role in the political life of the Territory, because statistics could be used to suit the needs of the previous speakers. He argued that if the annual income of a person (say $US 10,000) was insufficient to support his large family, he would be eligible for participation in the Federal Food Stamp Program. He therefore considered it to be incorrect to say that the earnings of a recipient of such stamps were below the poverty level.

246. Another member of the audience observed that the lower-income groups, constituting a large section of the population of St. Croix, were relying on food stamps and were taking no initiatives in adapting themselves to modern forms of political, economic and social development. As a result, those accepting such "handouts" and their offspring were condemned to be "beggars". However, another speaker, who characterized herself as representing the lower and middle classes, took an opposite view, shouting "God bless America". She believed that as an unincorporated Territory, the Virgin Islands received "more aid" from the Federal Government than certain other parts of the United States, and that the United States should "never grant independence to the Territory".

247. Turning to other aspects of the economic and social situation in the Territory, the spokesmen for the petitioners said that, according to the official estimates, the annual rate of inflation in the Virgin Islands for the period 1972-1976 had been 33 per cent higher than that in the United States. The latter had provided the main markets and sources of imports. Several recent developments in the field of external trade had aggravated local inflation. First, the federal law regulating international oil prices had not been applied in the Territory. Second, its imports had had to be shipped through Puerto Rico. Third, in the previous decade, there had been an increased containerization of shipments and mass marketing in the United States. For a small market, those arrangements were grossly counter-productive.

248. The spokesmen also said that the major industries in the Virgin Islands such as the Hess Oil Corporation and the Martin Marietta Corporation were controlled by United States interests. In the Territory, managerial, professional and technical skills continued to be furnished primarily by immigrants therefrom. The immigrants, who usually stayed in the islands for only a few years, were paid much higher salaries than in the United States. Islanders were being superseded by off-island experts who were given job preferences even though native-born Virgin Islanders had the training and capabilities to fill positions of responsibility. The earnings of the unskilled local labourers were much too low, and they had to face the problem of high inflation.

249. One of the previous speakers stated that, until the late 1950s, agriculture had been an important industry on St. Croix. Most of its people had owned farms of varying sizes. Following the introduction of the modern economic system of the United States in the Territory, those people were no longer engaged in agricultural activity and depended on imported food-stuffs. Practically all of St. Croix's wealth was in the hands of non-Virgin Islanders. There had been an increase in large corporate and absentee ownership of local business. Crucians were discriminated against in employment. He thought that they should be provided with sufficient training to understand the system under which they were working. Thus, they would be able to participate more effectively in, and exercise more control over, the system.

250. Another speaker, originally from the United States, in charge of the kidney dialysis units in the Virgin Islands, informed the Mission that a major health problem for the Territory and other Caribbean islands was high blood pressure and resulting kidney failure. In reply to questions from the audience, he said that no patients were ever refused treatment at the two general hospitals (one on St. Thomas and the other on St. Croix) or in his office, where they used the dialysis machines free of charge. He pointed out that a number of physicians such as the Commissioner of Health were native-born Virgin Islanders. Two members of the audience were of the opinion that efforts should be made to improve and expand medical facilities for Crucians.

251. With regard to cultural development, the spokesmen for the petitioners pointed out that the information media in the Territory had paid hardly any attention to the activities of the local cultural groups. Their dissemination of "inaccurate" information had prevented the local people from becoming aware of alternative forms of political, economic and social development. A member of the audience expressed the view that one of the real problems encountered by the Territory was that its culture was in the process of disappearing.

252. As for educational development, the spokesmen said that at the Pearl B. Larsen High School, the only one run by the territorial Government on St. Croix, there were 2,256 pupils, of whom about 900 were Spanish-speaking. Although the school offered Spanish as part of a course, its bilingual programme was inadequate to meet the needs of such students. Others pointed out that there were two school systems - a poorly staffed, overcrowded and bureaucratic one for the poor, and an expensive private one for others (a fact which was later corroborated by another speaker), and that there was also cultural and racial segregation in those systems.

253. One of the speakers was of the opinion that every child born in the United States Virgin Islands should be given an equal educational opportunity. Steps should be taken to make the educational system more meaningful in terms of the Territory's needs and its particular circumstances through the increase of investment in education. Emphasis should be placed on the improvement of the capabilities of Virgin Islanders, as well as on the preparation of young people for productive employment through the establishment of adequate vocational-training facilities. She also saw the need for teachers to work hard enough on children with problems and to permit only those students having sufficient skills to pass through the system.

254. On the question of inter-island relations, the spokesmen for the petitioners said that there were no self-government or representative bodies on St. Croix. The islanders played only a minor part in managing their own affairs. Because of this, they fought one another for the prestige they could gain, but lost sight of the real problems confronting the Territory. One person said that Virgin Islanders from the three main islands must stand together. Otherwise, she added, "divide and rule" would take place. A local student studying in the United States expressed the hope, however, that the Territory's capital would be "re-established" on St. Croix and that its people would attain a greater degree of local autonomy and would be provided with more federal aid to improve police, medical and educational services.

255. The spokesmen referred to several additional issues in the petition, particularly those concerning the effects of the policies being pursued by the Governments of the United States and the Virgin Islands on St. Croix's economy and its employment situation. Before closing their statements, they made it clear that the petition had been submitted in the hope that on the basis of the Mission's recommendations, the administering Power would introduce the necessary changes in its policies towards the Territory. The Mission also heard about the following matters which were of concern to three other members of the audience: inefficiency of governmental agencies, deficiency of public safety and lack of participation in the election of the United States President, as well as in certain activities of the United Nations.

256. From many speakers at the meeting, the Mission heard their opinions on immigration, which they described as one of the gravest problems, and which divided them into "pro-outsider" and "anti-outsider" camps, as had been the case at the previous public meeting held on St. Thomas.

257. According to some speakers, when the Territory had experienced a building boom in the early 1960s, there had been a substantial increase in the number of alien workers. In order to satisfy the needs of the construction industry, the immigration authorities had brought in workers from other Caribbean islands without planning ahead. No problem had arisen until after the rapid deterioration of the economic situation in 1974, which had led to rising unemployment, especially among construction workers, and tightening restrictions on immigrants. Even those aliens "staying in the islands for up to 20 years and having adolescents born there, could not be granted permanent resident status". Many alien workers had left the Territory because they had been unable to find new employment at the end of the "grace period" of 60 days. Others, resentful of their treatment, had also done so. It was suggested that legal aliens, who had become part of the local community, should be given some sort of permanent status and should be permitted to work in the Territory even after the termination of the "bond" or contract. The view was expressed that indigenous Virgin Islanders and aliens should unite since they were all of African descent.

258. Other speakers brought before the Mission some of the common complaints of native-born Virgin Islanders concerning the immigrants:

(a) The native-born islanders were being displaced in their homeland to such an extent that they would eventually cease to exist. In the case of St. Croix, they accounted for only 20 per cent of its population;

(b) Their rights to determine the Territory's destiny were infringed upon by outsiders;

(c) The territorial Government had no control over the influx of immigrants.

259. In addition, they protested against the dominant role played by immigrants from the United States in the Territory's affairs. They criticized some local politicians for seeking support from naturalized aliens instead of native-born islanders in recent general elections. They pointed out that more and more native-born islanders were determined to "fight" to prevent non-Virgin Islanders from taking over the Territory; they wanted to be "humble warriors" rather than "humble beggars".

260. The Mission also received the following information from a spokesman for the Organization of Concerned Virgin Islanders for Action.

261. In May 1975, two representatives of that organization had appeared before a sub-committee of the Special Committee as petitioners in connexion with the matter under discussion (see para. 232 above). Since then, the Territory's economy had continued to decline, and, as a result, the rate of unemployment on St. Croix and St. Thomas now exceeded 11 and 9 per cent respectively. Over 1,000 non-immigrant aliens had been unable to find employment to comply with the requirements specified in the United States immigration laws. Technically, they had become illegal immigrants and could be deported. However, those who had resided in the Territory for seven years could petition the United States Attorney-General to remain in the islands, pending congressional approval of the petition. Anyone involved in such a case could not work until and unless the immigration authorities granted him a work permit, pending the outcome of his application for suspension of deportation.

262. The recent poor performance of the economy had weakened the financial position of the Territory. As a consequence, the territorial Government was unable to expand its service-providing sector fast enough to meet the local needs. The spokesman claimed that "aliens are still coming in", and pointed out that those qualified under a new federal law (the Western Hemisphere Immigration Act, see para. 54 above) were being granted permanent resident status. He accused the local political leadership of failing to recognize the gravity of the problem resulting from the continued increase in the alien population of the Territory, alleging that a relatively small group - recipients of tax exemption and government subsidy - who had sought "cheap labour" by bringing in aliens, had "refused to hire or train native-born Virgin Islanders". The islanders were becoming increasingly discouraged because no effective measures were being taken by the United States Congress to help the Territory solve the alien problem.

263. The spokesman therefore suggested that the Legislature should submit to the Congress a series of proposals for action. Among these were the following:

(a) termination of the bonding system of foreign workers within a period of 18 months; (b) declaration of a moratorium on the granting of permanent resident status to aliens until after an assessment had been made of the impact of the present alien population on the Territory, while at the same time considering revocation of the permanent status of aliens who had been unemployed for six months or more; (c) postponement of the application of the Federal Alien Reunification Act (admitting to the islands the dependants of non-resident aliens) for at least five years, to enable the territorial Government to direct its efforts particularly towards expanding its service sector and making preparations for future planning; and (d) control of immigration by the territorial Government.

264. The record of this meeting would be incomplete without mentioning the feelings and views expressed to the Mission by a number of young Crucians. The Mission was told that they were "tired of being messed over, misused and abused", and being forced to be "third class citizens in our own homeland"; that they were "ready now for change"; and that the Crucians wanted "their homeland back, which is being taken away from them".

265. Speaking directly to the young people, one member of the audience said that it was the natural order of things for them to be impatient and to want "to come along and take over from the oldsters"; but that "we are still waiting for you young ones to really come along and take hold". Two other speakers observed that young people could express themselves on the problems and obstacles which continued to stand in their path, and considered that they should be given the chance of bringing about a brighter future for the Territory.

D. Discussions with labour leaders

266. On 25 April following the meeting with the members of the Legislature (see paras. 209-216 above), the Mission held discussions with three labour leaders, representing the Seafarers International Union of the Virgin Islands (SIU), the St. Thomas-St. John Federation of Teachers and the Virgin Islands Nurses Association. During the discussions, the following points emerged:

267. The representatives of SIU believed that the rate of unemployment, especially among the lower-skilled workers, in the United States Virgin Islands was much higher than the 7.9 per cent reported by the territorial Government. In particular, he pointed out that the number of persons working at St. Croix's oil refinery, owned and operated by the Hess Oil Corporation, had now declined to fewer than 2,000, down sharply from the recent peak of 3,000. In the construction industry, which had experienced a recession in recent years, unemployment had been substantial.

268. He felt that the Government was not doing enough to train local people for the jobs available. As a consequence, it was necessary to continue recruiting workers from outside the Territory. He said that the major industries, such as hotels, the Hess Oil Corporation and the Martin Marietta Corporation, had not fulfilled their expected role of effectively training local workers.

269. He noted that one of the measures being taken by the Government to alleviate unemployment was to promote industrial development through the granting of tax

incentives to investors. He was convinced, however, that Virgin Islanders, including school leavers, continued to face difficulty in finding employment, and that in the industrial incentive programme, greater emphasis should be placed on attracting labour-intensive industries to the Territory. He considered that his union did not have recourse to the Government because of its limited financial resources. Finally, he said that SIU sympathized with members of his union in their complaints and had occasionally provided them with assistance.

270. The representative of the St. Thomas-St. John Federation of Teachers stated that there were no specific estimates of the movement of teachers between the United States and the Territory. In the 1960s, the territorial Government had launched a campaign to encourage islanders to return home. Since then, the number of local teachers working in the United States had declined. At present, there were not enough local people in the teaching profession. Under the circumstances, persons from the United States and other Caribbean countries had to be brought in to fill the vacant posts. Despite the teacher-training programme undertaken by the College of the Virgin Islands, there had always been a shortage of mathematics and science teachers. But on the other hand, too many people wanted to be social science teachers.

271. He also said that government expenditure on education usually represented the largest single appropriation in the budget; however, educational facilities, particularly on St. Croix, remained inadequate. As a consequence, a number of schools were operating on a double shift system. The Government had proposed to construct four new schools for the islands, but had had difficulties in regard to priorities. He believed that the expansion of educational facilities was too urgent a matter to be postponed. He further believed that with the establishment of those and other large capital projects, such as the modernization of Truman Airport, a considerable number of alien workers would have to be brought in to supplement the supply of local labour. Children of alien workers would place an additional strain on the Territory's educational facilities. Bearing in mind the ruling made by the United States District Court of the Virgin Islands during 1970 that all non-citizen children legally living in the islands were eligible to attend the public schools, the existing situation was progressively going from bad to worse.

272. He went on to say that the starting annual salary for teachers in the Virgin Islands was $US 8,660 while for those with the same qualifications in the United States, it was from $US 9,700 to $US 10,000. As a result, the turnover of teachers in the Territory was very high.

273. According to the representative of the Virgin Islands Nurses Association, the local nurses were in a similar situation. Their starting annual salary was $US 8,700, compared with salaries of $US 11,000 to $US 13,000 paid to those with the same qualifications in New York City. There were some bonded aliens (i.e., those admitted into the Territory on a temporary basis) working as nurses, whose annual salary was even lower. Since its inception, the Association had sought to raise the incomes and living standards of its members, who had participated very actively in the Association's affairs. The Government maintained almost all health facilities. Although health accounted for a large portion of the Territory's expenditure, there was still a "tremendous" need for expansion of medical services.

E. Discussions with members of the St. Thomas-St. John Chamber of Commerce

274. On 28 April, in Charlotte Amalie, the Mission held discussions with seven members of the St. Thomas-St. John Chamber of Commerce, including its President, Mr. Henry A. Millin. In the course of the discussions, some of these members made the following points.

275. After welcoming the Mission, Mr. Millin said that the Chamber had a total of 700 members conducting 400 businesses of varying sizes, and was actively taking part in the affairs of the Territory.

276. On the question of the Territory's political future, he stated that at present, members of the Chamber were engrossed in discussions regarding the proposed constitutional convention for the United States Virgin Islands. They favoured the maintenance of the present relationship between the United States and the Virgin Islands, but recommended participation by the local people in the presidential elections of the United States and a voting delegate to be sent from the Territory to the United States House of Representatives. Commenting on Mr. Millin's statement, another member pointed out that since the establishment of the civil administration there in 1931, fundamental rights and freedoms had been guaranteed to the individual. Politically, the people of the Territory had become more mature and had achieved more autonomy. The application in the Territory of the federal laws regulating minimum wages had been a form of colonialism, but the Federal Government's aim had been to improve the economic well-being of the great mass of the people. Apart from that aspect of federal-territorial relations, the local people had enjoyed full democratic freedoms. In particular, they had open information media and participated in discussions on every issue relating to the Territory. He believed that people would have very few complaints to make, because they were satisfied with their system of democracy.

277. Reviewing the current economic situation in the islands, Mr. Millin expressed concern that the recent decision of the United States Government to permit its nationals to travel to and from Cuba could adversely affect the tourist industry, the mainstay of the Territory's economy. He said that the Chamber supported legislation recently introduced in the United States Congress which would increase the value of merchandise a tourist could bring back duty free from the Territory from $US 200 to $US 400. It also wanted to join with the business leaders of Puerto Rico in accelerating the economic development of the two island communities.

278. The Mission was informed that the Chamber was helping the territorial Government to diversify the economy in every way possible by attracting non-polluting and other desirable industries to the islands. However, certain conditions limited the rate of industrial growth, such as the scarcity of land, the shortage of water and the inadequacy of local manpower. At the suggestion of the Chamber, the Government had recently created the Economic Policy Council.

279. The attention of the Mission was also drawn to the fact that the Territory had no important physical resources except its natural beauty and good

weather. Thus, the economy was largely based on tourism. The hotel where he worked had contributed significantly to the economy. Foreigners had invested a total of $US 20 million in the hotel, which at present provided employment to 350 persons (including only four from the United States), and which spent $US 700,000 a year on advertisement to attract tourists to the Territory.

280. The Mission was told that local business leaders had taken steps to improve air communications by establishing a new airline.

281. Referring to the views expressed on St. Croix that the islanders were becoming strangers in their own country without a say in their own economic affairs, one speaker stated that those difficulties had not arisen from the retention of the Territory's association with the United States, but primarily from internal politics. Since 1974, some politicians had taken advantage of the rivalry between St. Croix and St. Thomas. The people of the Territory did not exercise control over the economy because they had failed to elect the political leaders who would protect the interests of the islands. He recognized that the sharp increase in the number of aliens during the previous two decades was an important problem, and that the wealthy few or big business generally preferred to deal with the alien community rather than Virgin Islanders as a group.

282. The view expressed by another speaker was that inter-island rivalry was nothing new, and that generally speaking, race relations in the Territory had been good, because people thought in terms of the quality of the individual, not his or her colour, and also because their civil rights were protected by law.

283. In that connexion, another speaker stated that the whites (including himself) represented a minority of the population of St. Thomas, and that he himself felt very much accepted in the community. As for training local workers in managerial skills, he was of the opinion that it was a great advantage to his hotel that the latter provided two-month training for its employees, bearing in mind that people recruited from abroad might not want to stay permanently in the islands. The hotel also provided opportunities for local people to take hotel training courses at an institution of higher learning in the United States. A few local persons had been appointed to managerial posts. However, he was uncertain whether the Chamber would press the business community for the introduction of a comprehensive training programme for local workers. Similar views were presented by two other members. According to them, the territorial Government should seek federal aid for the establishment of such a programme, although the Chamber offered a limited number of scholarships for students training abroad. The view was also expressed that the Territory could not afford to comply with the ruling made by the United States District Court of the Virgin Islands during 1970 that all non-citizen children legally living in the Territory were eligible to attend the public schools.

F. Discussions with representatives of the College of the Virgin Islands (CVI)

284. During its visit to CVI on 27 April, the Mission met with seven representatives of the college headed by its President, Mr. Lawrence C. Wanlass. In an address of welcome, he said that he and the other representatives of CVI would co-operate with the Mission on its visit and would reply to any questions put to them. After distributing various publications on CVI to the members of the Mission, he gave the following account of the college.

285. CVI, a publicly supported and co-educational institution founded in 1963, was governed by a Board of Trustees. It had two campuses (one on St. Thomas and one on St. Croix, which housed the headquarters of the Virgin Islands Extension Service and the Virgin Islands Agricultural Research Station) and six divisions (business administration, humanities, nursing education, science and mathematics, social sciences and teacher education). It provided higher education and degree courses, as well as educational and research services mainly through the Caribbean Research Institute and the Bureau of Public Administration. At present, there were 2,100 students at CVI, of whom 75 per cent were United States Virgin Islanders, 21 per cent were from other Caribbean islands and 4 per cent were from the United States. Of the 103 faculty members, 50 per cent (including many United States Virgin Islanders) had received their degrees of doctor of philosophy abroad. A federal law enacted in June 1972 gave land grant status to CVI (with authorization for an initial endowment of $US 3 million and annual grants of $US 450,000). The budget of CVI for the current financial year envisaged a total expenditure of $US 5.5 million, of which $US 4.4 million came from the territorial Government and the remainder from the Federal Government and private sources.

286. After Mr. Wanlass had made his introductory statement concerning CVI, an exchange of views took place, which is summarized below.

287. The Chairman began discussions by asking whether CVI was able to meet the needs of the Territory, taking into account the peculiar characteristics of the United States Virgin Islanders.

288. One representative of CVI stated that it had taken a little while to encourage students to stay in the islands and go directly to CVI from high schools, but that progress had been made. She further stated that at present, it provided several kinds of scholarships to qualified students. Under its open admissions policy, CVI was carrying out a large programme to help prepare its new entrants for college education. In that connexion, Mr. Wanlass said that students could be better prepared on entering CVI than they were, but that that problem was universal.

289. The attention of the Mission was drawn to the fact that CVI was offering its students an opportunity to achieve a broad general education as the basis for continued intellectual growth as well as an opportunity to acquire occupational and professional training. In its educational programmes, CVI was seeking to achieve those goals within the framework of its setting in the United States Virgin Islands and the Caribbean. Special emphasis was being placed on a programme of continuing

education as well as on the provision of research and other community-oriented services. The Student Council was represented on a committee responsible for the development of CVI's curriculum.

290. Attention was also drawn to the fact that 73 per cent of the students at CVI were enrolled in its vocational and professional programmes. Among other things, the programmes were designed to prepare students for careers in the fields of accounting, banking and finance, business management, nursing, secretarial services and hotel and restaurant management. Recently, CVI, in co-operation with the Hess Oil Corporation, had set up a science-technology programme for training technicians at the middle level. Thus far, it had not been able to establish a full engineering programme. Under its charter, CVI was not required to offer courses in automobile mechanics and other manual arts, which were being provided by the Territory's high schools.

291. The Mission was informed that jobs were readily available for students taking courses in banking, finance, and business management after their graduation. Fifty per cent of the 80 nurses so far graduated had taken positions in local hospitals. Employment provided by hotels and restaurants proved to be less attractive to graduates. The majority had stayed and worked in the Territory. Some of the remainder had left for further study and others, representing a minority, had departed for the United States. It was too early to say whether all the students receiving training in the field of engineering would return to the islands. He also pointed out that under the CVI baccalaureate programmes, students were provided with an education for leadership in such fields as government and business.

292. The Mission was also informed that those from the United States Virgin Islands and other parts of the Caribbean region at present teaching at CVI represented 40 to 50 per cent of its faculty members, compared with 15 per cent in 1963, when it had been opened. It wanted to be more Caribbean-oriented, but it had some difficulty in expanding its faculty and professional staff by the addition of suitably qualified persons.

293. The Chairman said that there appeared to be a feeling among the islanders that they had no control over the Territory's economy, and he asked to what extent they were in decision-making positions.

294. A representative of CVI replied that the term "Virgin Islander" was not clearly defined. Store operators usually were non-Virgin Islanders but their buildings were locally owned. Young people of the Territory were questioning whether they had a fair share in the economy, a problem which had to be solved now. Mr. Wanlass stated that people from the United States had more say in matters relating to the local economy than they should, and that the major industries such as the Hess Oil Corporation were controlled by United States interests.

295. The Chairman was of the opinion that the role of CVI should be to question and to instil in those it educated a commitment to the local community.

