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

REPORT OF THE UNITED NATIONS VISITING MISSION TO THE TURKS AND CAICOS ISLANDS, 1980

CONTENTS

	<u>Paragraphs</u>
INTRODUCTION	1 - 13
A. Terms of reference	1 - 6
B. Composition of the Visiting Mission.	7 - 9
C. Itinerary.	10
D. Acknowledgements	11 - 13
I. INFORMATION ON THE TERRITORY	14 - 182
A. General description	14 - 18
B. Constitutional and political developments	19 - 100
C. Economic conditions	101 - 164
D. Social conditions	165 - 174
E. Educational conditions	175 - 182
II. ACTIVITIES OF THE VISITING MISSION)
III. DISCUSSIONS HELD AT LONDON ON 27 MAY 1980) [See A/AC.109/636/Add.1]
IV. CONCLUSIONS AND RECOMMENDATIONS) [See A/AC.109/636/Add.2]

CONTENTS (continued)

Annexes

- I. ITINERARY OF THE VISITING MISSION
- II. MAP OF THE TURKS AND CAICOS ISLANDS
- III. STATEMENT MADE BY THE CHAIRMAN OF THE VISITING MISSION ON 16 APRIL 1980
- IV. EXPLANATION SUBMITTED TO THE VISITING MISSION OF POWERS AND RESPONSIBILITIES UNDER THE CONSTITUTION OF THE TURKS AND CAICOS ISLANDS
- V. COMPOSITION OF THE GOVERNMENT OF THE TURKS AND CAICOS ISLANDS
- VI. PROPOSED DEVELOPMENT PROGRAMME FOR THE TURKS AND CAICOS ISLANDS
- VII. TURKS AND CAICOS ISLANDS: GOVERNMENT REVENUE AND EXPENDITURE, 1976-1980
- VIII. TURKS AND CAICOS ISLANDS: LABOUR FORCE BY EMPLOYMENT STATUS, ISLAND AND SEX, DECEMBER 1978
- IX. TURKS AND CAICOS ISLANDS: LABOUR FORCE PARTICIPATION, APRIL 1970 AND DECEMBER 1978

[See A/AC.109/636/Add.3]

INTRODUCTION

A. Terms of reference

1. Responding to the appeals by the General Assembly that administering Powers permit access by United Nations visiting missions to Territories under their administration, the Government of the United Kingdom of Great Britain and Northern Ireland in early 1979 invited the Special Committee to send a visiting mission to the Turks and Caicos Islands in the spring of 1980 so as to enable the Committee to obtain an accurate and first-hand impression of conditions in the Territory.
2. At its 1153rd meeting, on 7 August 1979, the Special Committee, by adopting the related report of the Sub-Committee on Small Territories (A/AC.109/L.1325), welcomed the invitation extended by the administering Power. 1/
3. At its thirty-fourth session, the General Assembly, having examined the relevant chapters of the report of the Special Committee 2/, adopted resolution 34/34 of 21 November 1979 concerning five Territories under United Nations administration, among them the Turks and Caicos Islands. By paragraphs 8 and 9 of that resolution, the General Assembly welcomed the positive attitude of the administering Power with respect to receiving United Nations visiting missions in the Territories under its administration, and in particular its invitation to the Special Committee to dispatch a visiting mission to the Turks and Caicos Islands in 1980.
4. Subsequently, by a note verbale dated 11 March 1980 addressed to the Chairman of the Special Committee (A/AC.109/592), the Permanent Representative of the United Kingdom, on behalf of his Government, invited the Committee to send a visiting mission to the Turks and Caicos Islands from 16 to 26 April 1980.
5. At its 1165th meeting, on 28 March 1980, the Special Committee decided to accept the invitation and to request the Chairman to appoint the members of the Visiting Mission.
6. In accordance with the decision taken by the Special Committee at its 1165th meeting, and on the basis of the related consultations, the Chairman of the Special Committee on 1 April 1980 informed the members of the Committee that the members of the Visiting Mission to the Turks and Caicos Islands would be Venezuela (Chairman), India and Ivory Coast.