296. The Mission was informed that CVI was aware of the existence of a feeling in the Territory that the college should intensify its efforts to comply with the cultural aspirations of the local people. Although it had been founded on the traditions of higher education of the United States, it was seeking to accommodate those traditions to the location and cultural background characterizing the Virgin Islands and other Caribbean islands. Its baccalaureate programmes consisted in the development of basic human values. In addition, students at CVI were taught comparative politics with particular emphasis on Caribbean political affairs and the history of the United States Virgin Islands. The St. Thomas campus library was playing an important role in promoting cultural development in the Virgin Islands. Work on the construction of the Henry H. Richhold Cultural Center on the campus, at a cost of $US 3 million, was expected to be completed at the end of 1977. Earlier in the year, students at CVI had participated in a debate on the situation in the Caribbean region. CVI was formulating a programme to instil in those it educated a commitment to the local community.

G. Further talks with the Governor and senior officials of his Administration

297. On the afternoon of 28 April, the Mission held further discussions with the Governor and several senior officials of his Administration at Charlotte Amalie. During the discussions, they gave their views on various matters, a summary of which follows.

1. Future political developments

298. The Governor said that there was talk in Washington, D.C. of amending the Constitution to allow for popular election of the President and if that were to take place, it would be welcomed by the people of the United States Virgin Islands because they would then be able to participate in presidential elections.

299. With respect to the proposed constitutional convention, the Governor stated, there was a bill to be signed by him into law which, among other things, would establish the system for selection of delegates.

300. Regarding more local autonomy for the individual islands, the Governor pointed out that there had once been separate municipal councils and treasuries for the islands of St. Thomas-St. John and St. Croix. The latter had also had an Administrator, acting as a second Governor. The duplication, considered impractical and expensive, had been eliminated by the 1954 Revised Organic Act of the Virgin Islands. That did not mean, however, that the present system was necessarily efficient and in no need of improvement.

2. Immigration

301. According to the Governor, there had been no problems with immigration for some time, although the Territory was still trying to deal with the social consequences of the large-scale immigration which had taken place in the 1960s. In the previous two decades, the United States Virgin Islands had experienced a tourist boom and workers had had to be drawn from elsewhere to meet the needs of the economy in general and the construction industry in particular. By the mid-1960s, about 50 per cent of the labour force was made up of non-local people. When the economic situation deteriorated in the 1970s, there had been a surplus of labour. Although no immigrants had been allowed to come to the Territory in the past three years, an evaluation was needed to determine how many aliens the economy could absorb, and what mechanism should be established to grant citizenship to a limited number of immigrants. The United States immigration laws continued to be applied in the Territory too liberally. As a result, the help of the United States Congress, the United States Department of State and the local population would be needed to find a solution to the problem based on the results of the proposed evaluation.

3. Tourism

302. Governor King stated that up to 1971, tourism had expanded rapidly but that in 1972, the tourist trade had begun to decline, under the impact of the economic slowdown in the United States and other parts of the world. The Commissioner of Commerce expressed optimism about the tourism industry however, basing his prediction on a 25 per cent gain in the average monthly rate of hotel occupancy for St. Croix between December 1976 and March 1977, as well as on the industry's ability to compete effectively with countries in both the Caribbean and Latin America.

303. According to the Commissioner, efforts were being made to broaden the base of tourism by initiating charter flights between Canada and the United States Virgin Islands and by implementing the programme for modernizing Truman Airport. Upon its completion in 1979, European tourists, especially those from the Federal Republic of Germany, would be provided with improved facilities for air travel to the Territory. Although the facilities for tourists on St. Thomas had reached saturation level, those on St. Croix could be expanded further. Recently, the United States Government had imposed restrictions on the holding of conventions by its nationals in foreign countries, which could increase the attractiveness of the Territory. Under the federal customs laws, those nationals and others with valid passports and visas visiting the Territory were permitted to take back to the United States a large amount of duty-free liquor. Their total purchase of duty-free goods from the Territory was also larger than that from the neighbouring islands. Additionally, the peoples of the United States and the United States Virgin Islands used the same currency and language, and had the same basic norms. For those reasons, tourism would continue to be an important sector of the local economy. Bearing in mind the problems caused by the uncontrolled growth of tourism, at an average annual rate of 10 to 15 per cent in the 1960s, the territorial Government considered it desirable for the industry to continue to grow at an average rate of 5 per cent a year as at present.

304. The Commissioner also said that the territorial Government was seeking federal funds for improving the Frederiksted pier on St. Croix. His Department was carrying out a promotional programme to encourage cruise ship passengers to visit that island. There were indications of a 50 per cent increase in such visits.

4. Agriculture

305. The Governor admitted that there was a shortage of farmland in the Territory. In the case of St. Thomas, agriculture was not profitable because of the large amount of land needed for an ever-increasing population and the high cost of terracing. As regards St. Croix, it had more flat land, mostly owned by a private concern. The territorial Government had leased from that concern the best land adjacent to the Department of Agriculture. Owing to lack of funds, the Government was unable to lease additional land. Unpredictable rainfall was another important factor hampering agricultural development on the island. Moreover, no irrigation system had been established there. Crops grown on St. Croix were of high quality but an increase in quantity was problematical. In order to reduce the Territory's dependence on imported food and to enable it to become self-supporting, the Government was giving high priority to an increase in food production.

5. Virgin Islands National Park

306. With regard to the concern recently expressed by some people on St. John over the extension of the national park, Governor King said that nearly two thirds of the island was set aside as a park. At the time of its establishment, there had been considerable resentment among the people of St. John, but they had changed their attitude somewhat and were aware of the importance of preserving its natural beauty against indiscriminate development of the island. The Governor considered that attempts or interest in acquiring additional land from landowners on St. John should not be a matter of concern, since they were free to sell their properties at prices acceptable to them. He also said that no acquisition would be made except where landowners agreed to the terms offered by the National Park Service within the United States Department of the Interior.

6. Federal assistance

307. The Governor informed the Mission that until 1976, no attempt had been made to compile statistics on total federal assistance to the Virgin Islands; and that aid had been channelled from various federal agencies to the corresponding Virgin Islands departments, with no central co-ordinating body. He hoped that such figures would be made available to the Mission in the near future.

7. Housing

308. The Governor said that zoning laws designated use of land for residential and other purposes. The territorial Government sold plots of land at cost for war veterans to construct housing. In order to prevent speculation, they were not allowed to sell such plots which were not used. A Federal Home Ownership Program made money available to the local housing authorities; 300 houses, constructed by them on St. Thomas and St. Croix, were being sold to occupants. There was also a federal agency which helped buyers with the down payment. The islanders were not accustomed to renting either houses or apartments and took pride in owning their own houses and plots of land.

309. With respect to non-Virgin Islanders acquiring property, the Governor stated that there was no limit on how much land they could buy and that under local laws, it was not possible for the Government to control their purchase of land. The Commissioner of Labor added that most foreigners bought land that others did not want, such as steep plots which would nevertheless offer a good view.

310. Concerning social problems which often developed in housing projects, the Commissioner of Housing and Community Renewal conceded that some problems had developed. There were not enough funds to meet the housing needs of various income groups, and the Federal Government continued to provide the Territory with assistance for public housing. Funds for private housing came from banks, which did not always make money available for that purpose. The Governor stated that there was a need for increased housing; but that because of the scarcity and high cost of land, especially on St. Thomas, federal authorities had preferred high-rise apartments. The territorial Government considered that policy to be inappropriate, particularly bearing in mind that problems had developed in high-rise projects.

8. Local culture

311. The contention by some people that the culture of the United States Virgin Islands was in the process of disappearing, was a matter of speculation, according to the Governor. It was a view circulated by the local press for which they had little substantial proof. The Virgin Islands society was a cosmopolitan one with a mixture of colours and languages. It was a small but complex community whose people were nevertheless living together peacefully.

9. College of the Virgin Islands

312. Governor King and three senior officials of his Administration commented on the view expressed by the Chairman that the role of a university should be to question, to become involved in the community, and to prod the system if, in its opinion, changes should come about. According to the Governor, there was a feeling in the Territory that the college should be more involved in that respect, and that the curriculum of the schools should be made

more relevant to the needs of the community. The territorial Government stressed the importance of training local people, bearing in mind that a total of 100 teachers and nurses were brought in from the United States annually.

313. The Commissioner of Commerce than stated that some of the college's problems were due to the fact that it was a relatively new institution. He had spoken at the college in 1976 on its need to be more involved in community affairs, including the formulation of economic plans for the Territory. He was attempting to increase the flow of information between the college and his department and had also recruited several students for important posts within the department after their graduation.

314. Finally, two senior educational officers said that efforts were being made towards involving the college in developing the curricula of the Territory's schools, and that they were being served by teachers trained at the college.

H. Discussions with a delegation from the St. Croix Independent Truckers Association

315. During its visit to New York on 10 May, a two-member delegation sent by the St. Croix Independent Truckers Association submitted to the Mission a memorandum giving the association's views on the question of immigration, which were similar to those previously brought before the Mission by other supporters of the alien community of the United States Virgin Islands.

316. The two representatives of the association, who are naturalized citizens, had some additional points to make. They said that, owing to recent widespread unemployment in the Territory, the United States immigration authorities in the Territory had taken measures against aliens (now numbering about 20,000). These had included:

(a) Harassment of bonded aliens (i.e., those admitted into the United States Virgin Islands on a temporary basis), particularly those from other parts of the Caribbean region, with a view to forcing them to leave the Territory;

(b) Deportation of many of them in recent years on the ground that they had not complied with the provision of the United States immigration laws requiring bonded aliens to work 40 hours a week;

(c) Trial of some 28 alien families on 12 May 1977, the purpose of which was to deport them for various reasons, the principal one being that some of the heads of those families had failed to show to the immigration authorities valid job letters from their original employers.

317. Both representatives pointed out that some local politicians hoped to be elected to the Legislature by seeking support from native-born Virgin Islanders through harassment of aliens, and that local people had expressed no interest whatsoever in taking the jobs at present held by bonded aliens. The alien community had made a substantial contribution to the economic and social development of the Territory, and many aliens, who had lived there for 10 to 15 years and had children born locally, should be qualified for adjustment to permanent residence.

III. DISCUSSIONS HELD IN WASHINGTON, D.C.

318. After visiting the United States Virgin Islands, the Visiting Mission flew from New York to Washington, D.C., where it held discussions with Mr. Ronald de Lugo, the Territory's non-voting delegate to the United States House of Representatives, on 30 June 1977, and with representatives of the administering Power on 1 July.

319. The opinions and explanations given to the Mission by the above-mentioned officials are set forth below, in summary form.

A. Meeting with Mr. Ronald de Lugo

320. A summary of Mr. de Lugo's observations follows.

1. Constitutional and political developments

321. After giving a brief outline of the political history of the Territory, Mr. de Lugo pointed out that, under a newly enacted federal law (Public Law 94-584) the people of the Territory were authorized, for the first time, to write their own constitution. The Legislature was empowered to call a constitutional convention for that purpose. It was now up to the Legislature to decide how the convention should proceed and when it should be convened. No provision would be made for any change in the constitutional relationship between the United States Virgin Islands and the United States. The people of the Territory had expressed no desire for independence or statehood, but wished to achieve a greater measure of internal self-government within the United States political system.

322. Mr. de Lugo also said that the proposed constitution would deal with the powers of the three branches of the territorial Government, executive, legislative and judicial; the form of government; and the question of municipal governments for the individual islands. Since 1954, the growth of local political institutions had been accelerated in accordance with the expressed wishes of the people of the Territory.

2. Recent achievements of the non-voting delegate and relations with the Governor

323. Under a federal law enacted in April 1972, the United States Virgin Islands was authorized to send a non-voting delegate to the United States House of Representatives (see para. 24 above). Mr. de Lugo stated that his presence in the Congress had made it more aware of local problems.

324. Mr. de Lugo indicated that he had secured federal aid for financing part of the cost of the Truman Airport project. Furthermore, a committee of the United States Senate had passed the omnibus territories bill on 30 June 1977, which contained a number of economic provisions recommended by him, including in particular budgetary aid for the United States Virgin Islands totalling more than $US 14 million and the delegation of authority to the territorial Legislature to reduce the rate of customs duty on any product coming into the Territory.

325. As noted above, he represented the Territory in the Congress, whereas Governor King was responsible for the administration of the Territory. They were both answerable to its people, but differences might exist in their respective opinions on territorial affairs.

3. Immigration

326. According to Mr. de Lugo, immigration was under federal jurisdiction. The United States immigration policy had had devastating effects on the United States Virgin Islands. Resentment against immigrants existed among native-born Virgin Islanders. Aliens were willing to work for low incomes in the private sector. Children of alien workers had placed additional strain on the Territory's educational facilities. Those problems were of a transitory nature. Resident aliens would eventually become naturalized citizens. Efforts were being made to unite United States Virgin Islanders and aliens by seeking a solution to the immigrant problem.

327. At Mr. de Lugo's request, two bills had been reintroduced in the United States House of Representatives by Mr. Joshua Eilberg, Chairman of its Subcommittee on Immigration, Citizenship and International Law. One would establish a commission to study the special immigration problems of the United States Virgin Islands and other Territories under United States administration. The other would provide for a commission with Virgin Islands representation to review the cases of individuals admitted into the Territory as non-immigrant aliens on or before 12 May 1970. Those aliens would be permitted to apply for adjustment of their status to permanent residents.

4. Relations with other Caribbean countries

328. Mr. de Lugo expressed the view that the question of establishing closer relations with other Caribbean countries was a difficult one, bearing in mind, on the one hand, the close economic links between the United States Virgin Islands and the United States and, on the other, the great influence of other Caribbean countries on the cultural development of the Territory. In conjunction with the United States Department of State, the Territory could play a significant role in the development of regional co-operation in the commercial and scientific fields.

5. Problem of economic development

329. Mr. de Lugo stated that the Territory was suffering from the effects of the recent world-wide recession and had had serious budget deficits since 1974/75. The territorial Government had taken steps to improve the economic situation by promoting industrial development. It had sought to attract investors to the Territory through the granting of tax incentives within the scope of the government regulations laid down to protect the Territory's best interests. Those incentives had already resulted in the establishment of two large industrial enterprises (the refinery of the Hess Oil Corporation, the alumina plant of the Martin Marietta Corporation) and some assembly-type industries.

330. The territorial Government had considered that with limited resources, the United States Virgin Islands would have to depend mainly on tourism and manufacturing, and had decided to direct its attention particularly towards developing the Territory into an attractive shopping and tourism centre. Agricultural development had been hampered mainly by limited rainfall. The territorial Government had not succeeded in reducing the rate of inflation owing to a number of complex factors.

6. Some aspects of the land problem

331. Mr. de Lugo said that because both United States Virgin Islanders and people from the continental United States were United States citizens, there was no restriction on the purchase of land by those from the mainland. The local tax and zoning laws were designed to prevent the accumulation of unproductive or unused land by individual owners. Measures were being taken to strengthen the economic position of the islanders, to enable them to buy land.

7. Virgin Islands National Park

332. The park had been established to preserve the natural beauty of St. John against indiscriminate development. That advantage was somewhat offset by tax exemption on the land set aside for the park. Mr. de Lugo indicated that the park was the only one of its kind in which the United States did not enjoy eminent domain. Any person holding land in the park could not be coerced into selling his property. He further observed that the selling of private land was a difficult matter because of the complexity of land ownership arrangements.

8. College of the Virgin Islands

333. Mr. de Lugo pointed out that progress had been made in the field of higher education, and that all concerned were interested in making CVI responsive to the needs of the Territory.

B. Meetings and consultations with representatives of the administering Power

334. On 1 July, the Visiting Mission held separate meetings with the following officials of the United States Government and members of their staff: Mr. Charles W. Maynes, Assistant Secretary of State for International Organizations Affairs; Mr. Terence A. Todman, Assistant Secretary of State for Inter-American Affairs; Mrs. Ruth Van Cleve, Director of the Office of Territorial Affairs, United States Department of the Interior; and Mr. C. J. Leary, Executive Assistant to the Commissioner, Immigration and Naturalization Service (INS), United States Department of Justice; and members of their respective staff. Their views are summarized below.

335. The Chairman of the Mission thanked the representatives of the administering Power for the invitation given to the Special Committee to send a mission to the United States Virgin Islands. He pointed out that the Mission had experienced certain limitations with regard to timing, the duration of the visit and the inadequate preparation of the people of the Territory for the Mission's visit.

336. The officials of the administering Power welcomed the Mission to Washington, D.C. and expressed their willingness to provide whatever information was necessary to facilitate the work of the Mission. After explaining their various areas of responsibility and interest, the following views emerged. The decision to invite a mission to the United States Virgin Islands was one taken at a time of change in the United States Administration and policy. The administering Power, however, maintained its position on resolution 1514 (XV) and other related resolutions of the General Assembly of the United Nations regarding self-determination. It would continue to co-operate with the Special Committee.

337. After the Mission's visit to Washington, D.C., the United States Government reaffirmed its position that resolution 1514 (XV) was advisory and had no binding effect. It maintained further that the exercise of self-determination could take a variety of forms, with the essential element being that the status of a Territory accorded to the freely expressed desires of its people. Moreover, it gave an assurance that the United States was fully cognizant of its responsibilities under the Charter of the United Nations, and intended to discharge them fully. Those responsibilities included an obligation "to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions, according to the particular circumstances of each Territory and its peoples and their varying stages of advancement"; and to transmit certain information to the Secretary-General on a regular basis so long as the Territory remained non-self-governing within the meaning of the Charter. Finally, the United States Government would seriously consider any recommendations the Mission and the Special Committee might wish to make concerning the United States Virgin Islands, but it could not accept the position that resolution 1514 (XV) imposed obligations to take any particular action in the Territory.

1. Constitutional and political developments

338. The Mission inquired as to the attitude of the administering Power concerning the constitutional development of the Territory, noting that the Virgin Islands Constitutional Convention Act specifically related only to the matter of local self-government and not to the relationship between the Territory and the United States Government.

339. The Mission was informed that the two issues, namely, constitutional advance and federal-territorial relations should be viewed separately. The Constitution of the Virgin Islands related only to local self-government and therefore the forthcoming constitutional convention could only address itself to that matter. An amendment to the Federal Relations Act would require a different procedure.

340. The United States Government was willing to consider any proposals for changes in the Federal Relations Act made by the elected representatives of the people of the United States Virgin Islands. The Mission was informed that a similar situation had developed recently when a delegation from Guam had visited Washington, D.C. to notify the United States Government that the delegates to the Constitutional Convention being held in Guam would consider the political status issue. The representatives of the administering Power stated clearly that its expressed policy was to respect the wishes of the peoples of the Territories under its administration, including the United States Virgin Islands.

341. The Mission was also informed that the United States Virgin Islanders had no illusions about the available political options (including independence, statehood and commonwealth status) and their probable consequences. The administering Power was not aware of any desire expressed by the people of the Territory for independence. Should they seek to achieve a status other than the present one, the United States would adapt to political reality.

342. The representatives of the administering Power reaffirmed their Government's position that when the United States Virgin Islands as a Non-Self-Governing Territory attained "a full measure of self-government", the United States would discontinue the transmission of information to the Secretary-General under Article 73 e of the Charter of the United Nations, and would ask it to delete the Territory from the list of Non-Self-Governing Territories.

343. The Chairman brought to the attention of the administering Power the opinion that was expressed during the meeting with the Legislature, and again at a public meeting, that the Territory should be given observer or other representative status within the United Nations system. The Assistant Secretary of State for International Organizations Affairs stated that representatives of the United States Virgin Islands, or any of the Territories under its administration, could be attached to the United States delegation to the United Nations and its specialized agencies. He gave as an example the latest session of the Third United Nations Conference on the Law of the Sea, saying that if the United States Virgin Islands were to request a place on the United States delegation, the request would be accommodated. He added that because of the nature of that international conference it would be possible to include a representative of the United States Virgin Islands.

2. Immigration

344. According to representatives of INS, federal immigration laws are applied equally throughout the United States (including the Territories under its administration). The problem of aliens had drawn increasing public attention in recent years. Measures taken to cope with that problem had included the following:

(a) Under the Federal Immigration and Nationality Act, an alien who had resided in the United States for seven years and lost his status had the right to petition the Attorney-General of the United States to remain, pending congressional approval of the petition.

(b) Under the Western Hemisphere Act, which came into operation on 1 January 1977, the annual quota for permanent resident status allocated to each dependent Territory under the administration of a foreign country in the Eastern Hemisphere o/ was increased from 200 to 600.

345. Messrs. Eilberg and de Lugo had recently reintroduced in the House of Representatives a bill to establish a commission to review cases of individual non-immigrant aliens and make recommendations concerning the granting of permanent resident status (see also paras. 326-327 above). Even if the bill was passed, the process leading to the adjustment of the status of applicants would be slow and the number of cases approved would be small. They had also reintroduced another bill designed to study the special immigration problems of the United States Virgin Islands and other Territories under United States administration (see also paras. 326-327 above).

346. The Mission was informed that the immigration authorities had a derivative role and could only act in accordance with the law. To the knowledge of INS, no immigration law had been made with deliberate disadvantage to the United States Virgin Islands in mind or with any political motivation.

347. With regard to the contention that the liberal application of the federal immigration laws in the Territory was a political burden to its people, a representative of INS said that the local administrations had been divided in their opinion on the matter.

348. The attention of INS was drawn to the question raised by some local people regarding the strain on territorial government social services caused by aliens, and the fear that the islands' culture was in the process of disappearing. A spokesman for INS stated that the local inhabitants in Miami, Florida, felt the same way as the United States Virgin Islanders because of the Cuban immigration. He further stated that the Immigration and Naturalization Act and the Western Hemisphere Immigration Act would ease the situation to a certain extent.

---

o/ Territories in the Eastern Caribbean.

349. Regarding the expenses incurred by the territorial Government in connexion with the provision of additional social services for aliens, a representative of INS stated that it was not obliged to take compensatory action in the case of the United States Virgin Islands. He further stated that recognition should be given to the contribution made by the alien community to the economic and social development of the Territory.

350. Asked whether the implementation of the Truman Airport project would lead to the arrival of another group of alien workers in the Territory, a spokesman said that the Department of Labor would certify alien workers unless suitable local labour was available, and that since May 1970, no new temporary workers had been admitted into the Territory.

351. Another representative of the administering Power said that he did not share the fear that native-born United States Virgin Islanders would lose their identity. He believed that they had the capacity to adapt themselves to changing conditions, and that they would preserve what they considered to be fundamental.

3. Relations with other Caribbean countries

352. The Mission brought to the attention of the administering Power the concern of some United States Virgin Islanders that, because of its geographical location as part of the Caribbean region, some thought should be given to the establishment and strengthening of co-operation between the Territory and the other Caribbean countries. The Mission wanted to know whether the United States Government would be sympathetic to such a development.

353. The general response was that the administering Power was aware of this situation and was currently seeking the views of the Governors of the United States Virgin Islands and Puerto Rico on the possibility of furthering the existing association between them and other Caribbean Governments. It was noted that Governor King had attended the meeting held by the Heads of Government of the Caribbean Community and Common Market (CARICOM) in St. Kitts in December 1975. The Assistant Secretary of State for Inter-American Affairs, who is a United States Virgin Islander, informed the Mission that the United States Government was in the process of developing a policy towards the Caribbean. It had recently consulted with the heads of Governments of certain Caribbean countries on that matter and had sought the views of the Governments of Puerto Rico and the United States Virgin Islands. The view was expressed that there were no immediate benefits to accrue to the Territory from participation in CARICOM or the Caribbean Development Bank but it was felt that the association would prove valuable in other areas. Before any formal links could be adopted, however, the Federal Government would have to be informed of specific proposals and congressional approval would be necessary.

4. Problem of economic development

354. The economy of the Territory was characterized by one official as being of limited resources and a "victim of nature". He stated that the Territory did not

have the infrastructure necessary for the full exploitation of industrial development, and, in particular, suffered from lack of power and insufficient water. He expressed his concern over the Territory's dependence on tourism. Another official informed the Mission that various attempts by the administering Power to create economic self-sufficiency had failed or had had limited success. The tax exemption status for certain industries had produced only limited benefits for the Territory.

355. Both representatives, however, remarked on the favourable position of the United States Virgin Islands vis-à-vis that of other Caribbean countries, in relation to the export of their produce to the United States. The Territory was the beneficiary of various trade arrangements which allowed its products to enter the United States market on favourable terms. The Mission was further informed that the United States Congress currently had under consideration a bill which would provide further tariff benefits for the Territory.

356. The Mission raised the question of federal aid to the Territory. According to a representative of the administering Power, since 1917, the only period during which aid had not been necessary was that from 1954 to mid-1974. Currently there were about 320 federal aid programmes for the United States Virgin Islands and the Federal Government continued to make available funds totalling $US 16 million to $US 18 million a year for such programmes.

357. The Mission further inquired whether the availability of massive aid to the Territory would not retard the growth of self-reliance of its people and the full development of the Territory economically and politically. It was informed that the administering Power recognized its responsibility to each of its dependent Territories to maintain its standard of living, to the extent that the people of those Territories obtained the same basic facilities as those pertaining to citizens of the United States. However, it was the policy and goal of the United States Government to promote self-sufficiency in each Territory to the point where such aid would not be necessary. In that connexion, the Mission was also informed that various attempts had been made and new ones were under scrutiny whereby the United States Virgin Islands could achieve self-suffiency. Such attempts included tax exemption status for certain industries, matching fund programmes and various fiscal measures, including the retention by the Territory of income and certain other taxes levied locally. It was believed that much remained to be done by the Federal Government in co-operation with the local authorities before the Territory could achieve a more viable and stable economy.

358. The Mission was told that, earlier in the week, the administering Power, on short notice, had supplied an additional sum of $US 1.2 million to the Territory to meet its budget deficit for the 1976/77 financial year.

359. The Mission informed the representatives of the administering Power that arable land on St. Croix was currently being held by private individuals largely for real estate development and was yielding lucrative profits. As a result of the high price of land, the Government was experiencing much difficulty in acquiring land for the expansion of its agricultural programme and for distribution to farmers.

It was pointed out to the Mission that in 1933, the Federal Government had formed the Virgin Islands Land Corporation to produce sugar, its basic purpose being to furnish employment for those without work. The corporation had remained in existence until the mid-1960s, when that kind of work relief was no longer needed. Most of the lands owned by the corporation had been transferred to the territorial Government and the remainder had been sold to private persons. Subsequently, the territorial Government had sold some of its land to private developers.

360. After its return from Washington, D.C., the Mission received the following information from the administering Power concerning agricultural development in the Territory. The potential for such development was limited and the priority effort for development lay elsewhere. In that connexion, reference was made to the suggestion concerning economic development made by Governor King in his 1977 message on the state of the Territory (see para. 110 above). Although areas other than agriculture offered the greatest potential for economic development, efforts were under way to strengthen the agricultural sector. The United States Department of Agriculture assisted the territorial Government and individuals in the Virgin Islands to develop crop varieties suitable for conditions in the Territory.

361. The administering Power also communicated to the Mission the following information on the Territory's water supply system. On 23 March 1977, Governor King had submitted to the Legislature a bill which would improve the production and distribution of potable water. p/ The matter was under consideration by the Legislature.

362. During its stay in Washington, D.C., the Mission recounted the concern expressed by the people of St. John over the National Park Service on that island. The spokesman for the United States Department of the Interior was of the opinion that the National Park Service on St. John was only preserving the natural beauty of the island. She discounted the notion that the United States Government wanted to buy land at the expense of future generations on St. John. The National Park Service was not designed to push the people of St. John into the sea. Sales by local landowners were voluntary.

363. In a written answer to a question raised by the Mission after its visit to Washington, D.C., the administering Power stated that a federal law authorized the National Park Service to establish and maintain the Virgin Islands National Park within boundaries covering an area of 5,862 hectares on St. John. That included substantial areas which were privately owned and which the National Park Service was interested in purchasing. The law specifically prohibited the acquisition of land for the park through "condemnation proceedings"; therefore all land transfers to the Park Service resulted from voluntary sales by the private landowners. The Federal Government had no intention of seeking changes in the law to empower the Park Service to purchase land compulsorily and no such proposal was now under consideration by the Congress.

---

p/ A copy of the bill and of the Governor's transmittal letter are on file with the Secretariat and may be consulted by members of the Special Committee.

IV. OBSERVATIONS, CONCLUSIONS AND RECOMMENDATIONS

A. Political and constitutional conditions

364. Under the Virgin Islands Constitution, there exists a separation of powers among the executive, legislative and judicial branches of the Government. The executive branch is at present controlled by the Independent Citizens Movement (ICM), whose political leader, Mr. Cyril E. King, was elected Governor of the Virgin Islands in November 1974. The legislative branch of the Government is controlled by the Democratic Party of the Virgin Islands (DPVI), which won 13 of the 15 seats in the Legislature of the United States Virgin Islands at the last elections, held in November 1976.

365. The administration of the Territory is carried on through the assignment of portfolios to various persons who are nominated to their respective cabinet posts by the Governor. The portfolios cover all areas of domestic government activity such as agriculture, conservation and cultural affairs, commerce, education, finance, health, housing and community renewal, labour, property and procurement, public safety, public works, social welfare, etc. Similarly, the Legislature establishes committees to deal with such matters as well.

366. Although the Visiting Mission participated in a special session of the Legislature, it would have welcomed a more substantial exchange of views on issues affecting the welfare of the people of the United States Virgin Islands as was the case with officials of the King Administration.

367. At meetings held by the Mission in the Territory with the Governor, the Legislature and with the public at large, no desire was expressed by the people of the Territory in favour of independence, and they frequently displayed pride and satisfaction with their way of life and democratic traditions. There was, however, much interest shown by elected officials in having the Territory achieve the greatest possible measure of self-government so that the territorial Government could exercise jurisdiction over governmental activity at present reserved to the Federal Government. In this connexion, the Governor of the Virgin Islands recently signed into law a bill passed by the territorial Legislature, which provides for the establishment of a constitutional convention. The convention will seek to elaborate a new constitution for the Territory as a further measure of local self-government but does not enable the people of the Territory to effect any changes in their constitutional relationship with the administering Power, as would be the case if the constitutional convention were permitted to draft a new federal relations act.

368. The Mission notes from the statements by the representatives of the administering Power that the policy of the United States is to respect the wishes of the people of the United States Virgin Islands; that independence is only one of the options open to the people of the Territory; and that should they seek to achieve a status other than the present one, the United States would adapt to political reality. The Mission recalls that the administering Power of a Non-Self-Governing Territory has the obligation to ensure that the people of the

Territory are made fully aware of their right to self-determination, in accordance with General Assembly resolution 1514 (XV) of 14 December 1960, and that all the options available to them for their political development are explained.

369. The Mission notes that since 1917, when the United States Virgin Islands was acquired by the United States, the Second Constitutional Convention of 1972 has provided the only opportunity to discuss political options. The Convention drafted a new constitution and a new federal relations act, but did not submit either of the documents to the United States Congress, owing, among other things, to the lack of preparation of the electorate, which resulted in a low turn-out at the polls and a high waste of ballots.

370. The Mission therefore urges the administering Power, in consultation with the Government of the United States Virgin Islands, to hold open and meaningful discussions on all available political options open to the Territory. It also suggests that the administering Power should then ascertain the political aspirations of the people through a referendum or plebiscite under observation of the United Nations.

371. The people of the Territory expressed concern to the Mission over the long-term effects of unrestricted immigration. The Mission's attention was drawn to the fact that the federal immigration laws have been applied in the Territory without regard to its particular circumstances. It further notes the existence of a feeling in the islands that this action of the administering Power has unsettled the Virgin Islands society, and has led to severe strain on social services provided by the territorial Government. This in turn has increased the Territory's heavy dependence on economic and financial assistance provided by the United States, and made it difficult for United States Virgin Islanders to develop self-reliance. The Mission invites the administering Power in consultation with the local authorities, to make adjustments in the application of its immigration laws in the context of the United States Virgin Islands in order to improve relations between the resident and immigrant populations.

B. Economic conditions

372. The economy of the Territory is based on the tourist industry and on industrial activity such as that carried out by the refinery of the Hess Oil Corporation, the alumina plant of the Martin Marietta Corporation and several light manufacturing businesses. The construction industry until recently also constituted a vital sector of the Territory's economy. Notwithstanding the limited resources of the United States Virgin Islands, and bearing in mind Article 73 of the Charter of the United Nations, the Mission considers that greater efforts must be made by the administering Power, together with the Government of the United States Virgin Islands to create a viable and stable economy by promoting a greater degree of self-reliance through the encouragement of such industries as would build upon the nascent industrial base, as well as others of a labour-intensive nature whose products could constitute inputs into the hotel and tourist industry. Additional attention should also be given to exploring the agricultural potential of the Territory and to the possibility of undertaking studies aimed at determining the feasibility of establishing commercial fishing and processing ventures in the Territory, more so in the light of the recent establishment of a regional Fishery Management Council, on which the Territory is represented.

373. The Mission observes that on the one hand, the economy of the Territory is closely linked to that of the United States and is primarily owned and controlled by continental United States interests; and that on the other hand, the political organs of government are largely controlled by the local people. This concentration of economic power based outside the Territory could act as a constraint on, and give rise to difficulties in, the over-all development of the Territory. A recent example has been the negotiations between the Hess Oil Corporation and the territorial Government, which for a time created budgetary difficulties for the Government.

374. The Mission recalls the statement by the administering Power that various attempts to stimulate the economy to reach a level of self-sufficiency have been less than successful. It further recalls the views expressed by some inhabitants of the Territory that native United States Virgin Islanders should be more involved in the economic development of the Territory. The Mission does not wish to appear to be advocating a change in the economic system. It is of the opinion, however, that remedial action is warranted. The Mission recommends, therefore, that urgent and serious consideration be given to the introduction of measures designed to foster and promote entrepreneurship among native United States Virgin Islanders.

375. The Mission notes that a major problem confronting the Territory is that relating to land use and ownership. This problem appears to it to be most serious in St. John. While recognizing the need to preserve the natural beauty and environmental quality of the United States Virgin Islands, the Mission believes that the Federal and territorial Governments should find a solution to the land problem of the Territory, with particular emphasis on safeguarding the interests of its people in the land. In this connexion, the Mission invites the administering Power, in consultation with the local authorities, to consider ways and means by which assistance could be provided to those having difficulties in acquiring land owing to its high cost.

376. In recent years, the Government of the United States Virgin Islands has had difficulty in balancing its budget. The Territory's revenue is derived mainly from income taxes, property taxes, excise taxes paid in the United States on Virgin Islands products and other miscellaneous fees, duties and taxes. Government expenditure is concentrated mainly in the areas of education, health, public works, public safety and social welfare. While recognizing the need to maintain the same level of services to the community, the Mission considers that the territorial Government should seek to effect savings throughout the governmental establishment.

C. Social and educational conditions

377. The Territory is beset with rising unemployment, owing primarily to a slack in the demand for construction. Although the Mission welcomes the public works projects being envisaged to reverse the slump in construction activity in the Territory, it considers that the administering Power, together with the territorial Government, must undertake such measures as would ensure a steady growth in jobs of all types so as to encourage the United States Virgin Islander to remain and build his country.

378. In so far as education is concerned, overcrowding at schools, affecting the quality of education, appears to have come about as a result of the unplanned increase in population resulting from immigration to the Territory in the 1960s. The Mission considers that the administering Power, in consultation with the territorial Government, should give prompt consideration to the possibility of building additional schools from funds which should be allocated by the Federal Government to offset the effects of high rates of migration to the Territory in the 1960s under federal immigration laws. Constant attention should also be given to the nature of the educational system in the Territory so as to provide its people with the skills necessary to manage all sectors of the national economy. Every effort must also be made to ensure that companies operating in the Territory localize their staff by undertaking appropriate training programmes for United States Virgin Islanders.

379. Crime, particularly among youths, continues to be a problem. The Mission believes that the territorial Government should seek to ascertain the causes for the rise to criminal behaviour and take appropriate measures to eliminate them.

380. The Mission is of the opinion that there is room for further improvement of the health care system of the Territory in general and the island of St. John in particular. Aware that the public health authorities of the United States Virgin Islands are eager to modernize the system, the Mission considers that the administering Power should provide the assistance needed to enable them to achieve that objective. Noting with satisfaction the further expansion and improvement, undertaken and planned, of medical facilities on the three main islands, the Mission urges the administering Power, in co-operation with the territorial Government, to continue this development with a view to ensuring that all necessary facilities are available on the widest scale to all the inhabitants of the Territory. The Mission's attention has been drawn to the fact that a major obstacle to effecting improvement in the medical services is the difficulty of recruiting qualified local personnel. It therefore hopes that every effort will be made to train an adequate number of such personnel, particularly physicians and nurses, and to encourage them to work in the Territory.

D. Culture

381. The people of the United States Virgin Islands on occasion expressed to the Mission a fear of losing their separate and distinct identity. The United States Virgin Islanders are United States citizens but geographically located in the Caribbean. The Mission therefore considers that the administering Power should promote and encourage the growth and development of the culture of the Territory.

Appendix I

Itinerary of the United Nations Visiting Mission to the United States Virgin Islands, 1977

1. The Visiting Mission arrived in the Territory on 24 April 1977 and was met by Mr. Cyril E. King, Governor of the United States Virgin Islands. The Mission returned to New York on 2 May 1977 and visited Washington, D.C., for consultations with representatives of the administering Power and the Territory's non-voting delegate to the United States House of Representatives from 30 June to 2 July 1977.

A. St. Thomas, 25 April 1977

2. During the morning, the Mission had discussions with the Governor and members of his cabinet. In the afternoon, it held meetings with the Legislature, members of the press and labour union officials. The Mission also attended a reception given in its honour by the Governor.

B. St. John, 26 April 1977

3. The Mission travelled to St. John by ferry and visited the Morris F. de Castro Clinic and ambulance boat, the Julius Sprauve and Guy Benjamin schools and the Virgin Islands National Park. The Mission attended a luncheon at the Caneel Bay Plantation where it met with leaders of the local community. In the early afternoon, the Mission held a public meeting at the Battery before leaving for St. Thomas.

C. St. Thomas, 26 April 1977

4. On its return to St. Thomas, the Mission paid a visit to the Lucinda Millin Home for the Aged and was introduced to some of its residents and staff. The Mission later held a public meeting at the Legislative Building.

D. St. Thomas, 27 April 1977

5. During the morning, the Mission visited the College of the Virgin Islands (CVI), the Water and Power Authority and the Knud Hansen Memorial Hospital. In the afternoon, the Mission travelled by air to St. Croix.

E. St. Croix, 27 and 28 April 1977

6. On its arrival in St. Croix, the Mission visited a watch factory in Christiansted and the refinery of the Hess Oil Corporation at Estate Hope. It attended a reception and later held a public meeting at the Senate Building which lasted for nearly four hours and was attended by about 350 persons.

7. The next day the Mission paid a visit to the Pearl B. Larsen High School and the Agricultural Department and its experimental station. The Mission returned to St. Thomas by air-boat at about 2 p.m.

F. St. Thomas, 28 April 1977

8. The Mission held meetings with the Governor and senior officials of his Administration, the press, and members of the St. Thomas-St. John Chamber of Commerce.

G. St. Thomas, 29-30 April 1977

9. The Mission was invited by the Governor to accompany him to review the carnival parades during the last two days of celebrations, which were important social and cultural events in the Territory. The Mission took official leave of the Governor on 30 April 1977.

H. Washington, D.C., 30 June-2 July 1977

10. The Mission visited Washington, D.C., for consultations with the Government of the United States, as the administering Power. The Mission met the following officials: (a) at the United States Department of State, Mr. Charles W. Maynes, Assistant Secretary of State for International Organizations Affairs; Mr. Terence A. Todman, Assistant Secretary of State for Inter-American Affairs; (b) at the United States Department of the Interior, Mrs. Ruth Van Cleve, Director of the Office of Territorial Affairs; and (c) at the United States Department of Justice, officials of the Immigration and Naturalization Service (INS), including Mr. Carl J. Wack, Jr., Associate Commissioner; Mr. C. J. Leary, Executive Assistant to the Commissioner, and Mr. Herman Bookford, Chief Judge.

11. The Mission also met with Mr. Ronald de Lugo, non-voting delegate of the United States Virgin Islands to the United States House of Representatives.

Appendix II

United States Virgin Islands: personal income and per capita personal income, 1960-1975

(United States dollars)

Year	Personal income (millions)	Population	Per capita personal income	Per cent change
1960	20.0	32 099	625	...
1961	21.3	34 450	627	0.3
1962	30.6	35 430	874	39.4
1963	34.2	38 270	900	3.0
1964	44.5	41 913	1 060	17.8
1965	55.0	49 942	1 122	5.8
1966	70.0	50 870	1 376	22.6
1967	95.4	56 669	1 674	21.7
1968	143.7	62 802	2 281	36.3
1969	174.7	69 649	2 496	9.4
1970	193.8	75 151	2 584	3.5
1971	228.2	81 740	2 820	9.1
1972	272.4	84 230	3 204	13.6
1973	306.4	87 010	3 524	10.0
1974	363.7	89 740	4 053	15.0
1975	412.0	92 430	4 458	10.0

Source: Information supplied by the territorial Government.

Appendix III

United States Virgin Islands: visitors to the Territory by means of arrival, 1950-1976

Fiscal year	Air arrivals	Per cent change	Cruise ships arriving	Cruise ship visitors	Per cent change
1950	12 650	...	15	7 692	...
1951	39 333	210.9	7	3 124	-59.4
1952	40 718	3.5	12	5 293	69.4
1953	44 094	8.3	20	12 300	132.4
1954	45 795	3.9	30	13 323	8.3
1955	54 864	19.8	33	16 000	20.1
1956	63 000	14.8	36	18 500	15.6
1957	76 200	21.0	48	22 035	19.1
1958	85 800	12.6	74	35 420	60.7
1959	107 400	25.2	89	37 000	4.5
1960	124 400	15.8	126	49 700	34.3
1961	146 000	17.4	167	57 000	14.7
1962	187 712	28.6	131	57 368	0.6
1963	215 809	15.0	169	64 239	12.0
1964	285 610	32.3	261	110 625	72.2
1965	354 641	24.2	238	109 341	-1.2
1966	436 775	23.1	255	117 659	7.6
1967	516 295	18.2	296	133 357	13.3
1968	685 772	32.8	341	166 117	24.6
1969	795 003	15.9	491	213 541	28.5
1970	669 823	-15.7	523	251 386	17.7
1971	657 058	-1.9	453	253 873	1.0
1972	742 850	13.1	627	364 645	43.6
1973	681 908	-8.2	907	490 961	34.6
1974	580 604	-14.9	817	500 152	1.9
1975	531 023	-8.5	744	450 462	-9.9
1976	528 162	-0.5	740	471 073	4.6

Source: Virgin Islands Port Authority.

Appendix IV

United States Virgin Islands: tourist facilities, 1960-1976

Fiscal year	Air arrivals (thousands)	Three-year moving average (thousands)	Number of hotel rooms	Three-year moving average
1960	124	...	1 397	...
1961	146	153	1 537	1 526
1962	188	183	1 643	1 669
1963	216	230	1 828	1 789
1964	286	286	1 896	1 941
1965	355	359	2 099	2 067
1966	437	436	2 206	2 266
1967	516	546	2 494	2 461
1968	686	666	2 684	2 812
1969	795	717	3 258	3 122
1970	670	707	3 424	3 707
1971	657	690	4 439	4 060
1972	743	694	4 317	4 207
1973	682	669	3 865	4 040
1974	581	598	3 939	4 119
1975	531	547	4 552	4 317
1976	528	...	4 460	...

Source: Information supplied by the territorial Government.

Appendix V

United States Virgin Islands: estimated tourist expenditure, 1960-1976

(million United States dollars)

Fiscal year	Estimated expenditure	Per cent change
1960	24.8	
1961	25.8	4.0
1962	35.1	36.0
1963	41.1	17.1
1964	48.2	17.3
1965	54.0	12.0
1966	59.5	10.2
1967	75.0	26.1
1968	100.1	33.5
1969	112.3	12.2
1970	100.5	-10.5
1971	91.1	-9.4
1972	108.8	19.4
1973	100.0	-8.1
1974	95.0	-5.0
1975	109.1	14.8
1976	133.7	22.5

Source: Information supplied by the territorial Government.