1/ See Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 23 (A/34/23/Rev.1), vol. III, chap. XXIV, paras. 6-9.

2/ Ibid., vol. I, chaps. IV, V, annexes III-V and VI, annex III and vol. III, chaps. XXI-XXV.

B. Composition of the Visiting Mission

7. The composition of the Mission was as follows:

Germán Nava-Carrillo (Venezuela), Chairman

Satyabrata Pal (India)

Lobognon Pierre Yere (Ivory Coast)

8. Mr. T. P. Sreenivasan replaced Mr. Pal as representative of India during the Mission's consultations with officials of the United Kingdom Foreign and Commonwealth Office, held at London on 27 May 1980 (see para. 10 below).

9. The Mission was accompanied by the following staff members of the United Nations Secretariat: Mr. A. Z. Nsilo Swai, Principal Secretary; Mr. Kenneth Jordan, Political Affairs Officer; Mr. Enrique Robert and Miss Edith Macherez, Interpreters; Mr. Max Buki, Administrative Officer; and Miss Martha Springer, Secretary.

C. Itinerary 3/

10. The Mission departed from New York on 15 April 1980 and arrived at Grand Turk on the afternoon of 16 April, where it was met by the Governor, the Chief Minister and other members of the territorial Government. On the same day, the Chairman of the Mission made a statement which was broadcast by Radio Turks and Caicos (see annex III to the present report). During the course of its stay the Mission visited the islands of Grand Turk, South Caicos, Providenciales, Middle Caicos, Salt Cay and North Caicos, where it held meetings with officials, community groups and members of the public. After its return to New York, the Mission visited London on 27 May for consultations with the United Kingdom Government.

D. Acknowledgements

11. The Mission wishes to place on record its deep appreciation to the Government of the United Kingdom for the close co-operation, assistance and courtesy it extended to the Mission during the consultations in London. It also wishes to thank Mr. Michael W. Maclay, of the Permanent Mission of the United Kingdom to the United Nations, who accompanied the Mission during its visit to the Territory and gave it valuable assistance.

12. The members of the Mission also wish to express their profound gratitude for the co-operation and warm hospitality extended to them by the Government and people of the Turks and Caicos Islands.

3/ For the complete itinerary of the Visiting Mission and a map of the Territory, see annexes I and II to the present report.

13. The Mission wishes in particular to convey its thanks to Mr. John C. Strong, the Governor of the Territory, Mr. Lewis E. Astwood, the Minister of Public Works, Utilities and Labour, and their colleagues on the Executive and Legislative Councils, for facilitating the work of the Mission. It also wishes to place on record its appreciation for the courtesy extended to it by the late Mr. James A. G. S. McCartney, who was Chief Minister of the Territory at the time of the Mission's visit (see para. 97 below).

I. INFORMATION ON THE TERRITORY

A. General description

14. The Turks and Caicos Islands lie to the south-east of the Bahama Islands and about 145 kilometres north of the Dominican Republic. They consist of two groups of islands separated by a deep-water channel, approximately 35 kilometres wide, known as the Turks Islands Passage; the Turks Islands lie to the east of the passage and the Caicos Islands to the west. The Turks Group comprises two inhabited islands, Grand Turk and Salt Cay, six uninhabited cays and a large number of rocks (islets). The principal islands in the Caicos group are South Caicos, East Caicos, Middle (or Grand) Caicos, North Caicos, Providenciales and West Caicos. East and West Caicos have no settlements.

15. In April 1970, the population of the Territory numbered 5,558, of whom the majority was of African descent, the remainder being of mixed or European origin. At that time, approximately 2,300 people lived in Cockburn Town, on Grand Turk, the Territory's capital. In October 1977, the population of the Territory was estimated at 6,800, and was distributed throughout the six major inhabited islands (Pine Cay and Parrot Cay residents were included under North Caicos) as follows, with percentages given in parentheses:

	<u>April 1970</u>		<u>October 1977</u>		<u>Change</u>	
Grand Turk	2,287	(41)	2,956	(43)	+669	(+29)
Salt Cay	334	(6)	258	(4)	-76	(-23)
South Caicos	1,018	(18)	1,253	(18)	+235	(+23)
Middle Caicos	362	(7)	382	(6)	+20	(+6)
North Caicos	999	(18)	1,143	(17)	+144	(+14)
Providenciales	558	(10)	812	(12)	+254	(+46)
Total	5,558	(100)	6,804	(100)	+1,246	(+22)

16. According to information provided by the territorial Government, the population decline of the 1960s (the population stood at 5,668 in 1960) was reversed in the 1970s, when the population grew at an average rate of 3 per cent per annum. Providenciales, Grand Turk and South Caicos were the leading islands in terms of population growth, while North and Middle Caicos grew more slowly and

Salt Cay, which had lost 25 per cent of its population in the 1960s, experienced a further decline of 23 per cent between 1970 and 1977. The working age population (15-64 years of age) grew at a higher rate (3.9 per cent per annum) than other age groups in the period 1970-1977. It was noted that the proportion of the population under 15 years of age was much higher in the Caicos Islands (e.g., over 50 per cent in North Caicos) than in the Turks.

17. The natural rate of growth (i.e., live births over deaths) remained consistent throughout the period 1970-1977, except for a dramatic drop in the birth rate during 1974-1975 which was attributed to a successful, though short-lived, family planning programme. The dominant trend of internal migration during this period was the movement of people away from Salt Cay and Middle Caicos, with substantial net immigration to Providenciales, South Caicos and Grand Turk.

18. The traditional pattern of emigration has been primarily to the Bahamas. It has been estimated that approximately 14,000 Turks and Caicos Islanders live in the Bahamas. Recent studies indicate that many families have returned to the Territory from the Bahamas, as can be verified by the rapid growth of school enrolment in the 1970s. However, it also appears that the inflow has been balanced, to some extent, by a continued outflow, particularly of adults, to the United States of America and the Bahamas. An analysis of the school-age population in 1978 suggested that net immigration between 1970 and 1978 could be more than accounted for by the influx of those under 15 years of age and that there continued to be net emigration of adults from the Territory in the 1970s. The total population was estimated to be 7,500 in mid-1979.

B. Constitutional and political developments

1. Background

19. Until 1962 the Turks and Caicos Islands were regarded as a dependency of Jamaica, whereby the Governor of Jamaica had reserved and discretionary powers over the Territory. Laws passed by the Legislature of Jamaica with specific reference to the Turks and Caicos Islands and proclaimed by the Governor were binding on the Territory.

20. Following the attainment of independence by Jamaica in August 1962, the Territory became a direct Crown Colony under the Turks and Caicos Islands (Constitution) Order-in-Council, 1962. On 5 November 1965, a constitutional amendment came into effect, by virtue of which: (a) the Governor of the Bahama Islands also became the Governor of the Turks and Caicos Islands; and (b) appeals from the courts of the Territory would lie to the Court of Appeal for the Bahama Islands instead of the Court of Appeal for Jamaica. Under the 1965 Constitution, the chief executive officer of the territorial Government was an Administrator who was responsible to the United Kingdom Government, through the Governor, for the day-to-day administration of the Territory. The Administrator was advised by an Executive Council and assisted by a Legislative Assembly. Any legislation enacted by the territorial Government was subject to disallowal by the Queen.

21. A new Constitution was introduced in June 1969, the main feature of which was the establishment of a State Council with a majority of elected members, to replace

the former Executive Council and Legislative Assembly. Under the 1969 Constitution, the Administrator was empowered to establish committees of the State Council, having to deal with the conduct of certain aspects of government business.

22. In April 1973, in view of the imminent attainment of independence by the Bahamas, the Constitution was amended to terminate the appointment of the Governor of the Bahamas as the Governor of the Turks and Caicos Islands and to provide for a separate post of Governor of the Territory. The amendment also provided for a separate Supreme Court and Court of Appeal for the Territory as well as the creation of the posts of Chief Secretary and Financial Secretary within the State Council. Other features of the Constitution, as amended in 1973, included: (a) a Speaker who presided over the State Council when it was in legislative session; (b) a minimum voting age of 21 years; and (c) a maximum term of five years for the elected members of the State Council.