Appendix VI

United States Virgin Islands: external trade, 1960-1975

(million United States dollars)

Calendar year	Imports			Exports			Balance of trade deficit
	Total	From the United States	From other countries	Total	To the United States	To other countries	
1960	42.3	29.4	12.9	8.4	7.4	0.9	33.9
1961	50.2	38.7	11.5	9.2	8.3	0.9	41.0
1962	61.8	40.6	21.2	20.1	19.1	0.9	41.7
1963	76.0	53.6	22.5	24.0	22.6	1.4	52.0
1964	96.0	68.8	27.2	27.1	25.6	1.4	68.9
1965	118.7	74.1	44.6	...	34.7	...	...
1966	137.7	94.6	43.2	56.1	52.8	3.2	81.6
1967	172.2	103.1	69.1	...	74.5	...	...
1968	260.2	152.4	107.8	155.9	123.4	32.5	104.3
1969	327.2	159.6	167.6	199.9	174.4	25.6	127.3
1970	400.6	168.5	232.1	260.6	244.3	16.3	140.0
1971	551.6	175.2	376.5	325.8	299.4	26.4	225.8
1972	596.2	172.8	423.4	400.9	375.3	25.6	195.3
1973	850.6	209.9	640.7	611.9	546.[illegible]	64.9	238.7
1974	2 220.4	294.1	1 926.4	1 658.9	1 614.2	44.7	561.5
1975	2 197.5	263.1	1 934.5	1 933.3	1 871.0	62.3	264.2

Source: Information supplied by the territorial Government.

Appendix VII

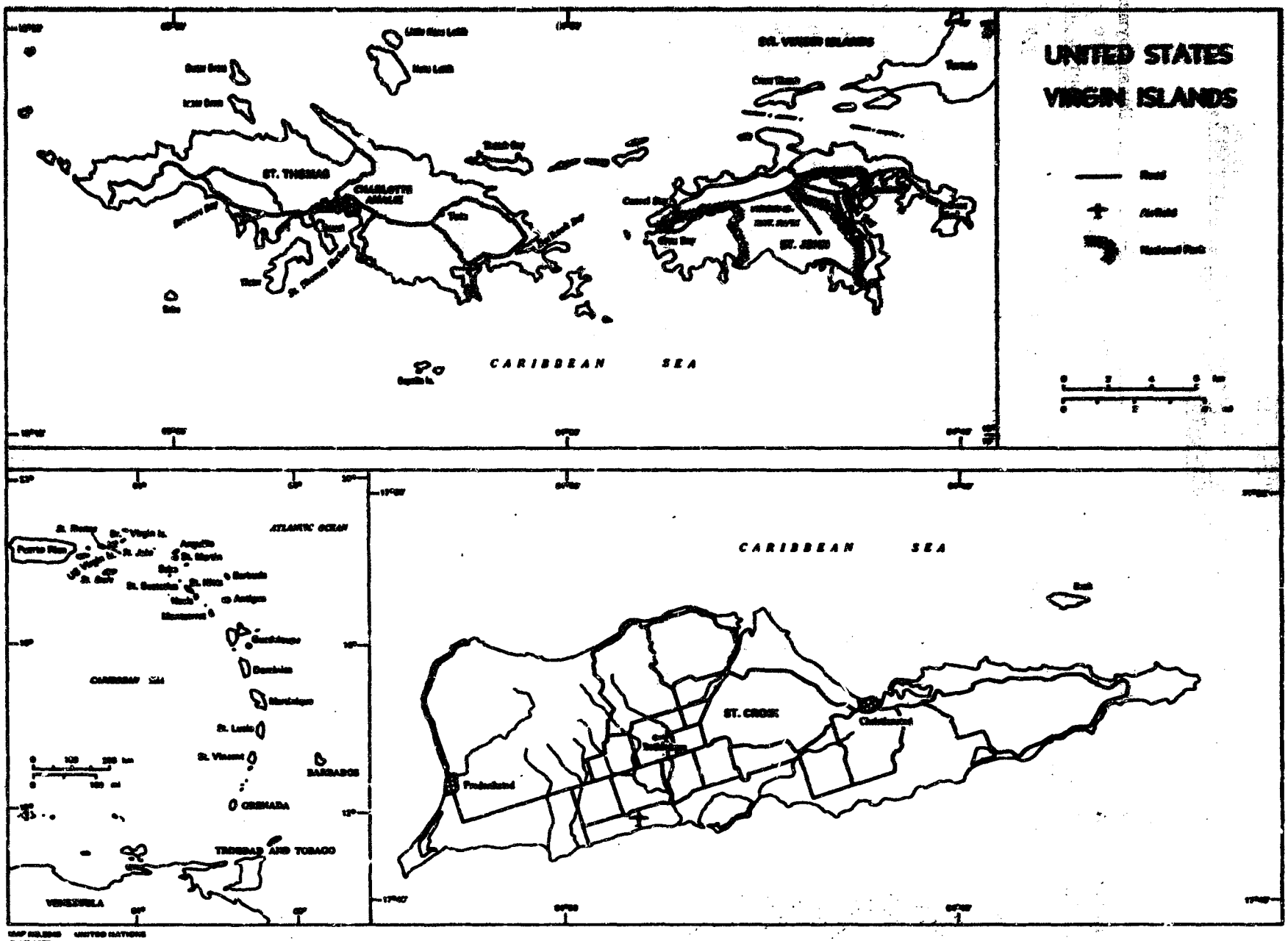
United States Virgin Islands: employment and unemployment, 1960-1976

Fiscal year	Labour force	Total employment	Unemployment rate (per cent)
1960	11 228	10 845	3.4
1965	21 018	20 828	0.9
1970	35 580	35 100	1.3
1971	37 100	36 400	1.9
1972	38 213	36 683	4.0
1973	38 980	37 420	4.0
1974	40 520	38 910	4.0
1975	42 160	39 890	5.4
1976	43 360	38 677	10.8

Average per cent employment increase per calendar year

1950-1960	3.0
1960-1970	22.4
1971-1975	2.6

Source: Information supplied by the territorial Government.


UNITED STATES
VIRGIN ISLANDS
ST. THOMAS
ST. JOHN
ST. CROIX
CARIBBEAN SEA
ATLANTIC OCEAN
Frederiksted
Christiansted
BARBADOS
GRENADA
TRINIDAD AND TOBAGO
VENEZUELA

CHAPTERS XXVIII-XXX

(A/32/23/Add.7)

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

CONTENTS

Chapter		Paragraphs	Page
XXVIII.	FALKLAND ISLANDS (MALVINAS)		219
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 3	220
	B. DECISION OF THE SPECIAL COMMITTEE	4	220
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		221
XXIX.	BELIZE		233
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 3	234
	B. DECISION OF THE SPECIAL COMMITTEE	4	234
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		235
XXX.	ANTIGUA, DOMINICA, ST. KITTS-NEVIS-ANGUILLA, ST. LUCIA AND ST. VINCENT		249
	A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 4	250
	B. DECISION OF THE SPECIAL COMMITTEE	5	250
	ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		251

CHAPTER XXVIII

FALKLAND ISLANDS (MALVINAS)

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. The Special Committee considered the question of the Falkland Islands (Malvinas) at its 1095th meeting, on 17 August 1977.

2. In its consideration of the item, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 31/143 of 17 December 1976 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By paragraph 12 of this resolution, the Assembly requested the Special Committee, inter alia, "to continue to seek suitable means for the immediate and full implementation of General Assembly resolution 1514 (XV) 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 to report thereon to the General Assembly at its thirty-second session". The Committee also took into account General Assembly resolution 31/49 of 1 December 1976, concerning the Falkland Islands (Malvinas).

3. During its consideration of the item, the Special Committee had before it a working paper prepared by the Secretariat (see annex to the present chapter), containing information on developments concerning the Territory. The Committee also took into account the following letters addressed to the Secretary-General: two letters dated 8 June 1977 from Argentina and the United Kingdom of Great Britain and Northern Ireland, respectively (A/32/110 and A/32/111; see also annex to the present chapter, para. 30); and two letters dated 16 August 1977 from Argentina and the United Kingdom, respectively (A/32/168 and A/32/169).

B. DECISION OF THE SPECIAL COMMITTEE

4. At its 1095th meeting, on 17 August, following a statement by the Chairman (A/AC.109/PV.1095), the Special Committee decided, without objection, to give consideration to the item at its next session subject to any directives which the General Assembly might give in that connexion at its thirty-second session and, in order to facilitate consideration of the item by the Assembly, to authorize its Rapporteur to transmit to the Assembly all available information on the question.

ANNEX*

WORKING PAPER PREPARED BY THE SECRETARIAT

CONTENTS

		Paragraphs
1.	General	1 - 2
2.	Constitutional and political developments	3 - 31
3.	Economic conditions	32 - 40
4.	Social conditions	41 - 42
5.	Educational conditions	43 - 45

* Previously issued under the symbol A/AC.109/L.1200.

FALKLAND ISLANDS (MALVINAS) a/

1. GENERAL

1. The Falkland Islands (Malvinas) lie in the South Atlantic, some 772 kilometres north-east of Cape Horn. They comprise 200 islands and cover a total land area of 11,961 square kilometres. There are two large islands, East Falkland and West Falkland. Apart from a number of small islands, the Dependencies consist of South Georgia, 1,287 kilometres east-south-east of the Falkland Islands (Malvinas), and the uninhabited South Sandwich Islands, some 756 kilometres south-east of South Georgia.

2. At the last census, held in 1972, the population of the Territory, excluding the Dependencies, numbered 1,957, almost all of whom were of European descent, mainly of British origin. Of this total, 1,079 lived in Port Stanley, the capital. The estimated population at 31 December 1975 was 1,905.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

3. An outline of the constitutional arrangements for the Territory, introduced in 1949, as amended in 1955 and 1964, appears in the report of the Special Committee to the General Assembly at its twenty-fifth session. b/ Briefly, the governmental structure consists of: (a) a Governor appointed by the Queen (currently James Parker); (b) an Executive Council consisting of two unofficial members appointed by the Governor, two elected members of the Legislative Council chosen by that Council's elected and independent members, and two ex officio members (the Chief Secretary and the Financial Secretary); (c) a Legislative Council consisting of the Governor, who presides, two ex officio members (the Chief Secretary and the Financial Secretary), two nominated members and four other members elected on the basis of universal adult suffrage; and (d) a Court of Appeals set up in July 1965 to hear and determine appeals from the courts of the Territory.

4. At the last general elections, held in May 1976, the four elected seats in the Legislative Council were contested by seven candidates. Some 1,179 persons voted, representing 73.8 per cent of the electorate. In the final results it was announced that the following had been elected: L. G. Blake (West Falkland), A. B. Monk (East Falkland), W. E. Bowles (Port Stanley) and J. Smith (Port Stanley). Following the elections, the Governor nominated H. L. Bound and A. B. Hadden as members of the Legislative Council.

---

a/ The information contained in this paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 23 November 1976 for the year ending 31 December 1975.

b/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23 (A/8023/Rev.1), vol. IV, chap. XIX, annex, paras. 4-7.

B. Constitutional reform

5. As previously noted, a Select Committee of the Territory's Legislative Council was appointed by the Governor in January 1974, "to ascertain the views of the electorate on constitutional changes and to make appropriate recommendations". The Committee held a series of public meetings in the Territory during 1974 and in early 1975 it submitted its report to the Legislative Council.

6. After its consideration of the report of the Select Committee, the Legislative Council forwarded to the United Kingdom Government a number of proposals for constitutional reform, which included: (a) an increase in the number of elected members from four to six, giving the Legislative Council an elected majority; (b) retention of the two ex officio members and the Governor in the Legislative Council; and (c) the lowering of the voting age to 18 years.

7. In March 1976, it was reported that the United Kingdom Government had agreed to the proposals and would implement them as soon as possible. In reply to a question in the House of Lords, Lord Goronwy-Roberts, the United Kingdom Minister of State for Foreign and Commonwealth Affairs, stated that the United Kingdom Government had considered that it would be appropriate for the constitutional proposals to be the subject of discussion and confirmation by popular vote. c/ He noted that general elections were due to be held in May of that year. The Minister said that another reason for the delay was that an economic survey team, under the chairmanship of Lord Shackleton, which had visited the Territory in early 1976, was due to make recommendations, which might require further constitutional changes for their implementation. For those two reasons it appeared that they should postpone implementation at least for the next few months.

C. Relations between the Governments of Argentina and the United Kingdom

8. Information concerning the relations between the Governments of Argentina and the United Kingdom on the question of the Falkland Islands (Malvinas) prior to and including 17 September 1976, is contained in the previous report of the Special Committee to the General Assembly. d/

9. At its thirty-first session, the General Assembly adopted resolution 31/49 of 1 December 1976 concerning the Falkland Islands (Malvinas), by which it recalled the paragraphs related to the question contained in the Political Declaration adopted by the Conference of Ministers for Foreign Affairs of Non-Aligned Countries, held at Lima from 25 to 30 August 1975, e/ and in the Political Declaration adopted by the Fifth Conference of Heads of State or Government of Non-Aligned Countries, held at Colombo from 16 to 19 August 1976, f/ as well as the chapter of the report of

---

c/ Parliamentary Debates, House of Lords, 17 March 1976, column 224-225.

d/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXX, annex I, paras. 5-25.

e/ A/10217 and Corr.1, annex, para. 87.

f/ A/31/197, annex I, para. 119.

the Special Committee relating to the Falkland Islands (Malvinas) g/ and, in particular, the conclusions and recommendations of the Special Committee concerning the Territory; h/ expressed its gratitude for the continuous efforts made by the Government of Argentina, in accordance with the relevant decisions of the General Assembly, to facilitate the process of decolonization and to promote the well-being of the population of the islands; requested the Governments of Argentina and the United Kingdom to expedite the negotiations concerning the dispute over sovereignty as requested in General Assembly resolutions 2065 (XX) of 16 December 1965 and 3160 (XXVIII) of 14 December 1973; called upon the two parties to refrain from taking decisions that would imply introducing unilateral modifications in the situation while the islands were going through the process recommended in the above-mentioned resolutions; and requested both Governments to report to the Secretary-General and to the General Assembly as soon as possible on the results of the negotiations.

10. Before the adoption of the resolution, the representatives of Argentina and of the United Kingdom made statements in explanation of their respective votes. i/

11. The representative of the United Kingdom said that his delegation had explained its position on the question of the Falkland Islands in detail in the Fourth Committee. It had explained why it had been cautious in its approach to previous General Assembly resolutions. They did not give weight to the wishes of the inhabitants of the Falkland Islands. Draft resolution V in the report of the Fourth Committee, j/ which had been adopted by that Committee on 15 November, had gone further. In fact, it stood in contrast to the other draft resolutions contained in the report of the Fourth Committee. It had not mentioned the principle of self-determination. The United Kingdom delegation was told that the Falkland Islands was a special case. It did not accept that. Surely, that was a dangerous principle to accept in relation to the remaining - the mercifully few remaining - Non-Self-Governing Territories. The United Kingdom delegation regretted that the Fourth Committee should have recommended a resolution which conflicted with the principles which govern United Nations activity on decolonization elsewhere. The people of the Falkland Islands had the right to be consulted and to have their wishes about their own future taken into account. Yet, the draft which was before the General Assembly deliberately set those wishes aside as though the views of the people of the Falkland Islands were of no account.

12. The United Kingdom representative reaffirmed that his Government was willing to engage in dialogue with Argentina on the question of the islands on the basis of clear understanding and respect for each other's position. However, his delegation would vote against the draft resolution recommended by the Fourth Committee because it did not accept that the only outcome of such contacts could be a transfer of sovereignty to Argentina over the heads of the people most closely concerned.

---

g/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXX.

h/ Ibid., para. 8.

i/ Ibid., Plenary Meetings, 85th meeting.

j/ Ibid., Annexes, agenda item 25, document A/31/362, para. 71.

13. Furthermore, he stated that it would be harder for his Government to convince the people of the Falkland Islands in future that any such contacts would be in their interests if the draft resolution was adopted.

14. The representative of Argentina said that during the debate on item 25 in the Fourth Committee - and more recently in the plenary - three delegations had deemed it appropriate to take the floor to express, overtly or tacitly, their disagreement with the content of those resolutions which recognized that each and every colonial matter was a separate matter and that it was impossible to apply indiscriminately to all of those cases the principle of self-determination.

15. That principle, as his delegation had repeatedly stated, was applicable in most cases, but it was one and only one of the principles which should be taken into account and applied in the area of decolonization. Its standing and its role in the process which concerned the General Assembly was of course important. But that was no reason why, in certain circumstances, it should not be brought into line with other principles, such as the principle of territorial integrity, which were equally or more appropriate for the just settlement of specific problems facing the United Nations.

16. He found it unacceptable that, at the current stage of the debate, an attempt should be made to plunge the members of the Assembly back into discussions which, both politically, and doctrinally, had been superseded by numerous pronouncements of the principal organs of the United Nations system. He added that that attitude had caused innumerable delays and difficulties in the process of decolonization and had undermined the political and legal actions of the General Assembly and the International Court of Justice.

17. The representative of Argentina said that many General Assembly resolutions had accepted the fact that colonial cases were individual in nature and that one must not prejudge what principle should be applied to each case. He said that General Assembly resolution 1514 (XV) of 14 December 1960 established quite clearly, in paragraph 6, that in certain circumstances - including, without any doubt, those deriving from acts of territorial usurpation against a country - the applicable principle was territorial integrity and not self-determination. That very clear and sensible provision lay at the root of the resolutions adopted on the question of the Malvinas Islands and the recommendation relating to the Comorian island of Mayotte k/ adopted at the start of the current session. The suggestion that, when adopting decisions such as the one that the General Assembly was about to vote on, they were contradicting past practice in that area was therefore unacceptable.

18. Furthermore, it was obvious that, substantively speaking, the new resolution on the question of the Malvinas Islands was a logical sequel to resolutions 2065 (XX) and 3160 (XXVIII). While his delegation respected the right of every delegation to change its position on a particular question when and for whatever reasons it deemed appropriate, he said that his delegation was surprised at the decision of certain countries which, having voted in favour of resolutions 2065 (XX) and 3160 (XXVIII), had, on the current occasion, taken a different position. His

---

k/ General Assembly resolution 31/4 of 21 October 1976.

delegation was even more surprised to see that that new position was based on opposition to the very principles that those delegations supported barely three years ago.

19. He said that the examples he had given were not mere isolated elements in the corpus juris relating to decolonization. The General Assembly had stated its view categorically on the subject and in addition, international legal theory and jurisprudence had confirmed, in a perfectly clear manner, that it was impossible to apply only one criterion to the problem of decolonization.

20. He referred briefly to some of the considerations contained in the advisory opinion handed down by the International Court of Justice on 16 October 1975. 1/ In that important document, both in the text of the opinion itself and in the statements and individual opinions accompanying the text, he found a number of elements which support his Government's position.

21. He said that the Court, while recognizing the important role of the principle of self-determination, had pointed out that on a number of occasions the General Assembly had given priority to the principle of territorial integrity, particularly when the colonial Territory had been created to the prejudice of the country to which the Territory belonged originally. Furthermore, in paragraph 87 of the opinion, the Court had affirmed quite clearly that in all cases the "special characteristics" of the Territory should be borne in mind. However, the most decisive paragraph on the subject was paragraph 162, from a reading of which it was perfectly clear that in those situations where there was a dispute regarding sovereignty over a colonial Territory, whether or not the principle of self-determination should be applied depended on the nature of the link between the Territory in question and the State in question at the moment of colonization.

22. Referring to the individual opinions of the members of the Court, the representative of Argentina said that Justices Nagendra Singh and Fouad Ammoun had stated their views very clearly on the subject. It was clear that for Judge Nagendra Singh self-determination need not be applied when there was proof that at the time of colonization of the Territory, the Territory belonged to a State and was separated from it by the colonizers. Judge Ammoun had stated that there were many cases where the General Assembly had "dispensed with" the application of the principle of self-determination. Both international magistrates, finally, had described general situations which would fall within those basic categories.

23. However, he said that the opinion of Judge S. Petrén of Sweden had been most decisive in that area. The Swedish magistrate had stated his view succinctly as follows: first of all, the law on decolonization was in the process of formation, and although it was based primarily on the principle of self-determination, that was no reason why in certain specific cases account should not also be taken of the principle of territorial unity and national unity. He had stressed that the process of decolonization had taken place by means of a combination of various elements of international law which were evolving under the aegis of the United Nations.

1/ Western Sahara, Advisory Opinion, I.C.J. Reports 1975, p. 12.

24. Furthermore, in an equally decisive way Judge Petrén had stated that there was no uniform opinion on the subject of decolonization because of "the fact that the wide variety of geographical and other data which must be taken into account in questions of decolonization have not yet allowed of the establishment of a sufficiently developed body of rules and practice to cover all the situations which may give rise to problems. In other words, although its guiding principles have emerged, the law of decolonization does not yet constitute a complete body of doctrine and practice." Perhaps it might be appropriate to add that for the Swedish magistrate, as was clear from his opinion, one of the exceptions to the principle of self-determination might be that there was proof of sovereign ties between the State in question and the Territory claimed.

25. The representative of Argentina said that each colonial case should be taken up separately and that it was impossible indiscriminately to apply one single principle in the area. It was precisely that approach which, if followed, would be at variance with international theory and practice - a matter all the more serious in view of the fact that that would prolong or validate certain situations which were notoriously illegal or unjust.

26. He concluded by saying that he hoped that the resolution before the General Assembly would be adopted by an overwhelming majority, as it had been in the Fourth Committee. The adoption of the resolution by the Assembly would require the Governments concerned to pursue their efforts to bring about a speedy settlement of the dispute relating to the Malvinas Islands, in accordance with the procedures laid down in the Charter of the United Nations for the settlement of international disputes. In that spirit, it was his delegation's hope that substantive negotiations with the Government of the United Kingdom would be resumed as soon as possible, as requested by the resolution and resolutions 2065 (XX) and 3160 (XXVIII).

27. On 2 February 1977, the following statement was made by ministers of the United Kingdom Government before both Houses of Parliament, on the subject of the Falkland Islands and the relations between the Governments of the United Kingdom and Argentina.

> "... Lord Shackleton has presented his Economic Survey of the Falkland Islands. m/ The whole House will join me in warmly thanking him and his colleagues for this immensely thorough and wide-ranging report.
>
> "The Survey paints a vivid picture of this small community of 1,900 people, 7,500 miles away, yet staunchly British and with rich potential in the seas around them. But currently they face an uncertain economic future. The economy, essentially a mono-culture based on wool, is stagnant; the resources do not exist to exploit the new potential in other fields; and emigration is increasing.
>
> "To remedy this situation, Lord Shackleton made a large number of recommendations, many of which will require further study and detailed consultation with the Islanders. Meanwhile, the Government will proceed to implement those internal constitutional changes which have already been approved by the Falkland Islands Legislative Council.