2. Appointment of the Constitutional Commissioner

23. In May 1973, in response to a request from the State Council, Lord Oxford, the Earl of Oxford and Asquith, was appointed Constitutional Commissioner "to examine the various paths of constitutional evolution open to the Territory, taking account of the wishes of the people and the realities of the local situation". Lord Oxford visited the Territory between 27 October and 11 December 1973. In a report published in October 1974, the Commissioner stated, among other things, that the introduction of the State Council in 1969 had represented an attempt to break away from the more usual model, which many people thought unsuitable for the small Territories. The municipal pattern of a single Council with committees appeared to offer advantages, particularly in Territories where the tradition of political parties had not yet developed. In the case of the Turks and Caicos Islands, where the population was scattered over many islands, it seemed desirable that each island should be represented in both the legislative and executive organs.

24. Lord Oxford concluded, however, that the State Council had proven to be an unwieldy instrument for making executive decisions and that the committee system had been found impracticable. As a consequence, no powers had devolved on committees or individual members of the Council. Disenchantment with the State Council had eventually led to the formal request for possible constitutional change.

25. Lord Oxford's recommendations consisted essentially in a return to the two-body system which had existed in the Territory prior to 1969. Regarding the powers of the Governor, he noted that a group of people in the Territory had expressed the opinion that certain powers of the Governor should be curtailed, particularly the power to act contrary to the advice of the Council. It was also believed that certain decisions, including those related to the public service, should be subject to consultation. Lord Oxford considered the powers of the Governor to be usual under the type of constitution which governed the Territory. He recommended that the current constitutional arrangements regarding consultation should remain substantially unaltered, with the proviso that the Governor should keep the Executive Council informed of any matters that might involve the economic

or financial interests of the Territory or the enactment of laws. With regard to the power of the Governor to act contrary to the advice of the Executive Council, Lord Oxford, referring to the Constitution of the Cayman Islands, recommended that the following text be adopted to make clear that that power should be used only in exceptional circumstances: "The Governor shall act in accordance with the advice given him by the Council unless he considers it inexpedient in the interest of public order, public faith or good government to do so."

26. Lord Oxford also recommended that members of the Legislative Assembly be elected for a four-year term of office; that the number of elected members be increased from 9 to 10 and of nominated members from 2 or 3 to 4; that the Speaker of the Legislative Assembly be elected by its members; and that the voting age be lowered from 21 years to 19 years.

27. In the same year, Mr. William Herbert, Barrister to the Supreme Court of the Associated States, visited the Territory at the invitation of the elected members of the State Council. He was requested to make a critical analysis of Lord Oxford's proposals for constitutional advance and to endeavour to ascertain whether their implementation would result in a constitutional framework along the lines requested by the people of the Turks and Caicos Islands.

28. In Mr. Herbert's opinion, the object of the constitutional reform should be the creation of a constitution which would fit the patterns of the changing times and would not become outdated in the near future, and which would make possible the responsible participation of the people of the Turks and Caicos Islands in the effective machinery of government. He also suggested that the new Constitution should include a section dealing with the fundamental rights of the people. Other major recommendations included the introduction of a ministerial system, bearing in mind the financial resources of the Territory; a clear delimitation of the powers of the Governor; and the setting of a maximum term of four years for the Legislative Assembly. With regard to the electoral system, Mr. Hebert favoured the reduction of the voting age to 18 years and the avoidance of the concept of "belonging" when considering qualifications for elected membership.

29. On 7 November, the State Council unanimously adopted a resolution, the preamble of which stated that the people of the Territory demanded a greater say in, and responsibility for, their own affairs; that to achieve these objectives a ministerial system was essential; and that the formation of committees under the present Constitution was necessary to provide experience in the work of the projected ministries. Accordingly, the State Council called for a constitutional conference to be held in the Territory not later than March 1975, and requested the Governor to establish four committees to deal with the following subjects: administration and education; social welfare; public works and development; and revenue and resources.

3. Present constitution

30. Towards the end of 1975, following discussions with Mr. Patrick Duff of the United Kingdom Foreign and Commonwealth Office, who had also been involved in the

consideration of constitutional changes, the United Kingdom Government agreed to the final proposals for a new constitution for the Territory. On 30 August 1976, the Turks and Caicos Islands (Constitution) Order, 1976, came into operation. Its main provisions are outlined below (see also annex IV to the present report.

General

31. The constitution for the Turks and Caicos Islands is established by the Turks and Caicos (Constitution) Order, 1976.
32. The Turks and Caicos Islands form a dependent Territory under the Crown with the United Kingdom as the administering Power. Since the United Kingdom Government has responsibility for the Territory, it is able to control the way the government of the islands is carried on. The British Government exercises ultimate control and is responsible for policy towards the Turks and Caicos Islands, and Parliament has power to make laws for the Territory. Her Majesty in Council may also legislate under various statutory powers, and United Kingdom legislation for the Territory is normally made by this means. The Secretary of State is responsible to the British Government and to Parliament for the conduct of government in the Turks and Caicos Islands. The Secretary of State is also responsible for the defence and external relations of the Territory together with its political and economic development. Although the Secretary of State and his Department are mainly concerned with the broad lines of policy, control may be exercised over details, and to these ends instructions in the Queen's name may be issued to the Governor.
33. The Government's structure consists of a Governor appointed by the Queen, an Executive Council and a Legislative Council. The Executive Council comprises the Governor, who presides; a Chief Minister elected from among the elected members of the Legislative Council; three ministers appointed by the Governor on the advice of the Chief Minister from among the elected members of the Legislative Council and three ex officio members (the Chief Secretary, the Attorney General and the Financial Secretary). The Legislative Council consists of 11 elected members, 3 appointed members and the 3 ex officio members of the Executive Council. The Speaker is elected by the members of the Legislative Council, from within or outside the Council, and a Deputy Speaker is elected from within the legislative Council. The appointed members are appointed by the Governor after consultation with the elected members of the Legislative Council. (For further details on the composition of the territorial Government see annex V to the present report.)

Governor

34. The Governor, who is appointed by the Queen, is the local representative of the British Government as well as being the head of the Government of the Turks and Caicos Islands and is responsible, through the Secretary of State, to the Queen for the good government of the Territory. The Governor's functions are those conferred upon him by the Constitution, other laws and such other functions as the Queen may assign to him and he is required to exercise them, either in his discretion or on ministerial advice as the case may be (see paras. 37-38 below).

35. In the discharge of his duties under the Constitution, the Governor is subject to instructions issued to him by the Queen. These provide the formal means whereby the British Government may exercise control over the Governor.

36. The Governor is the chief executive authority of the Territory and all executive authority stems from him. He may in his discretion delegate his authority.

Executive Council

37. To ensure full local participation in the Government of the Territory, the Constitution provides that the Governor is to consult with the Executive Council in the formulation of policy and also in the exercise of his functions under the Constitution and the other laws, but the Governor does not have to consult with either individual ministers or the Executive Council in the following circumstances:

(a) When acting upon instructions given by the Queen through a Secretary of State (such instructions are binding on the Governor and therefore are in effect binding upon the Government as a whole);

(b) When he exercises any function conferred on him by the Constitution or any law which is exercisable by him in his discretion or judgement (in relation to this provision it is important to differentiate between the Governor acting in his "discretion" or "judgement" and the Governor simply "acting" or "deciding": in the former case the Governor does not need to consult the Executive Council before taking action, but in the latter he does);

(c) When he acts in exercise of his special responsibilities for defence, external affairs, internal security (including police) and the public service;

(d) Where the Queen's service could suffer material prejudice;

(e) If the matter is too unimportant to require consultation or is so urgent (i.e., a disaster) that he must act before consulting the Executive Council, but in the latter case he must advise the Council as soon as possible of the action he has taken and the reasons for it.