---

m/ London, H.M. Stationery Office, 1976.

"The recommendations on development aid will fall to my honourable friend the Minister for Overseas Development to implement. But I can say now that the Government are ready to consider, after such pre-investment studies as may be required, agricultural diversification, mutton freezing, knitwear production and improvements to education. We also propose to pay special and urgent attention to the Islands' internal communications, with particular reference to the availability and maintenance of an efficient local air service.

"The Survey further recommended certain major capital projects, notably an enlargement of the airport and a pilot fishing project, which would bring the total recommended expenditure by the United Kingdom up to some £13-£14 million. The Government, like Lord Shackleton and his colleagues, are in no doubt that the potential for development is there, and they will at the appropriate moment commission the essential preliminary studies to determine whether airport enlargement is likely to be practicable and cost-effective.

"But for the rest, we cannot at this time accept the more costly recommendations. The overseas aid budget, recently cut in the December public expenditure exercise, would not stand it. There are more urgent claims from much poorer communities. And the right political circumstances do not exist.

"In Lord Shackleton's words, 'in any major new developments of the Islands' economy, especially those relating to off-shore resources, co-operation with Argentina - even participation - should, if possible, be secured'. The Government agree. Such new developments require a framework of greater political and economic co-operation in the region as a whole. Without such a framework, the prospect of achieving a prosperous and durable future for the Islands is bleak.

"The Government have therefore decided that the time has come to consider both with the Islanders and the Argentine Government whether a climate exists for discussing the broad issues which bear on the future of the Falkland Islands, and the possibilities of co-operation between Britain and Argentina in the region of the South-West Atlantic.

"I must make certain things absolutely clear. First, any such discussion, which would inevitably raise fundamental questions on the relationship between the Islands, Britain and Argentina, would take place under the sovereignty umbrella; that is, Her Majesty's Government would wholly reserve their position on the issue of sovereignty, which would in no way be prejudiced. Secondly, any changes which might be proposed must be acceptable to the Islanders, whose interests and well-being remain our prime concern. In consequence, thirdly, there must be full consultation with the Islanders at every stage; nothing will be done behind their back.

"To fulfil this pledge, I am sending my honourable friend the Minister of State to the Falkland Islands in mid-February to hear from the Islanders at first hand how they view their future. He will also visit Buenos Aires. His object will be, in effect, to see whether terms of reference can be agreed for further more formal talks between the parties concerned.

"Mr. Speaker, my right honourable friend the Prime Minister said this to the House last January. 'Given goodwill on both sides, Britain and Argentina should be able to transform the area of dispute concerning the sovereignty over the Islands, into a factor making for co-operation between the two countries which would be consonant with the wishes and interests of the Falkland Islanders'. Today, as 12 months ago, the situation in the South-West Atlantic is a source of potential confrontation, of which there have been recent examples. It is co-operation, not confrontation, both in the islands and the Dependencies, which we seek to achieve."

28. Edward Rowlands, the Minister of State in the Foreign and Commonwealth Office, visited the Territory from 16 to 21 February. He held discussions with the Governor, the Executive and Legislative Councils, and members of interest groups and of the general public. In a statement issued by the United Kingdom Embassy at Comodoro Rivadavia, Argentina, it was announced that the Minister would try to work out terms of reference with the Argentine Government for subsequent formal negotiations concerned with the twin themes of political relations and economic co-operation. Mr. Rowlands claimed that the Islanders' representatives had approved his approach to the negotiations with Argentina. He stated that his visit left him in no doubt about the Islanders' strong desire to remain British.

29. Following his visit to the Territory, Mr. Rowlands held two days of talks at Buenos Aires with officials of the Government of Argentina. On 23 February, both Governments issued a joint press communiqué in which it was stated that they had reached an area of understanding in talks on the future of the disputed Territory and on economic co-operation in the South-West Atlantic.

30. In a reply before the United Kingdom House of Commons on 26 April, David Owen, the Secretary of State for Foreign and Commonwealth Affairs, made the following statement:

"The Governments of the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland have agreed to hold negotiations from June or July 1977 which will concern future political relations, including sovereignty, with regard to the Falkland Islands, South Georgia and the South Sandwich Islands, and economic co-operation with regard to the said territories, in particular, and the South-West Atlantic, in general. In these negotiations the issues affecting the future of the islands will be discussed, and negotiations will be directed to the working out of a peaceful solution to the existing dispute on sovereignty between the two States, and the establishment of a framework for Anglo-Argentine economic co-operation which will contribute substantially to the development of the islands, and the region as a whole.

"A major objective of the negotiations will be to achieve a stable, prosperous and politically durable future for the islands, whose people the Government of the United Kingdom will consult during the course of the negotiations.

"The agreement to hold these negotiations, and the negotiations themselves, are without prejudice to the position of either Government with regard to sovereignty over the islands.

"The level at which the negotiations will be conducted, and the times and places at which they will be held, will be determined by agreement between the two Governments. If necessary, special working groups will be established." n/

31. Officials of the Governments of Argentina and of the United Kingdom held negotiations at Rome from 13 to 15 July. A press communiqué was released after the negotiations in which it was declared that the discussions had been conducted in a positive spirit and had "... led to a better awareness of the position of each side as a basis on which to continue to seek understanding". They agreed to meet again in November 1977. (See A/32/168 and A/32/169.)

3. ECONOMIC CONDITIONS

32. The economy of the Territory continues to be overwhelmingly dependent upon sheep farming for wool production. Owing to climate and soil conditions, the grasslands are generally of poor quality and thus restrict the yield per hectare. A Grassland Trials Unit, financed by the United Kingdom Government, was established in 1975 to study and make recommendations for the improvement of pastures. In 1975/76 there were 644,819 sheep in the Territory (612,508 in 1972/73) distributed as follows: East Falkland, 365,673; West Falkland, 209,790; and other islands, 69,356.

33. The price of wool, the principal export, is the most important factor governing the economic life of the Territory. Exports of wool, hides and skins were valued at £1.2 million in 1975 (£2.2 million in 1974), reflecting a drop in the average price from 107 new pence per kilogram in 1974 to 51 new pence in 1975. During 1976, the price of wool increased to 92 new pence per kilogram and further increases are expected during 1977, to about 110 new pence per kilogram.

34. The Falkland Islands Company (FIC), which was registered in the United Kingdom in 1851, remains the major contributor to the economy. FIC is the largest producer of wool in the Territory, owning 288,843 sheep (out of the total 644,819 in 1975/76) and 46 per cent of the land. The company continues to control much of the local banking, commerce and shipping services. Plans to set up a local company, to which FIC would transfer its trade and shipping interests, were abandoned in 1974.

35. In February 1977, the Chairman of Charrington Industrial Holdings, of the United Kingdom, the parent body of FIC, stated that there were no plans to sell FIC. It was reported earlier that two prominent businessmen from Argentina had made a bid of $US 10.0 million for the purchase of FIC. In reply to a question before the United Kingdom parliament in April 1977, Mr. Rowlands, the Minister of State at the Foreign and Commonwealth Office, stated that "no land can be alienated on Falkland Islands without the permission of the Falkland Islands Government itself; the British Government would not support such a move".

---

n/ In identical letters dated 8 June 1977, the Permanent Representative of Argentina and the United Kingdom to the United Nations transmitted to the Secretary-General the text of the statement, which had been issued as a joint communiqué in Buenos Aires and London on 26 April 1977 (A/32/110 and A/32/111).

36. Other potential areas of economic development currently being explored include the tourist industry, fishing and the processing of kelp. Wildlife tourism is enhanced by the abundance of marine and bird life in the Territory. Improvements in air and sea communications have been reflected in the increase in tourist arrivals. In 1975, the number of sea-borne tourists reached 6,201 compared with 3,999 in 1974. Research into fishing resources is being conducted by the Taiyo Fishing Company of Japan, with a view to establishing a deep-sea fishing industry. A United Kingdom company is exploring the feasibility of exploiting the stocks of king crab. The waters around the Territory are considered to contain substantial quantities of krill, a form of small prawn high in protein. Several countries are reported to be exploiting this supply. The Territory also has a large supply of seaweeds, from which alginate is produced. This product is used chiefly by the food, pharmaceutical and textile industries. In June 1977, it was reported that Alginate Industries Ltd., which had undertaken to expand its facilities in the Territory, had informed the Government of the Falkland Islands (Malvinas) of its intention to stop production. In a statement to the Legislative Council, the Chief Secretary reported that the company had expressed doubt about the demand for kelp, the cost of production in the Territory and other factors, including the question of sovereignty.

37. Important new prospects for economic development might result from the possible existence of oil deposits in the Territory and off-shore areas surrounding it.

38. According to information provided by the administering Power, there is no industrial production in the Territory. It is therefore dependent on imports to meet almost all of its requirements for consumer goods and capital equipment. In 1975, imports were valued at £1.5 million (£805,237 in 1974); exports for the same years (mainly wool) totalled £1.2 million and £2.5 million respectively. In past years, the United Kingdom has absorbed all of the Territory's exports and provided most of its imports. As noted in a previous report of the Special Committee, o/ steps have been taken recently to increase trade between the Territory and the Argentine mainland, including the granting to Yacimientos Petrolíferos Fiscales (YPF), the Argentine State oil company, of the rights to supply petroleum products in the Territory.

39. The Governments of Argentina, the Falkland Islands (Malvinas) and the United Kingdom signed the Communications Agreement at Buenos Aires in 1971, which was designed to improve economic, social and cultural co-operation between the Falkland Islands (Malvinas) and Argentina. Air communications are operated by Líneas Aéreas del Estado (LADE), a state-owned Argentine airline, which maintains a regular weekly flight between Argentina and Port Stanley. In March 1977, it was reported that the permanent airport at Port Stanley, financed by the United Kingdom Government and constructed with the help of technicians from Argentina, would be open to traffic by May 1977. The airport was designed to take aircraft up to the size of the Hawker Siddely HS-748. In order to take larger aircraft, the runway would have to be extended.

40. In July 1976, the United Kingdom Government issued the report prepared by Lord Shackleton, entitled Economic Survey of the Falkland Islands (see para. 27 above).

---

o/ Official Records of the General Assembly, Thirtieth Session, Supplement No. 23 (A/10023/Rev.1), vol. IV, chap. XXIX, annex, paras. 7-10.

4. SOCIAL CONDITIONS

41. There was no significant change in the labour situation in the Territory during the period under review. Owing to limited employment opportunities, there has been some loss of population to other countries. In order to reverse this trend, steps have been taken by the Government to stimulate the over-all development of the Territory, especially through economic diversification.

42. The Government maintains a general hospital with 27 beds at Port Stanley, which provides medical, surgical, obstetric and geriatric care. The Medical Department employs one senior medical officer, three medical officers and other staff. Following a report by a professional hospital administrator, improvements were made in the organization and management of the hospital at Port Stanley, and United Kingdom development aid funds have been made available for the purchase of additional hospital equipment. Total expenditure on all aspects of health care and public health in 1975/76 amounted to £120,000.

5. EDUCATIONAL CONDITIONS

43. In 1975, there were 313 pupils (306 in 1974) attending government schools, which in principle were all primary schools. In 1975, the schools were staffed by 33 teachers, including itinerant teachers for outlying areas (28 in 1973). Approximately 50 children of secondary-school age from the Territory were being educated in South America, most of them in Argentina.

44. Following the signing of the Communications Agreement in 1971, a number of children continued their education in Argentina. In 1974/75, 36 children from the Territory attended bilingual schools in Argentina, of whom 23 were on scholarships granted by the Argentine Government, 2 were on scholarships granted by the United Kingdom Government and 2 were on scholarships granted by the schools. On 5 June 1976, it was reported that, in conformity with a decision taken by the Territory's Executive Council in late 1973, two Spanish-language teachers sponsored by the Argentine Government had arrived in the Territory to teach Spanish in Port Stanley schools and at adult education evening classes. In May 1975, it was reported that there were plans to expand the teaching of Spanish by broadcasts over the local radio station.

45. Government expenditure on education in 1975/76 amounted to £137,631.

CHAPTER XXIX

(A/32/23/Add.7)

BELIZE

CONTENTS

	Paragraph	Page
A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 3	234
B. DECISION OF THE SPECIAL COMMITTEE	4	234
ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		235

CHAPTER XXIX

BELIZE

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. The Special Committee considered the question of Belize at its 1095th meeting, on 17 August 1977.

2. In its consideration of the item, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 31/143 of 17 December 1976 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By paragraph 12 of this resolution, the Assembly requested the Special Committee, inter alia, "to continue to seek suitable means for the immediate and full implementation of ... General Assembly resolution 1514 (XV) 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 to report thereon to the General Assembly at its thirty-second session". The Committee also took into account General Assembly resolution 31/50 of 1 December 1976 concerning Belize, by paragraph 6 of which the Assembly requested the Special Committee to continue its examination of the question.

3. During its consideration of the item, the Special Committee had before it a working paper prepared by the Secretariat (see annex to the present chapter) containing information on developments concerning the Territory.

B. DECISION OF THE SPECIAL COMMITTEE

4. At its 1095th meeting, on 17 August, following a statement by the Chairman (A/AC.109/PV.1095), the Special Committee decided, without objection, to give consideration to the item at its next session subject to any directives which the General Assembly might give in that connexion at its thirty-second session and, in order to facilitate consideration of the item by the Assembly, to authorize its Rapporteur to transmit to the Assembly all available information on the question.

ANNEX*

WORKING PAPER PREPARED BY THE SECRETARIAT

CONTENTS

		Paragraphs
1.	General	1 - 2
2.	Constitutional and political developments	3 - 35
3.	Economic conditions	36 - 47
4.	Social and educational conditions	48 - 53

* Previously issued under the symbol A/AC.109/L.1199 and Corr.1.

BELIZE a/

1. GENERAL

1. Basic information on Belize is contained in the report of the Special Committee to the General Assembly at its thirty-first session b/ Supplementary information is set out below.

2. At the last census, taken in 1970, the total population of the Territory was 119,863, of whom 39,332 lived in Belize City. Belmopan, the capital, had approximately 3,000 inhabitants in 1972. The population is currently estimated to be about 136,000, consisting mainly of Creoles, American Indians (Mayas) and Caribs.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

3. An outline of the constitutional arrangements set out in the British Honduras Constitution Ordinance, 1963, as amended in 1973 and 1974, is contained in the report of the Special Committee to the General Assembly at its twenty-ninth session. c/ Briefly, the Constitution of Belize provides for a Governor appointed by the Queen, a Cabinet and a bicameral National Assembly consisting of a Senate and a House of Representatives. Of the eight members of the Senate, five are appointed by the Governor (Peter McEntee) on the advice of the Premier (George Price); two on the advice of the Leader of the Opposition (Dean Lindo); and one after such consultations as the Governor considers appropriate. The House of Representatives has 18 members elected by universal adult suffrage for a period of five years. At the last general elections, which took place on 30 October 1974, the People's United Party (PUP) secured 12 seats, the lowest total in 20 years, and the remaining seats went to the coalition called the United Democratic Party (UDP). Since the elections, a member of UDP has joined PUP, which now has 13 seats.

4. The Governor retains responsibility for defence, external affairs, internal security (including the armed forces) and the public service. Under the Belize Letters Patent, 1964 to 1974, the Governor, acting in accordance with the advice

---

a/ The information contained in this paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 18 August 1976, for the year ending 31 December 1975.

b/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXVI, annex.

c/ Ibid., Twenty-ninth Session, Supplement No. 23 (A/9623/Rev.1), vol. VI, chap. XXVII, annex, paras. 3-4 and 10-14.

of the Premier, may assign to the Premier or any other minister responsibility for any business of the Government, not otherwise delegated, as well as the department of the Attorney-General. The Governor may also, under conditions imposed by him, delegate to a minister chosen after consultation with the Premier, responsibility for matters relating to external affairs. Delegation of this authority is subject to the prior approval of the United Kingdom Secretary of State for Foreign and Commonwealth Affairs.

5. The Cabinet consists of the Premier and other ministers (10 at present).

B. Consideration by the General Assembly

6. In a statement before the Fourth Committee at its 15th meeting, on 4 November 1976, d/ the representative of the United Kingdom recalled that the Permanent Representative of the United Kingdom to the United Nations, in explaining his Government's position on the question of Belize the previous year, e/ had gone into some detail about the history of Belize and the problems caused by the territorial claim of Guatemala. At that time, the Permanent Representative had informed the Committee that the Government of the United Kingdom was prepared to open negotiations with the Government of Guatemala as soon as possible after the end of the thirtieth session of the General Assembly. In its resolution 3432 (XXX) of 8 December 1975, which had been adopted by an overwhelming majority, the General Assembly had reaffirmed the inalienable right of the people of Belize to self-determination, independence and territorial integrity, and had requested the Governments of the United Kingdom and Guatemala to pursue urgently their negotiations for the earliest possible resolution of their differences of opinion concerning the future of Belize, in order to remove such obstacles as had hitherto prevented the people of Belize from exercising freely and without fear their inalienable right to self-determination and independence.

7. The representative of the United Kingdom further recalled the statement of the Permanent Representative that the United Kingdom would not allow its negotiations with the Government of Guatemala to fail through lack of imagination and hoped to discuss various subjects on which there could be co-operation between Belize and Guatemala and to arrive at arrangements that would form the basis of a new and mutually advantageous relationship between Belize and Guatemala.

8. The same spirit of respect for the rights and interests of Belize and Guatemala had prevailed in the negotiations conducted that year between the Governments of Guatemala and the United Kingdom, in close consultation with the Government of Belize. It was the desire of the United Kingdom and of Belize that the Territory should serve as a bridge with its Caribbean and Central American

---

d/ Ibid., Thirty-first Session, Fourth Committee, 15th meeting, paras. 43-49.

e/ Ibid., Thirtieth Session, Plenary Meetings, 2372nd meeting; and ibid., Fourth Committee, 2162nd meeting.

neighbours and not as a focus of discord. Furthermore, the United Kingdom was prepared to meet any fears Guatemala might have for the peace and security of the area once Belize became independent, without overlooking Belize's legitimate concern for its own future security.

9. Negotiations were in progress between the Governments of the United Kingdom and Guatemala. Furthermore, formal negotiations had begun in New Orleans (Louisiana) in April 1976 which had been attended by Adolfo Molina-Orantes, the Minister for External Relations of Guatemala, Edward Rowlands, the Minister of State at the Foreign and Commonwealth Office, and George Price, the Premier of Belize. Subsequent meetings had taken place at an official level at New York in June and July, and at the ministerial level at Panama City in September. There had also been discussions between Guatemalan and Belizean officials on certain economic questions. At the meeting at New Orleans in April, Mr. Rowlands had put forward certain proposals which represented a constructive attempt to take account of Guatemala's special needs and a means of resolving the controversy with Guatemala, and of providing a foundation for future relations between Belize and Guatemala. The United Kingdom approach had been, and would continue to be, constructive and flexible at all times but the United Kingdom could not depart from certain principles which had always guided its policies in decolonization and which, moreover, were shared by the world community as a whole.

10. Within a year from the present time, his delegation should be able to announce that the negotiations had been crowned with success. It was urgent that agreement should be reached, since Belize could not continue to exist in an ambiguous situation, as it had done for more than 12 years. That situation had hampered the country's economic development and been unsettling for its inhabitants. His Government wished to bring Belize to independence at the earliest possible time, in peace and security with the co-operation and friendship of its neighbours, and no effort would be spared to achieve that goal.

11. The previous year, his Government had been obliged to increase the size of its garrison in Belize in its desire to guarantee the country's security, but during the current year it had been able to withdraw some of its reinforcements. His country's troops remained in Belize in a purely defensive capacity and at the wish of the Belize Government. At the same time, he expressed his regret that statements continued to be made in Guatemala which gave rise to concern both in the United Kingdom and in Belize, and he requested the Guatemalan authorities to exercise restraint so as to produce the best possible climate for the negotiations.

12. Finally, he appealed to the Latin American countries to understand that in Central America a new nation was taking shape whose inhabitants, through their own democratically elected Government, had exercised effective control over its affairs for 12 years, and to support all efforts to reach a just and a satisfactory outcome through negotiations.

13. At the same meeting, Carl L. Rogers, the Deputy Premier and Minister for Internal Affairs and Health of Belize, made a statement before the Fourth Committee

at the invitation of its Chairman. f/ He recalled that when Mr. Price, the Premier of Belize, had addressed the Committee the previous year, g/ he had explained that the one obstacle which prevented Belize from assuming independence was its fear for survival in the face of Guatemala's unfounded claim and its threat to pursue that claim by force. The Premier had pointed out that the dreadful dilemma facing his country, which was condemned to choose between an indefinite prolongation of colonialism on the one hand and amputation and the imposition of a new colonialism on the other, and had appealed for support to help achieve independence for Belize with its territory intact.

14. The Fourth Committee, and later the General Assembly, had expressed its overwhelming solidarity by adopting resolution 3432 (XXX), reaffirming the inalienable right of the people of Belize to self-determination and independence, declaring that the inviolability and territorial integrity of Belize must be preserved, and calling for negotiations between the United Kingdom and Guatemala to remove such obstacles as had hitherto prevented the people of Belize from exercising their inalienable rights.

15. Belize had participated in the negotiations that had taken place during the past year at both official and ministerial levels in pursuance of resolution 3432 (XXX). The declaration made by the Premier of Belize in November 1975 still held good. He had stated that Belize's endorsement of the call to negotiations did not imply that Guatemala had any right over the destiny of Belize, but rather that it recognized that a negotiated settlement which fully respected the inalienable rights of the people was the best possible solution.

16. Belize had participated in the negotiations with a genuine desire to reach a just solution, but it could not renounce its sovereignty and independence or sacrifice its territorial integrity, and it continued to hope that at the end of the current talks, if not sooner, Guatemala would accept that position.

17. Belize had been supported unreservedly in its just aspirations by the Fifth Conference of Heads of State or Government of Non-Aligned Countries held at Colombo from 16 to 19 August 1976 (A/31/197, annex I, para. 109), but there were certain disquieting facts to be noted. Guatemala had proclaimed that the United Nations resolution was not valid. That country was interfering in the internal affairs of Belize, as well as continuing to increase its military capacity near the border with Belize. It was Guatemala's preposterous proposal that Belize should surrender a substantial part of its territory as the price for the independence of the remainder that had driven Belize to seek the support of the United Nations.

18. Belize continued to hope that it would achieve independence in an atmosphere of peace and good neighbourliness, and trusted that Guatemala would have the vision to heed the voice of the world community, set aside its desire for territorial expansion and political domination and accept the principle of self-determination and the coexistence of nations in a world of peace, harmony and co-operation.