In all other matters the Governor consults and seeks the advice of the Executive Council.

38. Having consulted with the Executive Council, i.e., in all instances save those specified above, the Governor is obliged to accept the advice of the Council. Then, as chief executive of the Government, the Governor must direct that such action as is necessary to follow up that advice be taken, unless in his judgement the interests of the public order, public faith or good government require that he decline to accept and act upon the Executive Council's advice. In such event the Governor may not decline or act contrary to the Council's advice without the prior approval of a Secretary of State, unless in his opinion the matter is so urgent that he judges he must refuse first and report to the Secretary of State later. Whenever the Governor proposes to act contrary to the advice given to him by the

Executive Council, he must inform members in writing of his reasons and any member has 30 days in which to submit his comments in writing to the Governor, who must then forward them to the Secretary of State.

39. The conduct of business of the Executive Council is normally regulated by instructions and procedures issued under the authority of the President of the Council on the advice of its members.

40. Acting on the advice of the Chief Minister, the Governor assigns to ministers responsibility for the conduct of government business, including the administration of any government department. Ministers so charged are responsible:

(a) For the general policies of the Government as determined by the Executive Council in accordance with the principle of collective responsibility;

(b) For the implementation of government policy as it relates to their ministries;

(c) For the initiation and presentation to the Executive Committee of points of ministerial policy and those matters upon which the Council is required to advise the Governor;

(d) For the control and direction of official business in their ministries;

(e) For securing the efficiency of their ministries;

(f) For co-ordination with other ministries, officials and departments of the Government;

(g) For answering to both the Executive Council and the Legislative Council for the conduct of their ministries.

A minister has, therefore, full discretion to act as provided for above in relation to the formulation of general policies and matters affecting his ministry.

41. A minister may not deal in matters within the Governor's special responsibilities under the Constitution, but he may consult with the Governor on them.

42. Without prior reference to the Executive Council a minister should not commit the Government to any course of action which involves: (a) the Governor's functions in the exercise of which the Governor is required to consult with the Executive Council; or (b) matters of policy (or change of policy) or matters of sufficient importance to merit the attention and advice of the Executive Council.

43. In matters which may infringe or have a bearing on the responsibilities of the Governor, another ministry or an ex officio member, a minister must ensure that the other parties are fully consulted and their views recorded before action is taken or the matter referred to the Council for its advice.

44. In addition to the elected ministers, there are three ex officio members of the Executive Council. They enjoy the same status and privileges as ministers and have an equal voice in the deliberations of the Council. The Governor, in his discretion, may assign to such members responsibilities which are not already within elected ministers' portfolios. It is stated in the Constitution that the Financial Secretary has specific responsibility for finance. In the discharge of their responsibilities, ex officio members have the same powers and authority as ministers.

45. The Governor may call for any official papers or seek any information from ministers.

Legislative Council

46. The Legislative Council has an elected majority and operates according to a party system; it is, therefore, constitutionally well advanced and has very considerable power and ability to influence local events. Its powers, although very substantial, are not entirely unfettered. The Governor, with the advice and consent of the Legislative Council, may make laws, but the Queen may disallow any law enacted by the Legislature. The Governor may either (a) return to the Legislative Council any bill with amendments he recommends, in which case the Council is obliged by the Constitution to deal with the recommendations; or (b) refuse his assent to the bill, if he is instructed to do so.

47. If the Legislative Council fails to pass any bill or carry any motion which, in the interests of public order or public faith or good government or to secure detailed control of the finances (while the Territory is receiving grant-in-aid), the Governor considers should have been passed, he may declare, under his reserve powers, such bill or motion to have effect as if it had been passed or carried by the Council.

48. Any member may introduce any bill or motion, but a bill or motion having financial implications requires the recommendation of the Governor before it can be accepted by the Speaker.