---

f/ Ibid., Thirty-first Session, Fourth Committee, 15th meeting, paras. 51-57.

g/ Ibid., Thirt Session, Fourth Committee, 2162nd meeting.

19. In a statement before the Fourth Committee at its 19th meeting, on 9 November 1970, h/ the representative of Guatemala said that when the General Assembly adopted resolution 3432 (XXX) at its thirtieth session, his delegation had pointed out that it was in essence illegal, as it represented an attempt to intervene in negotiations held between sovereign States for the purpose of settling an international dispute. Nevertheless, the Assembly should be informed about developments in the ongoing negotiations between the United Kingdom, in consultation with the Government of Belize, and the Republic of Guatemala, in keeping with Article 33 of the Charter of the United Nations.

20. There could be no doubt that negotiation was one of the most reasonable and expeditious means of resolving international disputes but, to produce positive results, frankness and sincerity were needed in setting forth the conflicting views which had given rise to the dispute. The adoption of any inflexible position deprived the negotiations of their raison d'être from the start.

21. With regard to the Belize issue, there were well-founded hopes that within a reasonable period of time negotiations could lead to a final settlement of the dispute. The first meeting at the ministerial level had been held at New Orleans in April 1976, and it would have been held sooner had it not been for the earthquake that struck Guatemala in February. Subsequently, in June and July, meetings had been held at the civil-servant level at New York, and a further ministerial meeting had taken place in September at Panama City. More recently, from 26 to 28 October, a series of meetings at the expert level had been held at San Pedro Sula, Honduras, to deal with the question of economic implications and agreements. At that meeting, the experts of Belize had been advised by Allistair MacIntyre, Secretary-General of the Caribbean Community (CARICOM). At all those meetings progress had been made, especially in those areas which required mutual sacrifices; obviously it could not be expected that only one party to the negotiations, namely Guatemala, should make sacrifices.

22. In the light of the results already obtained and the prospect of a full and final settlement, his delegation expressed its preoccupation that once again an ill-conceived resolution might be introduced, in an attempt to impose specific parameters on the negotiations, thereby impinging on the freedom of one of the parties. It was to be hoped that good sense and goodwill would prevail, and, while having no desire to embarrass any delegation which might be contemplating the possibility of introducing resolutions along the lines of General Assembly resolution 3432 (XXX), he stressed that that would have adverse effects, as it would harden the positions of the parties, and thus undo the real progress which had been made so far and inflame public opinion. The positions adopted during the negotiations should not be subject to the changeable and temporal interests of electoral politics, as that would jeopardize an entire nation and future generations. His Government's only wish for Central America was that there should be stability and security there, and that was why it was fearful of the introduction of ideological elements which would only distort the dispute and upset the area. Guatemala understood and respected the links between Belize and CARICOM, since it

---

h/ Ibid., Thirty-first Session, Fourth Committee, 19th meeting, paras. 12-18.

was in the prosperity and tranquillity of that privileged area of the world that the inhabitants of Belize must achieve the full development of their human and economic potential, but the solidarity so often professed by the nations of the Caribbean in the search for a settlement to the dispute must be objective and level-headed.

23. Latin America had found in international law, as the rule of coexistence among nations, the best safeguards for its own security. It was a mistake to believe that there was a dichotomy between the principles, norms and practices of international law and the expression of ideological and political principles. The United Nations had been established precisely as a means of maintaining world peace through the application and improvement of international law, and not through coercion by the overwhelming strength of numerical majorities.

24. The right of peoples to self-determination as the basis of the decolonization process had been proclaimed in General Assembly resolution 1514 (XV) of 14 December 1960, which reaffirmed the principle of the territorial integrity of States. As the representative of the United Kingdom had already indicated, the problem of Belize was not a classic colonial problem, and although all colonial situations had specific characteristics, it was rare that they were as pronounced as in the case of Belize. What distinguished Guatemala's understanding of the problem from the way in which the representative of the United Kingdom saw it was the angle selected to view the specific outcome. The basic fact was that, in the negotiations, points of harmony and agreement had been found, and that was one more encouraging factor to those who were interested in a prompt settlement of the dispute.

25. Finally, he appealed to the prudence of the nations represented in the Fourth Committee not to introduce extraneous and controversial elements into the negotiations which were progressing so steadily and which, above all, were in accordance with the principles enshrined in the **Charter of the United Nations.**

26. At its 85th meeting, on 1 December 1976, the General Assembly adopted resolution 31/50, by which it reaffirmed the inalienable right of the people of Belize to self-determination and independence; reaffirmed that the inviolability and territorial integrity of Belize must be preserved; called upon all States to respect the right of the people of Belize to self-determination, independence and territorial integrity, to facilitate the attainment of their goal of a secure and early independence and to refrain from any action that would threaten the territorial integrity of Belize; called also upon the Government of the United Kingdom, as the administering Power, acting in close consultation with the Government of Belize, and the Government of Guatemala to pursue vigorously their negotiations in accordance with the principles of resolution 3432 (XXX), in order to reach an early conclusion; and requested the two Governments concerned to report to the General Assembly at its thirty-second session on such agreements as **might have been** reached in the negotiations referred to above.

C. Contacts between the Governments concerned

27. As previously noted, i/ during 1976 the Governments of Guatemala and the United Kingdom held further talks on the question with the participation of representatives of Belize. The representatives of Guatemala and the United Kingdom, as well as the Deputy Premier of Belize, referred to these contacts in their statements before the Fourth Committee of the United Nations General Assembly referred to in paragraphs 6 to 25 above.

28. On 10 January 1977, it was reported that Mr. Rowlands, the United Kingdom Minister of State at the Foreign and Commonwealth Office, had stated that his Government had suggested to the Government of Guatemala that they should deal first with the other major issue raised by Guatemala since, if that could be dealt with first, the major issues of the claim might be seen in a clearer perspective. Mr. Rowlands was reported as saying that both Governments should identify the matters of vital concern to Guatemala that would flow from the independence of Belize and see if they could be dealt with through negotiations. He also said that the two Governments were holding positive talks but that there was still a gulf between them which they were trying to bridge.

29. In the final communiqué issued by the Meeting of Commonwealth Heads of Government, held at London from 8 to 15 June 1977, paragraph 30, concerning Belize, reads:

> "30. Heads of Government reviewed the question of Belize and reaffirmed their full support for the aspirations of its people for early independence. They called upon all States to respect the right of the people of Belize to self-determination, independence and territorial integrity. They acknowledged that there could be no settlement of the question without the full consent of the Government and people of Belize, and pledged their co-operation in securing such a settlement. To this end they agreed to establish a ministerial committee of the Governments of Barbados, Canada, Guyana, India, Jamaica, Malaysia, Nigeria and the United Republic of Tanzania to meet with the Secretary-General to keep under review the situation relating to the efforts of the people of Belize in pursuit of their legitimate aspirations for self-determination and independence; to assist the parties concerned in finding early and effective arrangements for the independence of Belize on the basis of views expressed at Meetings of Commonwealth Heads of Government and in accordance with the Charter and relevant resolutions of the United Nations; to make recommendations; and to render all practicable assistance in achieving these objectives."

30. On 6 July 1977, a new round of talks on the question of Belize began at Washington, D.C., between representatives of the Governments of Guatemala and the United Kingdom, with the participation of representatives of Belize. The delegation of Guatemala was headed by Mr. Molina-Orantes, the Minister for External Relations, and the delegation of the United Kingdom by Mr. Rowlands. The representatives

---

i/ Ibid., Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXVI, annex, para. 20.

of Belize were led by Mr. Price, the Premier, and included Assad Shoman, Vernon H. Courtenay and Santiago Perdomo, members of the Cabinet, and Dean Lindo and Philip Goldson, members of the opposition.

31. On 7 July, it was reported that the United Kingdom garrison in Belize was being reinforced from overseas. According to The Financial Times (London), several hundred troops and supporting equipment had been transported by a fleet of 5 VC-10s and 19 Hercules aeroplanes to the Territory. A force of Harrier vertical take-off fighter planes had also arrived in Belize. In addition, the United Kingdom frigate Achilles was off the coast of Belize with supporting craft. The report also referred to a United Kingdom Government that the move had been made most reluctantly after Guatemala had called up its reservists and deployed regular troops. The United Kingdom troops would be withdrawn as soon as possible, and the United Kingdom would continue to seek a peaceful solution with respect to the question of Belize. According to a report published in The Times (London) on 8 July, the existing garrison in Belize consists of 600 men of the 3rd Battalion of the Queen's Regiment, an armoured reconnaissance troop, a troop of Royal Engineers, helicopter detachments from the Army Air Corps, a small detachment from the Royal Air Force Regiment and some radar equipment. The number of reinforcement troops was estimated by the press to be approximately 500.

32. The talks on Belize being held at Washington, D.C., (see para. 30 above) continued on 7 July despite military developments in Belize. In a statement to the press, Mr. Molina-Orantes, the head of the Guatemalan delegation, expressed the hope that a basis for agreement could be reached in the present talks. However, he expressed reservations about the reinforcement of the garrison in Belize.

33. In a joint communiqué issued on 7 July, at the conclusion of the talks, it was announced that the United Kingdom representatives had explained the procedures for bringing dependent Territories to independence, pointing out that the procedures usually took time and were always public; there could not, therefore, be any sudden move to independence. The two sides had agreed on the desirability of taking prompt and adequate measures to decrease tension, and had undertaken to discuss the necessary steps to achieve that purpose in order to preserve peace in the area. It had also been agreed that Mr. Rowlands would visit Guatemala in the near future in order to discuss the means of reducing tension, as well as the next step in the negotiations.

34. On 26 July, Mr. Rowlands arrived in Guatemala to resume discussions on the question of Belize. During his stay, he met Kjell Eugenio Laugerud, the President of Guatemala, Mr. Molina-Orantes, and other Guatemalan officials. On 28 July, a joint communiqué was issued, by which Guatemala and the United Kingdom agreed to seek a quick, just and honourable solution to the question of Belize and to create a positive atmosphere for negotiations by reducing border tensions. The communiqué added that the parties renewed their firm intention of continuing the process of negotiations with a view to finding mutually acceptable solutions.

35. In a statement to the press before leaving Guatemala, Mr. Rowlands, referring to the recent military developments in the area, said "the British Government is not an aggressor, will not be an aggressor, will not intimidate or apply military pressure in the negotiations".

3. ECONOMIC CONDITIONS

36. 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 the depletion of forest resources. This sector provides the main thrust for growth, the most important export products being sugar and citrus. The production of these two export crops was largely handled by extensive foreign-owned and managed estates, but since 1972 local farmers have bought some sugar estates and have been acquiring citrus farms. Other agricultural activities, particularly the development of bananas and rice, are showing potential for expansion; and although much farming remains at a subsistence level, there are a growing number of efficient medium-sized farms run on modern lines. The Territory is also beginning to develop a tobacco industry.

37. **Forestry**, although no longer playing the leading role in the economy, has been recovering steadily, stimulated by the high demand for timber in the world market and the Government's policy of control, sustained yield and regeneration of the forests. The principal manufacturing industries, also largely owned by foreign interests, are those concerned with the Territory's major export products, sugar refining, citrus canning and sawmilling. Further industrial and agricultural development has been actively encouraged by the Government. The manufacture of garments has been growing in importance as evidenced by a substantial rise in export sales over recent years. Belize also has a number of smaller firms producing many other manufactured goods for the local market. The Government has been promoting the development of tourism, with the objective of enabling Belizeans to maintain control and ownership of the industry. Finally, there are opportunities for further exploitation of Belize's natural resources: fish, livestock and possibly petroleum.

38. The Territory relies heavily on external sources for most of its capital development and on imports for the majority of manufactured and other goods. According to the information provided by the administering Power, in 1975 imports amounted to about $BZE 185.5 million 1/ ($BZE 109.3 million in 1974) and exports to about $BZE 130.0 million ($BZE 95.2 million in 1974). The Territory's trade balance for 1975 thus reflects a deficit of about $BZE 55.5 million ($BZE 14.1 million in 1974). As in the past, trade was mainly conducted with the United States of America and the United Kingdom.

1/ The monetary unit is the Belizean dollar ($BZE). On 11 May 1976, the Government of Belize announced that the link of the Belizean dollar with the pound sterling was being severed and that in future the Belizean dollar would be linked with the United States dollar at the rate of $BZE 1.00 to $US 0.50.

39. On 26 November 1976, Deputy Premier Rogers, acting for Mr. Price, the Premier and Minister of Finance, presented the Territory's budget estimates for 1977 before the House of Representatives. In his statement, Mr. Rogers, reviewing the economic performance during 1976, said that the Territory's economy was highly sensitive to external pressures and had experienced a slight recession during the year due to the fall in sugar prices, suppressed citrus and banana prices and a consequent decrease in production of those commodities. He pointed out that several factors had worked against the performance in the agricultural sector, affecting sugar, citrus, mangoes, forestry and pork and poultry meats. The meats had been affected by the high cost of imported feed. Increases had been registered in grain, particularly corn, which had risen in production by 12,250 metric tons to 22,680 metric tons. The production of livestock, honey, fisheries products and bananas had also increased, with bananas reaching 425,000 boxes (valued at $BZE 1.4 million) against only 33,000 boxes in 1975 (valued at $BZE 51,000).

40. The Deputy Premier added that most of the industries had shown positive growth, except beer and cigarettes which had declined slightly. Production of flour had risen from 3,040 metric tons to 6,530 metric tons. Tourism had continued to expand and several hotels were under construction.

41. He gave the following table showing loans approved by the Caribbean Development Bank up to November 1976:

	(million Belizean dollars)
Electricity	6.9
Banana industry	1.3
Development Finance Corporation (DFC) for agricultural and industrial credit	8.9
Sugar-cane feeder roads	2.4
Port facilities	11.6
Rice mill (Big Falls, Toledo)	.7
Student loans	.2
Industrial estates	1.0
Housing	1.7
	34.7

Direct bank loans approved for the private sector totalled $BZE 1.1 million. He said that DFC had made loan commitments of some $BZE 13.2 million, involving approximately 3,500 persons throughout the Territory. It had also finalized plans for an investment company.

42. Summarizing the performance of the domestic economy in 1976, the Deputy Premier stated that achievements included: recurrent expenditure, including a 15 per cent increase in salaries and wages to all employees and pensioners,

met from domestic resources; investment of large amounts of capital through DFC in agriculture and industrial projects; a substantial expansion of services; the provision of credit, land and markets to farmers; and reorganization of the meat-packing plant. Prospects for 1977 looked good, with expected increases in the agricultural sector. Public debt charges would increase from $BZE 2.8 million in 1976 to $BZE 3.0 million in 1977 (6.2 per cent of the total recurrent revenue and 2.3 per cent of the total value of visible exports in 1976), and was well within the Territory's capacity to pay. At the end of 1976, the total outstanding public debt was expected to reach $BZE 16.7 million.

43. The broad economic policies of his Government were set out by the Deputy Premier as follows:

> "We are guided by our Manifesto for an Independent Belize which envisages balanced and socially just development in a partnership of people and government - a partnership which will share the benefits of growth and change and provide all citizens a better quality of life. The challenge Belize and indeed the world face is inflation, rising prices and recession which inflict misery and hardship. Belize with a small open dependent economy cannot expect to be completely isolated from world-wide inflationary pressures. Government has a sacred duty to intervene in the economy where necessary for the good of the people and to take measures to combat inflation and secure a better life for all Belizeans.
>
> "Future change in the national economy cannot be left to chance. A primary objective of the Government is to accelerate economic growth within the framework of a long-term planning. The policies and programmes incorporated in such a plan, which is shortly to be considered by Government, aim at a greater degree of self-sufficiency and self-reliance. They aim at expansion of food production and the substitution of Belizean manufactured goods for imported goods wherever we enjoy a comparative advantage. Belizeans will continue to be encouraged to invest in Belize so that more of its resources will be controlled and owned by nationals.
>
> "Foreign investment and technology are absolutely essential for the development of Belize and are both welcome, but they are mutually beneficial. When they are in partnership with Belizeans. Our new economic plan will continue the process by which the public sector provides the economic infrastructure and institutions and stimulate the private sector to take full advantage of every economic opportunity.
>
> "As in 1976, budget strategy of 1977 will restrain recurrent expenditure to projects which will increase production and employment; strengthen and diversify the economic base; keep prices and price-increasing influences as low as possible."

44. Referring to the budget proposals for 1977, the Deputy Premier announced a total expenditure of $BZE 94 million, made up as follows: $BZE 38.3 million for recurrent services; $BZE 45.7 million for capital and development works; and

$BZE 9.9 million to be met by loans and grants for specific projects, such as agriculture, training, industrial credits, forestry plant and equipment, the banana industry and electricity (see para. 47 below). Some $BZE 38.2 million was earmarked for services, including salaries, pensions and social services - an increase of $BZE 7.0 million over the 1976 figure.

45. The Deputy Premier added that the capital programme for 1977 included allocations for land reform, crop loans, slum clearance, defence requirements, agricultural machinery, community projects, the grain storage project, counterpart funds for housing and training. The second part of the capital programme included expenditure for the Belize City port, an additional administrative block in Belmopan, defence requirements, the Commerce Bight pier, the Belize City water and sewage scheme, school buildings, feeder and sugar roads, ferries for San Antonio, Orange Walk Town and San Estevan, rice mills for Toledo, a farmers' market for Belize City and housing.

46. There would be no tax increase to finance the 1977 budget, but consideration was to be given to revising stamp duties. In order to make the budget proposals a reality, the Government would have to monitor closely tax returns and collection.

47. According to the Deputy Premier, budget estimates for 1977 could be summarized as follows:

	(million Belizean dollars)
Recurrent services	38.3
Capital services (part II)	9.2
Capital services (part III)	36.5
	84.0
Expenditure to be met from:	
(a) National revenue:	
Recurrent	47.0
Capital	.5
	47.5
(b) Aid funds	22.3
(c) Loan funds	14.2
	84.0

In addition, there was a further estimated expenditure of $BZE 9.9 million for which appropriations had not been included: farm improvement, agriculture and industrial credits, training, secondary mortgages, forestry plant and equipment, the banana industry and electricity, which were to be met by loans and direct grants. This would make a budget total for 1977 of $BZE 94.0 million.

4. SOCIAL AND EDUCATIONAL CONDITIONS

48. In his budget speech of 26 November 1976, Deputy Premier Rogers stated that estimates of the total direct employment in the budget proposals were 5,000 jobs on current account services. The substantial projects included in the capital programme would provide more employment opportunities. He added that expenditure on the development of human resources was basically in two interrelated areas: education and training. The recurrent budgetary allocation for that purpose was about 21 per cent of the total recurrent budget.

49. Education is compulsory for children between the ages of 6 and 14 years. In 1975, there were 11 government (10 in 1974) and 166 government-aided (163 in 1974) primary schools providing free education to 32,200 pupils (31,610 in 1974). In addition, there were about 1,000 children (no change from 1974) attending 12 private fee-paying primary schools. Religious missions ran all but the 11 primary schools.

50. Most of the secondary school pupils take four- or five-year courses leading to the Ordinary level examination of the Cambridge University General Certificate of Education, or the examination of the Royal Society of Arts. An increasing number of students are doing sixth-form work. In 1975, 5,210 students (5,025 in 1974) were enrolled in 21 secondary schools (no change from 1974) and were served by 325 teachers (315 in 1974). Of these schools, 4 were run by the Government (2 were tuition-free), 15 by missions and the remaining 2 by private persons. The secondary school students included 344 government scholarship holders (333 in 1974). The Belize Technical College, one of four government institutions, had 225 pupils (370 in 1974).

51. Belize Teachers' College had a total enrolment of 121 in 1975 (120 in 1974). There are no institutions of higher education in the Territory, but extramural courses are available through the University of the West Indies. Suitably qualified students have the opportunity to undertake courses at universities and other institutions overseas on scholarships. DFC administers a student loan programme on behalf of the Government. Under this programme, 16 students were granted loans in 1975 to pursue further training abroad.

52. The Government has expressed its support for the church-State educational system. It is now seeking to upgrade this system so that the capabilities of Belizeans, especially young people, can be improved. To this end, the Government has continued to expand the educational facilities and adapt curricula to the special needs of the Territory.

53. In his budget speech of 26 November 1976, Deputy Premier Rogers stated that the appropriations on recurrent account for health and education amounted to $BZE 12.1 million, or 31.5 per cent of the total recurrent budget for 1977, representing an increase of $BZE 2.5 million over 1976.

CHAPTER XXX

(A/32/23/Add.7)

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

CONTENTS

	Paragraph	Page
A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 4	250
B. DECISION OF THE SPECIAL COMMITTEE	5	250
ANNEX: WORKING PAPER PREPARED BY THE SECRETARIAT		251

CHAPTER XXX

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

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. The Special Committee considered the question of Antigua, Dominica, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent at its 1080th and 1095th meetings, on 17 June and 17 August 1977.

2. In its consideration of the item, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 31/143 of 17 December 1976 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By paragraph 12 of this resolution, the Assembly requested the Special Committee, inter alia, "to continue to seek suitable means for the immediate and full implementation of General Assembly resolution 1514 (XV) 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 to report thereon to the General Assembly at its thirty-second session". The Committee also took into account General Assembly decision 31/406 E of 1 December 1976, concerning the Territories.

3. During its consideration of this item, the Special Committee had before it a working paper prepared by the Secretariat (see annex to the present chapter) containing information on developments concerning the Territories.

4. At its 1080th meeting, on 17 June, the Special Committee heard a statement by Patrick R. John, Premier of Dominica. Statements were made by the representative of the Ivory Coast and by the Chairman (A/AC.109/PV.1080).

B. DECISION OF THE SPECIAL COMMITTEE

5. At its 1095th meeting, on 17 August, following a statement by the Chairman (A/AC.109/PV.1095), the Special Committee decided, without objection, to give consideration to the item at its next session subject to any directives which the General Assembly might give in that connexion at its thirty-second session and, in order to facilitate consideration of the item by the Assembly, to authorize its Rapporteur to transmit to the Assembly all available information on the question.

ANNEX

WORKING PAPER PREPARED BY THE SECRETARIAT

CONTENTS

		Paragraphs	Page
1.	General	1 - 3	252
2.	Constitutional and political developments	4 - 49	253
3.	Economic conditions	50 - 73	262
4.	Social conditions	74 - 78	266

ANTIGUA, DOMINICA, ST. KITTS-NEVIS-ANGUILLA, a/ ST. LUCIA AND ST. VINCENT b/

1. GENERAL

1. Basic information on the West Indies Associated States is contained in the report of the Special Committee to the General Assembly at its thirty-first session. c/

2. Antigua and St. Kitts-Nevis-Anguilla form part of the Leeward Islands and lie midway in the arc of the West Indian islands. Dominica, St. Lucia and St. Vincent form part of the Windward Islands. A number of smaller islands, called the Grenadines, form part of the Associated State of St. Vincent.

Area and population

	Area (square kilometres)	Population 1970 (census)	Population Mid-year 1975 (estimates)
Antigua (including Barbuda)	443	65,525	70,000
Dominica	750	70,302	75,000
St. Kitts-Nevis-Anguilla	401	64,000 a/	66,000
St. Lucia	616	99,806	108,000
St. Vincent (including the St. Vincent Grenadines)	389	89,632	100,000 b/

Source: United Nations Statistical Papers (ST/ESA/STAT/SER.A/118).

a/ Includes estimates of 6,524 for Anguilla, which did not take part in the 1970 census.

b/ Estimate at 31 December 1973.

3. The population of the Associated States is mainly of African and mixed descent. In Dominica, there are about 380 Caribs, descendents of an American Indian tribe,

a/ A separate Constitution for Anguilla came into effect in February 1976.

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

c/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXV, annex.

living on a reservation of over 1,500 hectares. On 19 August 1977 it was reported that the Government of Dominica had given the assurance that the land would remain theirs after independence.

2. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

4. Following the dissolution of The Federation of the West Indies in 1962, negotiations concerning the future constitutional status of the Commonwealth Caribbean Territories were held between the Government of the United Kingdom of Great Britain and Northern Ireland and the territorial Governments. In 1965, a new constitutional device, associated statehood, was proposed and came into effect in 1967 in Antigua, Dominica, Grenada, d/ St. Kitts-Nevis-Anguilla and St. Lucia, and in 1969 in St. Vincent. Details of the West Indies Act, 1967, establishing the West Indies Associated States are set out in a previous report of the Special Committee. e/ The administering Power retains responsibility for external affairs and defence and each Territory that becomes a "State in association with the United Kingdom" assumes full responsibility for all aspects of internal affairs.

5. The constitution of each Territory provides for the establishment of a parliament comprising the Queen, who is represented by a governor, and a house of representatives.

6. Antigua is the only member of the group which has a Senate. The Senate consists of 10 senators, 7 of whom are appointed on the advice of the Premier and 3 after consultation with him. Whenever there is an opposition in the House of Representatives, it is given representation by one or more of the three members. The Senate is empowered to delay a money bill for up to one month and any other bill passed by the House of Representatives for up to two years.

7. Executive authority in each of the Associated States is exercised by the Governor, who is usually a national of the Territory in which he exercises such authority, and who acts in accordance with the advice of a cabinet, composed of the Premier and other ministers. The Governor appoints as Premier that member of the House of Representatives who in his judgement is most likely to receive the support of a majority of the members of the House. The other ministers are appointed by the Governor on the advice of the Premier. The Cabinet is responsible for general administration and control of the Government and is collectively responsible to Parliament.

8. There is a Supreme Court of Justice for all the Associated States, although its jurisdiction may extend to all interested Territories in the region. The Court has jurisdiction, among other matters, over constitutional issues, fundamental rights and freedoms and membership of the various parliaments. The parliament of each Associated State determines the jurisdiction of the Court in matters not specified in their constitution.

---

d/ Grenada became independent in 1974.

e/ Official Records of the General Assembly, Twenty-second Session, Annexes, addendum to agenda item 23 (A/6700/Rev.1) (Part III), chap. XXIII, paras. 125-141.

A. Special situation in Anguilla

Background information

9. The events following demonstrations staged during 1967 in Anguilla in support of demands for secession from the Associate State of St. Kitts-Nevis-Anguilla and up to February 1976 have been described in the previous report of the Special Committee. f/ Briefly, the demonstrations led to intervention by the Government of the United Kingdom and eventually to the establishment of a separate administration for Anguilla in 1971 under a Commissioner appointed by the Queen and assisted by a Council of seven elected members. In July 1972, Ronald Webster, then Leader of the Council, stated that one of the Council's main tasks would be to resume negotiations with the United Kingdom for the "absolute and final separation" of Anguilla. In reply to a letter from Mr. Webster concerning the status of Anguilla, the Government of the United Kingdom in early 1973 repeated its promise that it would review the question in 1974.

10. Talks on the future constitutional status of Anguilla were held between representatives of the Governments of the United Kingdom, St. Kitts-Nevis and Anguilla in 1974 and 1975. According to a communiqué issued in May 1975, the United Kingdom Government decided to give Anguilla a greater measure of self-government. In December 1975, the Anguilla Council agreed to a separate Constitution which came into force in February 1976.

Constitution

11. The Constitution of Anguilla, among other things, instituted a ministerial system of government with a Chief Minister and two other ministers. Briefly, the Constitution provides for: (a) a Commissioner appointed by the Queen; (b) an Executive Council comprising the Commissioner, the Chief Minister, two other ministers and two ex officio members (the Attorney General and the Financial Secretary); and (c) a Legislative Assembly of the seven elected members, three ex officio members (the Chief Secretary, the Attorney General and the Financial Secretary) and two nominated members.

12. Under the provisions of the Constitution, the Chief Minister is the elected member commanding the support of a majority of elected members of the Legislative Assembly. The other ministers are appointed on the approval of the Chief Minister from among the elected members of the Assembly. Together they are directly responsible for all government business, except for the subjects explicitly reserved to the Commissioner, namely defence, external affairs, internal security, including the police, and the public services. Finance is allocated to the Financial Secretary. The Constitution also provides for Anguilla to rejoin the West Indies Associated States Supreme Court, should it so desire; in the meantime, access to the United Kingdom High Court and Court of Appeal continues.

---

f/ Ibid., Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXV, annex, paras. 8-14.

Elections

13. The first general elections under the new Constitution were held on 15 March 1976. Two political parties, the People's Progressive Party (PPP) led by Ronald Webster, and the Democratic Party (DP) led by Camille Connor, and five independent candidates contested the elections. According to the elections supervisor, 77.9 per cent of the 3,498 eligible voters cast their votes. In the final results, PPP won six of the seven seats and Hubert Hughes, an independent, won the other. Mr. Webster was later appointed Chief Minister. Albena Lake-Hodge was appointed Minister for Social Services and Emile Gumbs was appointed Minister of Trade.

14. On 1 February 1977, the Legislative Assembly passed a motion of no confidence in the Government. The motion, which was introduced by Mr. Hughes, the sole opposition member, centred on the Government's handling of a land dispute which resulted in the closure of a primary school in January. Five elected members, including members of the ruling PPP, voted in favour of the motion, Mr. Webster voted against and David le Breton, the Commissioner, abstained. The options open to the Commissioner under the Constitution were either to dismiss Mr. Webster and appoint a new Chief Minister or to dissolve the Assembly and call for new elections. The Commissioner opted for the dismissal of Mr. Webster and noted that he felt that there was an advantage in maintaining the continuity and stability of Government as far as possible. He pointed out that elections had been held less than one year before. Mr. Gumbs, Minister of Trade, was subsequently appointed Chief Minister, and Mr. Hughes political adviser to the Chief Minister. Mrs. Lake-Hodge was reappointed Minister of Social Services and Idalia Gumbs Minister of Natural Resources and Tourism.

15. On 9 February, the local police reportedly used tear gas to disperse supporters of Mr. Webster, who had gathered outside the Legislative Assembly to stop the swearing-in of the new government members. Two persons were injured; one was detained in the hospital and the other was treated and discharged. Despite the disturbances, all the members were sworn in, with the exception of John Hodge, government assistant in the Ministry of Natural Resources and Tourism, who had been prevented from entering the Assembly by demonstrators from his West End constituency.

16. In a radio broadcast in late June, Mr. Gumbs, the Chief Minister, announced that his Government had rejected a petition from Mr. Webster calling for general elections by 11 July 1977. Mr. Gumbs stressed that the petition (which contained 1,500 signatures) had been rejected by the Government which refused to set a precedent for holding elections every few months.

17. Early the following month it was reported that 23 shots had been fired into the house occupied by the Commissioner and 2 shots into the bedroom of Campbell Fleming, a government assistant and elected representative for the East End. There had also been an exchange of gun-fire between the police and

several men in the vicinity of the radio station. In a radio broadcast following the events, the Commissioner described the shootings as shameful acts carried out by a few individuals who seemed determined "to drag Anguilla back down into fear, poverty and stagnation".

Other developments

18. In March 1977, at a public meeting, the Chief Minister announced his Government's decision, transmitted to the United Kingdom Government, that it would allow the Government of the United States of America to study the possibilities of using Dog Island, near Anguilla, for use as a naval firing range. After the study was completed, full-scale negotiations concerning the lease of Dog Island by the United States Government could begin; Mr. Gumbs further stated that leasing the island was one way of attracting monetary and development benefits to Anguilla.

B. Status of Nevis

19. Information concerning the status of Nevis is contained in the report of the Special Committee to the General Assembly at its twenty-ninth session. g/ In March 1974, the Nevis Council adopted a resolution which called for the separation of Nevis from the Territory of St. Kitts-Nevis-Anguilla. That resolution recalled, inter alia, that the Council had first presented a secession petition to the United Kingdom in 1961. In late May 1974, the Council approved a draft constitution for Nevis, under which the United Kingdom would assume direct responsibility for the administration of the island. The draft constitution, together with a petition for secession, was forwarded to the United Kingdom Government. On 2 June, a demonstration of about 8,000 people (comprising more than half the population of Nevis) marched through Charlestown, the principal town on Nevis, in support of secession. Later the same month, Premier Robert Bradshaw announced that he had authorized Parliamentary Secretary Frederick Parris to administer a number of government services on Nevis. He reiterated his objection to Nevis seceding from the Territory on constitutional grounds. He also said that a representative of the United Kingdom Government had advised the Nevis Council that the United Kingdom Government would not interfere in the internal affairs of the Territory.

20. In reply to a question in the United Kingdom House of Commons on 16 December 1975 as to whether the United Kingdom Government intended to grant associated statehood to Nevis, following the results of the general elections in St. Kitts, the United Kingdom Secretary of State at the Foreign and Commonwealth Office stated that there was provision under section 9 of the West Indies Act of 1967 by which an Associated State could be divided into two or more Territories at the request and with the consent of that State signified by a resolution of its Legislative Council. He added that Nevis would remain part of the Territory unless such a request for division were made by the territorial Government.

---

g/ Ibid., Twenty-ninth Session, Supplement No. 23 (A/9623/Rev.1), vol. VI, chap. XXVIII, annex, paras. 134-137.

21. In April 1976, following the first round of talks between the Governments of St. Kitts-Nevis and the United Kingdom on the question of independence, Simeon Daniel, leader of the opposition Nevis Reformation Party (NRP), which won the two elected seats for Nevis in the House of Assembly at the last general election, was reported to have said that the people of Nevis were not interested in any form of independence for St. Kitts-Nevis. He added that a Nevis delegation would travel to London shortly in an attempt to hold talks with the United Kingdom Government on the question of the separation of Nevis from St. Kitts.

22. NRP refused to take part in the first round of independence talks in early March, but was represented in the second round in April, which explored the differences of views between Government and opposition on the question of independence. After the talks, preliminary discussions took place at London between representatives of the St. Kitts-Nevis Government and NRP and both sides agreed to continue to search for common ground. On the return of the delegation to the Territory the rift continued, however, with NRP either walking out of the House of Assembly or absenting itself between April and December 1976. The opposition did not co-operate with the commission established to review the number and boundaries of the constituencies of the Territory.

23. In August 1977, it was reported that the Government of St. Kitts-Nevis had expressed its view on the issue in a document entitled "Local Government in Nevis". The Government maintained that (a) the Territory of St. Kitts-Nevis-Anguilla should be a unitary State because " ... colonial and neo-colonial arrangements and the problems of world recession and inflation as they affect underdeveloped countries make the survival of small units a very risky business indeed"; (b) consultations should be held between the St. Kitts-Nevis Government and the Nevis Council with a view to the creation of a separate body, which would improve the administration of the two islands and lead to greater efficiency; and (c) as part of the re-organization of administration for independence, the St. Kitts-Nevis Government was examining the need for increased ministerial presence on Nevis. The document also noted that the recent appointment of a Permanent Secretary and an Assistant Secretary for Nevis Affairs, based on Nevis, was expected to improve the functioning of the civil service and provide faster response from the St. Kitts-Nevis Government concerning Nevis.

24. In various statements since the general elections in December 1975, Mr. Daniel has maintained that it is the desire of the voters of Nevis to achieve political separation from St. Kitts. In early 1977, Mr. Daniel and other leaders of NRP strongly objected to the invitation of Premier Bradshaw to "re-unite our people under independent status". NRP protested to the United Kingdom Government against the people of Nevis becoming independent against their wishes "under a Government which we do not want and could not elect". NRP based its criticism of the St. Kitts-Nevis Government, among other things, on the claim that for over two decades it had neglected the island of Nevis and that more recently the Government had not approved the 1977 budget estimates for Nevis. He also claimed that the policies of the Government were responsible for the loss of the establishment of an oil refinery on Nevis.

25. On 18 August 1977, NRP called a referendum in Nevis to determine whether or not the people of that island desired separation from St. Kitts. In the final results, of the 4,220 votes cast, 4,193 voted for secession, 14 voted against and 13 ballots were invalid. It was reported that the St. Kitts-Nevis Government had made it clear that it considered the referendum to be illegal and without validity and that it had prohibited civil servants from taking part in the vote.

26. Following the referendum, Mr. Daniel declared that the people of Nevis had expressed their right to self-determination and had voted overwhelmingly in favour of secession from St. Kitts. He said that he had informed the United Kingdom Government of the results of the referendum and was awaiting a reply.

C. Future status of the Associated States

General

27. Details of events surrounding the question of independence for the Associated States contained in the previous report of the Special Committee to the General Assembly. h/ During the period under review, independence talks were held between the Government of the United Kingdom and the Governments of Dominica, St. Kitts-Nevis and St. Lucia. Dominica has advanced a target date for independence of January 1978 and St. Lucia by the first quarter of 1978.

28. The Government of St. Kitts-Nevis has met with the representatives of the United Kingdom Government three times but so far has given no indication concerning the time of independence. According to press reports, the two major problems are the situation in Anguilla and the secession movement in Nevis. The Premier of St. Kitts-Nevis stated in June 1977, however, that the question of independence was settled and that only a date remained to be fixed. The Governments of Antigua and St. Vincent have not held discussions with the United Kingdom on the question of independence. Both Governments, however, maintain their willingness to seek independence before 1981.

29. On 17 June 1977, Patrick John, the Premier of Dominica, addressed the Special Committee at its 1080th meeting (A/AC.109/PV.1080). In his statement, Mr. John observed that most of the Associated States were seeking independence. Once political independence had been achieved, the full potential of those States must be explored.

30. Mr. John proposed that the United Nations set up a fund to assist the less-developed Territories in the Caribbean area, in an endeavour to overcome the grave crisis faced by their economies which had been brought about by the recent rapid increases in the price of oil and the failure of the prices of primary commodites to keep pace with those of manufactured goods.

---

h/ Ibid., Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXV, annex, paras. 15-30.

31. He envisaged that such a fund would receive contributions from as many States Members of the United Nations as were able to contribute, and would have as its specific aim the development of the economies of the small Territories in the Caribbean area so that their peoples might not only achieve their aspirations and realize their full economic potential but also attain their legitimate right to self-determination and self-reliance.

32. In August 1977, Henry de B. Forde, the Minister of External Affairs of Barbados, said that consultations had been held between the premiers of the Associated States and foreign ministers of the independent Commonwealth Caribbean countries concerning a new initiative for economic and other assistance for the Associated States and other non-independent countries in the region, with a view to "bolstering their base and infrastructure and to hasten them on to independence".

Dominica

33. In January 1977 it was reported that over 500 copies of the draft constitution had been distributed among Dominicans at home and abroad.

34. On 11 March 1977, the Dominica House of Assembly approved by a vote of 18 to 3, a resolution which requested the United Kingdom Government to grant full independence by 2 November 1977. One opposition member voted in favour of the resolution.

35. During the debate, Eugenia Charles, the Opposition Leader, called on the Government to hold a referendum on independence and also to delay the proposed date by six months. In reply, Premier John, in rejecting the call for a referendum, recalled that in 1974 the United Kingdom Prime Minister opposed the issue of a referendum for independence. Winding up the debate on the resolution, Premier John called on the opposition Freedom Party to support the Government on the independence issue. Earlier, Victor Riviere, the Minister of Finance, said that a referendum would cost the Territory $EC 279,000, which he added would be meaningless and immoral. The House was later informed that a delegation made up of three government ministers and two opposition members would visit London on 23 and 24 March 1977 to hold talks on independence with the United Kingdom Government.

36. Constitutional talks were held at London in March and in May 1977. At the final conference, held from 16 to 20 May, all aspects of the draft constitution were discussed and in most respects agreement was reached. At the end of the conference, Evan Luard, Member of Parliament and Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs, announced that he would arrange for the preparation of a summary of constitutional proposals which could be circulated in Dominica for public discussion.

37. The Government and the opposition were unable to agree on a number of issues, including whether Dominica should become a republic after independence and have a

president instead of a governor-general; whether the head of State should undertake duties; and on the composition of the House of Assembly. Mr. Luard advised the Dominica delegation that it should return to Dominica and resolve the issue itself. On the question of whether to have a governor-general or a president, if the Government and opposition could not resolve the matter, the Government of the United Kingdom proposed to send someone to Dominica who would consult the people of the Territory to ascertain their wishes.

38. In a number of addresses at public meetings after his return to Dominica in May, Premier John said, among other things, that the Territory would attain its independence from the United Kingdom by January 1978. He gave an outline of the discussions at London and called on all Dominicans "to forget their divisions and issues of the past and work together for a genuine society of hardworking and decided people".

39. In July 1977, Premier John reportedly informed Mr. Luard that in light of further discussions recently held in Dominica, the Government would agree, inter alia, to the following:

(a) Dominica would adopt a republican form of Government in which the President would hold office for five years, would be eligible for reappointment and could be assigned such functions as the Dominica Parliament might from time to time decide. The Prime Minister would consult with the leader of the opposition on the selection of the President but if they failed to agree, he would be elected by the House of Assembly. (The leader of the opposition had earlier proposed that a President be elected by popular ballot.)

(b) The House of Assembly would consist of 21 elected members and 9 nominated members (who might be called senators), 5 nominated by the Prime Minister and 4 by the leader of the opposition. A special provision would be included in the constitution to enable the House of Assembly at any time in the future to change, by a simple majority vote, the arrangements for nominating the 9 senators. This would enable the opposition to propose the adoption of proportional representation to fill the 9 seats once the question had been examined in detail.

40. In his statement to the Special Committee (see para. 29 above) Mr. John pointed out that Dominica would attain independence in a matter of months and that it would apply for membership in the United Nations and its specialized agencies.

St. Kitts-Nevis

41. It will be recalled i/ that independence had been an election campaign issue of the ruling Labour Party, which won seven of the nine seats in the House of

---

i/ Ibid., paras. 24-25.

Assembly in December 1975, and that the Government had sent a delegation to London in March and April 1976 to hold talks with the United Kingdom Government on the future constitutional status of the Territory (see paras. 21-22 above).

42. In March 1977, Premier Bradshaw stated in a television broadcast that independence talks between the Governments of St. Kitts-Nevis and the United Kingdom would be resumed in London the following month.

43. In early May 1977, the Premier stated in a radio broadcast, that during a recent meeting of the Council of Ministers of the Caribbean Community (CARICOM) and the Common Market, held in Guyana, representatives of the Governments of Barbados, Grenada, Guyana and Jamaica had assured him that they would assist the Territory to any extent possible in its efforts to gain independence and would also offer assistance after independence. The Premier added that only the date of independence was left to be announced when his delegation met with officials of the United Kingdom Government again at London.

St. Lucia

44. Information concerning the question of independence for St. Lucia is contained in the previous report of the Special Committee to the General Assembly. 1/ In April 1976, in a statement before the annual convention of the United Workers' Party (UWP) at Micond, 55 kilometres south of Castries, the capital, Premier John Compton said that St. Lucia would become independent on 13 December 1976. No referendum or general election would be held prior to independence. He was willing to discuss the matter with the opposition, but owing to a split within that party, the person or group of persons with whom consultations should be held could not be identified.

45. On 23 August 1976, the St. Lucia House of Assembly passed a resolution calling on the Government of the United Kingdom to grant independence to the Territory.

46. In September, the Government issued a statement in which it changed the proposed date of independence from 13 December 1976 to a date in 1977. It gave as reasons the limited period of time remaining in 1976 and the amount of work to be done, including the preparation of a draft constitution and the holding of talks with the United Kingdom Government. It was also stated that a select committee of the House of Assembly was engaged in the preparation of a draft constitution.

47. Preliminary talks on the independence of St. Lucia were held at London in May 1977. Following the talks, Premier Compton said that he was optimistic about independence for St. Lucia, because the United Kingdom Government had given the go-ahead for his Government to indicate whatever changes were likely to be made to the present Constitution. On the other hand, Peter Josie, leader of the opposition delegation, who also attended the talks, said that he saw no reason for Mr. Compton's optimism. He reiterated his party's demand for a general election on the issue and promised that the opposition would use all the constitutional means at its disposal to ensure that the Government did not get away with "imposing its wishes on the people".

1/ Ibid., paras. 26-28.

48. Following the meeting at London, the United Kingdom Government issued an official release, in which it was stated that the St. Lucia Government would publish a consultative document (green paper) setting out for public discussion the advantages it saw in independence and any possible modifications to the present Constitution.

49. In August, it was reported that the territorial Government had released a green paper on independence and had invited all sections of the community to express their views on the question of independence by 30 September 1977. After this period of public discussion, another meeting would be held at London to review the outcome of the consultations. In the green paper, the Government proposed to include a clause stating that the independence constitution would be the supreme law. The Government proposed no other substantial changes in the present Constitution. Among the advantages outlined in the green paper was St. Lucia's membership in the United Nations and its specialized agencies.

3. ECONOMIC CONDITIONS

A. General

50. The economies of the West Indies Associated States are based largely on agricultural production, construction, tourism and government expenditure, which in turn depends almost entirely on external aid to cover capital expenditure and recurrent budgetary deficits. The manufacturing and distribution sectors are small-scaled and there are no commercial mineral deposits.

51. During 1976, the Associated States continued to be subjected to severe stresses. The territorial Governments faced increased budget deficits, as revenues fell consistently short of expenditures. Several capital development projects were slowed down owing to increased costs. At the same time, unemployment continued to be high, and activity in the private sector remained sluggish.

52. Imports of goods and services increased at a much faster rate than exports; consequently, the Associated States were among the many countries in the region that showed a substantial deficit in the visible and invisible balance of trade.

53. It was reported in August 1977 that the Government of St. Lucia had given permission to the Hess Oil Company of the United States to construct an oil refinery and terminal in the Territory at an estimated cost of $EC 135 million. k/ Equipment valued at more than $EC 6 million arrived later the same month.

54. The Associated States continued their membership in CARICOM, and participated in its activities.

---

k/ The local currency is the East Caribbean dollar ($EC). In July 1976, the East Caribbean Currency Authority (ECCA) decided to sever the link between the pound sterling and to link the dollar to the United States dollar. Parity was established at the rate of $EC 2.70 to $US 1.00 (see also para. 55 below).

B. Money and credit

55. The Associated States also continued their membership in ECCA, which has responsibility for the supply, distribution and control of the East Caribbean dollar. During 1976, ECCA held discussions on plans for the upgrading of the Authority to be a full central bank. As a result of action taken during the year by ECCA member countries, Belize and Trinidad and Tobago, the United States dollar has been adopted as the "intervention currency" for all the borrowing members of the Caribbean Development Bank (CDB).

56. The Bank, established in 1970 as the major financial institution in the Commonwealth Caribbean, continued to be of special importance to the Associated States as a source of development capital and technical assistance. According to its 1976 Annual Report, the Bank continued to place emphasis on allocating a greater share of loan resources to the less-developed countries, including the Associated States. For the years 1970-1976, cumulative loan approvals to the less-developed countries amounted to $US 68.6 million, or 61.5 per cent, while loans over the same period to the more-developed countries (Guyana, Jamaica, Trinidad and Tobago) totalled $US 42.9 million or 38.5 per cent. However, a separation of loans from "soft funds" between the less- and more-developed countries showed a 91.8 per cent allocation out of a total of $US 64.3 million, in favour of the former.

57. At 31 December 1976, just over 70.8 per cent of total disbursements had been made to the less-developed countries (i.e., $US 35.9 million), of which $US 29.1 million were "soft funds", representing 96.7 per cent in this category.

58. During 1977, two new government-sponsored financial institutions were established: the St. Vincent National Bank and the Dominica Commercial and Development Bank.

C. Special measures for less developed countries

59. The Caribbean Investment Corporation (CIC) was established within CARICOM to promote the industrial development of less-developed countries. During 1976, CIC received a loan of $US 1.26 million to augment its resources for the financing of the investment programme for industrial and agro-industrial enterprises in less developed countries.

60. In 1976, the President, CDC, on behalf of its Board of Directors, signed agreements with the Governments of the United Kingdom, Barbados, Guyana, Jamaica and Trinidad and Tobago for sums totalling $EC 10 million for the establishment of a Fund for Emergency Programme Assistance and for Common Services, to be administered by the Bank through an Advisory Committee, to make grants and intermediate-term loans to the Governments of the Leeward and Windward Islands, including the Associated States, for the support of essential national programmes as well as common services.

61. The Advisory Committee allocated the entire fund for use in 1976. The continuation of assistance from the Fund beyond 1976 is dependent on the beneficiary countries taking steps to improve their fiscal systems and their systems of national planning and to establish among themselves and operate new common services in development administration.

62. During the period under review, there was some progress in the establishment of industries allocated to less-developed countries under article 56 of the Common Market Annex to the Treaty of Chaguaramas. 1/ The Bank made a loan of $US 258,000 to a shoe factory allocated to the Territory of St. Kitts-Nevis-Anguilla. The Bank also began preparation and appraisal of a project involving cassava production to be used with wheat in the operations of a flour mill allocated to St. Vincent.

D. Agriculture

63. During the period under review, the agricultural sector in some of the economies of the Associated States was affected by unfavourable weather conditions. The sector's contribution to the aggregated gross domestic product rose between 1973 and 1974 by 43 per cent - the highest rate since 1970-1971 - but was expected to do less well in 1975 and 1976. Banana production in the Associated States increased from 91,671 metric tons in 1975 to 123,000 metric tons in 1976. However, the problem of the industry shifted from one of quantity to one of quality.

64. Although sugar production increased in St. Kitts by nearly 40 per cent, the drastic fall in export prices reduced earnings. In December 1976, the Government of St. Kitts-Nevis successfully negotiated the acquisition of a sugar factory from a company owned by United Kingdom interests. The Governments of Antigua and St. Vincent have established experimental sugar-cane projects in their countries.

65. The export of grapefruit to the United Kingdom from Dominica declined from 207,106 cartons in 1975 to 115,000 cartons in 1976, mainly because most of the fruit was too small to be shipped, and wet conditions hindered harvesting operations. However, prices were generally better than in 1975.

66. St. Vincent, the region's sole producer of arrowroot, produced 748 metric tons in 1976 (valued at $EC 1.16 million) compared with 657 metric tons in 1975 (valued at $EC 0.88 million), an increase of 12.1 per cent.

E. Tourism

67. The slow recovery of the economy in the industrialized countries was reflected in the tourist industry in the Commonwealth Caribbean, including the Associated States. In Antigua, there was a 10 per cent decline of tourist arrivals for the

---

1/ See Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 23 (A/9623/Rev.1), vol. VI, chap. XXVIII, annex, paras. 24-37.

first 11 months of 1976, compared with 1975. In St. Vincent, the number of stop-over visitors increased from 16,579 in 1975 to 17,953 in 1976, although the number of cruise ship passengers declined from 19,716 in 1975 to 13,887 in 1976. Tourist arrivals in St. Lucia totalled 75,885, an increase of 14 per cent over 1975, while in Dominica stop-over visitors increased by 13.3 per cent to 15,505 during 1976, ending a marked slump in the industry during the two previous years.

F. Industrial development

68. As stated above, the manufacturing and distribution sectors consist of small-scale enterprises. The greater proportion of production is for local consumption. CIC remains the source of major financing for equity investment in the Associated States. In October 1976, the Common Market Council of Ministers of CARICOM called for a study of the feasibility of granting to CIC, for implementation as well as financing, functions in respect of industrial development in the less-developed countries. If this were feasible, it would greatly enhance the effectiveness of CIC in the promotion of industrial development among the Associated States and other less-developed countries. During 1976, two of the Associated States received loans totalling $US 781,211 for construction of industrial estates. At the end of 1976, CDB had contributed to the construction of a cumulative total of 14,000 square metres of factory space in Montserrat and the Associated States of Dominica, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent.

G. Infrastructure

69. The programme of infrastructural development financed by the Bank was considered to have fallen below expectations during 1976. Port construction projects progress in Dominica, St. Kitts and St. Lucia were not completed for a number of reasons. The feeder road programme was also unsatisfactory and efforts were initiated to persuade the Governments concerned to agree to the introduction of construction management techniques for all their projects, in an actempt to accelerate the rate of construction. Development of airport facilities and electrification continued in many of the Territories.

H. External trade

70. The Associated States have basically agricultural economies, yet they continue to be importers of a large amount of food-stuffs, in addition to manufactured goods. Efforts are being made to diversify production with a view to increasing exports as well as offsetting the sharply rising import bill. A negative visible trade balance characterizes each of the Territories' merchandise trade transactions. Governments continue to apply measures designed to limit imports and promote exports. CARICOM continues to elaborate a plan to reduce the region's $EC 1.5 billion food import bill. The legal arrangements for the establishment of a Caribbean food corporation were concluded in 1976. Priority is to be given to the increased production of livestock, fish, cereals, fruit and vegetables. In June 1977, it was reported that the Associated States would take up 100 shares in the corporation at a total cost of $US 41,666.

I. Public finance

71. The Associated States were among the countries which incurred large increases in their budget deficits requiring loan finance either from abroad, from the local public or from the domestic banking system. Most of the Governments took steps to increase revenue and to control the balance of payments.

72. The Minister of Finance of Antigua announced that personal income tax would be abolished with effect from 1 January 1977. It was understood that compensatory tax measures would be introduced during 1977 to offset revenue loss. In his 1976/77 budget speech, the Minister of Finance of Dominica introduced a range of new taxes, including a levy of 10 per cent on each electricity bill; a levy on banks of 1 per cent per annum on the totals of interest-bearing accounts and a withholding tax, at varying rates, on funds sent out of the country to non-residents. In his 1976 budget speech, the Minister of Finance of St. Kitts-Nevis announced a wide range of measures designed to increase revenue. The Government of St. Vincent in its 1976/77 budget announced an increase in the hotal occupancy tax from 1 to 5 per cent, as well as several measures to increase other sources of revenue, including improvements in income tax administration.

73. The Associated States continue to benefit from country, regional and subregional projects financed by Governments and regional and international organizations.

4. SOCIAL CONDITIONS

A. Labour

74. Unemployment levels remain high in the Associated States, as elsewhere in the Caribbean region. In September 1977, Alister McIntyre, former Secretary-General of CARICOM, commenting on the unemployment situation, stated, inter alia, that the development strategies since the 1950s had failed to produce stronger economies in the region and had not led to sufficient improvements in the related areas of employment, income distribution and rural development. In the specific case of employment, the region was beginning to drift into an explosive situation where, quite apart from the continuing chronic problem of absorbing the backlog of the unemployed, underdeveloped and the output of primary schools, difficulties were beginning to be experienced in some countries, in finding employment for secondary school-leavers. He advised that all sectors of the society should address themselves to the question and that imports must be directed at getting the principal productive sectors moving again.

75. It will be recalled m/ that the Second Conference of the Heads of Government of CARICOM adopted a resolution which called on the United States Government to revise its immigration policy with regard to nationals of CARICOM countries

---

m/ Ibid., Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXV, annex, paras. 78 and 79.

entering the United States Virgin Islands. The United States Embassy in Barbados announced in 1977 that as a result of an amendment to the United States immigration law, effective from 1 January 1977, the number of immigrant visas granted to nationals of non-independent countries in the Eastern Caribbean, including the Associated States, would be increased from 200 to 600 annually. The amended legislation also provides for the gradual conversion to immigrant status of Caribbean nationals now residing in the United States Virgin Islands as bonded workers.

76. The Associated States continue to participate in the Caribbean Seasonal Workers Programme sponsored by the Government of Canada.

B. Public health

77. The Third Conference of Health Ministers of CARICOM countries was held in St. Kitts in June 1977. The Conference was also attended by representatives from other Caribbean Governments, the University of the West Indies, the Commonwealth Secretariat, the Pan-American Health Organization (PAHO)/World Health Organization (WHO) and other agencies taking part in health care in the Caribbean. The Conference adopted a health policy for the Caribbean, under which health care would be available to all the people of the community irrespective of their ability to pay. It reaffirmed the fact that health was an integral part of the developmental process and the need for special provision for the high-risk groups, the underserved, the poor, those living in rural areas, young children and mothers. The ministers expressed their concern over the health problems of youth and requested the CARICOM secretariat to convene a Caribbean meeting on the subject of health and youth. Both the health policy and the issue of youth would be brought before the next Conference of the Heads of Government of CARICOM.

C. Educational conditions

78. In a statement before the annual meeting of the Council of the University of the West Indies in May 1977, A. Z. Preston, the Vice-Chancellor, declared that the University was placing renewed emphasis on programmes to help the less-developed countries, which included the establishment of special funds, and the initiation of new research programmes aimed at reducing the import requirements of the area. He informed the Council that the programme for the less-developed countries of the United States Agency for International Development (AID), valued at $US 1 million, was of particular benefit and that 22 awards had been made under the programme during 1976. The University had increased its assistance to the less-developed countries.

CHAPTER XXXI

(A/32/23/Add.8)

FRENCH SOMALILAND

CONTENTS

		Paragraphs	Page
A.	CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 6	269
B.	DECISION OF THE SPECIAL COMMITTEE	7	269

CHAPTER XXXI

FRENCH SOMALILAND

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. The Special Committee considered the question of French Somaliland at its 1082nd meeting, on 24 June 1977.

2. In its consideration of this item, the Special Committee took into account the provisions of the relevant General Assembly resolutions, including in particular resolution 31/59 of 1 December 1976. By paragraph 14 of this resolution, the General Assembly endorsed "the decisions of the Organization of African Unity and the United Nations to send representatives to observe the referendum and all subsequent stages of the independence process to ensure that the principle of self-determination in the Territory is carried out smoothly and in the most democratic manner".

3. The Special Committee was also guided by the report of the United Nations Mission to Observe the Referendum and Elections in French Somaliland (Djibouti) (A/32/107 and Corr.1 and Add.1), which took place on 8 May 1977.

4. At the 1082nd meeting, the Chairman read out to the Special Committee the text of a draft statement for consideration by the members, in connexion with the accession of the Territory to independence on 27 June. At the same meeting, statements were made by the Chairman and the representatives of China, Cuba, Ethiopia, Iraq, India, Czechoslovakia, Tunisia, the Union of Soviet Socialist Republics, the Ivory Coast, Norway, Fiji, Bulgaria, Sierra Leone and the Syrian Arab Republic (A/AC.109/PV.1082).

5. At the same meeting, the Special Committee adopted without objection the text of the Chairman's statement referred to in paragraph 4 above.

6. On the same date, the text of the statement adopted by the Special Committee (A/AC.109/546) was transmitted to the Permanent Representative of France to the United Nations for the attention of his Government.

B. DECISION OF THE SPECIAL COMMITTEE

7. The text of the statement (A/AC.109/546) adopted by the Special Committee at its 1082nd meeting, on 24 June, to which reference is made in paragraph 4 above, is reproduced below:

(1) The Special Committee expresses its satisfaction that French Somaliland (Djibouti) will attain independence on 27 June 1977. The Special Committee wishes to pay a tribute to the Government and people of Djibouti on their achievement and to extend to them its warm congratulations and best wishes for peace, happiness and prosperity.

(2) The Special Committee expresses its confidence that the international community will render all possible assistance to the Government and people of Djibouti for the consolidation of their independence. The Committee hopes that all States will respect the sovereignty and territorial integrity of the new State.

CHAPTER XXXII

(A/32/23/Add.9)

INFORMATION FROM NON-SELF-GOVERNING TERRITORIES TRANSMITTED UNDER ARTICLE 73 e of the CHARTER OF THE UNITED NATIONS

CONTENTS

	Paragraphs	Page
A. CONSIDERATION BY THE SPECIAL COMMITTEE	1 - 6	272
B. DECISION OF THE SPECIAL COMMITTEE	7	272
ANNEX: REPORT OF THE SECRETARY-GENERAL		274

CHAPTER XXXII

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 1088th meeting, on 3 August 1977.

2. In its consideration of the item, the Special Committee took into account the provisions of General Assembly resolution 31/143 of 17 December 1976 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 4 of resolution 31/29 of 29 November 1976 which requested the Special Committee to continue to discharge the functions entrusted to it under resolution 1970 (XVIII), in accordance with established procedures, 1/ and to report thereon to the General Assembly at its thirty-second session.

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 1975 and 1976.

4. In addition, the Special Committee had before it a draft resolution on the item (A/AC.109/L.1192) submitted by the Chairman.

5. At its 1088th meeting, on 3 August, the Special Committee considered and adopted the draft resolution without objection (see para. 7 below) (A/AC.109/PV.1088).

6. On 17 August, the text of the resolution (A/AC.109/552) was transmitted to the administering Powers for their attention.

B. DECISION OF THE SPECIAL COMMITTEE

7. The text of the resolution (A/AC.109/552) adopted by the Special Committee at its 1088th meeting, on 3 August, to which reference is made in paragraph 5 above, is reproduced below:

1/ Official Records of the General Assembly, Nineteenth Session, Annexes, Annex No. 8 (Part I) (A/5800/Rev.1), chap. II.

The Special Committee,

Having examined the report of the Secretary-General on this item, 2/

Recalling General Assembly resolution 1970 (XVIII) of 16 December 1963, in which the Assembly requested the Special Committee 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 on the Granting of Independence to Colonial Countries and Peoples,

Recalling also General Assembly resolution 31/29 of 29 November 1976, in which the Assembly requested the Special Committee to continue to discharge the functions entrusted to it under resolution 1970 (XVIII),

Deploring that 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 or have transmitted information too late,

1. 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 of the United Nations, the administering Power concerned should continue to transmit information under Article 73 e of the Charter with respect to that Territory;

2. 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, within a maximum period of six months following the expiration of the administrative year in those Territories;

3. Decides, subject to any decision which 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.

2/ See annex to the present chapter.

ANNEX*

REPORT OF THE SECRETARY-GENERAL

Transmission of information under Article 73 e of the Charter

1. The Secretary-General's previous report on the subject a/ listed the dates on which information was transmitted to the Secretary-General under Article 73 e of the Charter up to 7 September 1976. The table at the end of the present report shows the dates on which such information was transmitted in respect of the years 1975 and 1976 up to 1 August 1977.

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, 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 the Territories under their administration is given by the representatives of Australia, France, New Zealand, the United Kingdom 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.

Study of information transmitted under Article 73 e of the Charter

3. 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 31/29 of 29 November 1976, the Secretariat has continued to use the information transmitted in the preparation of working papers on each Territory for the Special Committee.

---

* Previously issued under the symbol A/AC.109/548.

a/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 23 (A/31/23/Rev.1), vol. IV, chap. XXXII, annex.

Table

Dates of transmission of information under Article 73 e of the Charter for 1975 and 1976 a/

	1975	1976
AUSTRALIA (1 July-30 June) b/		
Cocos (Keeling) Islands	6 July 1976	7 July 1977
FRANCE (calendar year)		
New Hebrides (condominium with the United Kingdom of Great Britain and Northern Ireland)	9 May 1977	-
NEW ZEALAND (1 April-31 March) c/		
Tokelau	19 August 1976	-
PORTUGAL		
East Timor d/		
SPAIN (calendar year)		
Western Sahara e/		
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (calendar year)		
Antigua f/	-	-
Belize	18 August 1976	20 July 1977
Bermuda	7 September 1976	22 July 1977
British Virgin Islands	16 June 1976	20 July 1977
Brunei g/	-	-
Cayman Islands	7 September 1976	20 July 1977
Dominica f/	-	-
Falkland Islands (Malvinas)	7 September 1976	22 July 1977
Gibraltar	8 July 1976	22 July 1977
Gilbert Islands	7 September 1976	22 July 1977
Montserrat	7 September 1976	26 July 1977

	1975	1976
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (calendar year) (continued)		
New Hebrides (condominium with France)	18 August 1976	22 July 1977
Pitcairn	2 August 1976	22 July 1977
St. Helena c/	23 November 1976 h/	22 July 1977
St. Kitts-Nevis-Anguilla f/	-	-
St. Lucia f/	-	-
St. Vincent f/	-	-
Solomon Islands	16 June 1976	20 July 1977
Southern Rhodesia	18 August 1976	20 July 1977
Turks and Caicos Islands	7 September 1976	22 July 1977
Tuvalu	7 September 1976	20 July 1977
UNITED STATES OF AMERICA (1 July-30 June) b/		
American Samoa	9 June 1976	28 March 1977 i/
Guam	29 April 1976	13 May 1977
United States Virgin Islands	7 October 1976	15 March 1977

---

a/ For a preliminary list of Territories to which the Declaration on the Granting of Independence to Colonial Countries and Peoples (General Assembly resolution 1514 (XV)) applies, see Official Records of the General Assembly, Eighteenth Session, Supplement No. 14 (A/5514), part one, annex II.

b/ Period extends from 1 July of the previous year to 30 June of the year listed.

c/ Period extends from 1 April of the year listed to 31 March of the following year.

d/ On 20 April 1977, the Government of Portugal informed the Secretary-General that, since August 1975, owing to the circumstances prevailing in the Territory, the Portuguese Government had been unable to exercise the effective administration of East Timor. The Portuguese Government was therefore de facto prevented from transmitting any information under Article 73 e of the Charter concerning the Territory (A/32/73).

e/ On 26 February 1976, the Permanent Representative of Spain to the United Nations informed the Secretary-General that "The Spanish Government, as

(Foot-notes continued on following page)

(Foot-notes to table) (continued)

---

of today, definitively terminates its presence in the Territory of the Sahara and deems it necessary to place the following on record: ... (a) Spain considers itself henceforth exempt from any responsibility of an international nature in connexion with the administration of the said Territory, in view of the cessation of its participation in the temporary administration established for the Territory ..." (A/31/56-S/11997).

f/ At previous sessions of the General Assembly, the United Kingdom had declared that, having achieved the status of Associated State, this Territory had attained "a full measure of self-government" and, consequently, the transmission of information thereon was, in its view, no longer appropriate (see also documents A/AC.109/341, A/C.4/725, A/AC.109/PV.762 and Corr.1, A/C.4/SR.1752 and A/C.4/SR.1867).

g/ On 18 September 1972, the Government of the United Kingdom notified the Secretary-General that this Territory had attained full internal self-government and, consequently, the transmission of information thereon was, in its view, no longer appropriate.

h/ Information was also transmitted on 14 January 1977 concerning Tristan da Cunha, relating to the year ending 30 June 1976.

i/ The territorial Government has changed its fiscal year from 1 July-30 June to 1 October-30 September. The present annual report therefore covers 1 July 1975 to 30 September 1976.

كيفية الحصول على منشورات الامم المتحدة

يمكن الحصول على منشورات الامم المتحدة من المكتبات ودور التوزيع في جميع انحاء العالم . استعلم عنها من المكتبة التي تتعامل معها أو اكتب الى : الامم المتحدة ،قسم البيع في نيويورك او في جنيف .

如何购取联合国出版物

联合国出版物在全世界各地的书店和经售处均有发售。请向书店询问或写信到纽约或日内瓦的联合国销售组。

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre libraire ou adressez-vous à : Nations Unies, Section des ventes, New York ou Genève.

КАК ПОЛУЧИТЬ ИЗДАНИЯ ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ

Издания Организации Объединенных Наций можно купить в книжных магазинах и агентствах во всех районах мира. Наводите справки об изданиях в вашем книжном магазине или пишите по адресу: Организация Объединенных Наций, Секция по продаже изданий, Нью-Йорк или Женева.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.

Litho in United Nations, New York

Price: $U.S. 18.00
(or equivalent in other currencies)

14094—August 1979—2,950