Public service

49. Under the provisions of the Constitution, the discipline, organization, efficiency and control of the Public Service are the responsibility of the Governor. In the discharge of their responsibilities, ministers have the right to give instructions to civil servants to take action, but the action taken by the civil servants must be fully in accordance with the law and with established civil service procedures and regulations or with such instructions as the Governor, in his discretion, may give for the carrying out of government business.

Conclusion

50. The present constitution does not convey to the Executive Council, ministers and Legislative Council an unfettered right to deal with internal matters; the Crown has full powers of control and the Governor has special responsibilities and reserve powers as described above. For the Executive Council and ministers to obtain full control over internal matters, it would be necessary to draw up a new constitution to provide for full internal self-government. The United Kingdom Government has stated that it is willing to consider this at any time, provided the Turks and Caicos Government undertakes to follow the normal path to full independence within about one year after attaining full internal self-government.

4. Local government

51. District Commissioners are stationed at Cockburn Harbour on South Caicos, Blue Hills on Providenciales and on Salt Cay. They are responsible for the day-to-day administration of those islands, which are ports of entry, and maintain customs, postal and other services. Legislation provides for the appointment of District Boards in the four Caicos islands (Middle Caicos, North Caicos, Providenciales and South Caicos) and on Salt Cay.

52. The District Boards consist of from 5 to 12 members drawn from the inhabitants of the island concerned, with a Chairman and a Secretary. All District Boards receive allocations to be spent on local works, details of which are submitted to the Government for approval.

53. According to information submitted by the administering Power, proposals for the reform of the District Board system and the possibility of introducing an elective membership are currently under consideration.

5. Judiciary

54. The administration of justice in the Territory is independent of the executive branch and is carried out by a Magistrate, who has the power of a United Kingdom High Court Judge in all divisions of the judiciary. The Magistrate sits weekly in Grand Turk and when necessary at South Caicos, Providenciales, North Caicos and Salt Cay.

55. Appeals against the decision of the Magistrate are heard by the Judge of the Supreme Court, against whose decision an appeal lies to the territorial Court of Appeal.

56. The Magistrate is also the registrar of deeds, marriages, births and deaths, and of companies.

6. Future political status of the Territory

57. As a result of dissatisfaction over the limited powers of the elected ministers over the affairs of the Territory, a delegation of the territorial

Government comprising Mr. James A. G. S. McCartney, Chief Minister, as leader of the delegation; Mr. Oswald O. Skippings, Deputy Chief Minister; Mr. Daniel A. Williams, Parliamentary Secretary, Office of the Chief Minister; and Mr. Frederick G. Smith, Constitutional Adviser to the Turks and Caicos Government, visited London on 26-27 November 1979 for talks concerning constitutional advancement for the Territory. The United Kingdom delegation was led by Mr. Nicholas Ridley, Minister of State at the Foreign and Commonwealth Office, and included the Governor of the Territory and senior officials of various departments of the United Kingdom Government. Lord Carrington, Secretary of State for Foreign and Commonwealth Affairs, met the Turks and Caicos Government delegation at the end of the talks.

58. In the course of the discussions, the Turks and Caicos Islands delegation presented a draft constitution containing a number of proposals aimed primarily at transferring most of the powers currently held by the Governor to the elected members of the Executive Council.

59. The Chief Minister stated at the outset that there was no economic progress in the Territory at the time and that none would come about until the elected members of the Government had enough power to push development projects through; for that reason, the elected representatives wanted greater control over the affairs of the Territory. He then called on the administering Power to grant internal self-government for the Territory and to undertake to put in basic economic infrastructure. Later in the course of the proceedings, in reply to a question from Mr. Ridley, the Chief Minister stated that he was not afraid of the challenge of independence, but that politically and economically the Territory was not ready for it.

60. Mr. Smith, the Territory's constitutional adviser, pointed out that the document meant only to serve as a basis for discussion. He added that the territorial Government was of the opinion that the Governor had too much power under the present Constitution and could take certain actions without having to consult the elected members of the Executive Council. He further stated that, if the Territory were to move towards internal self-government, the elected members would have to have greater control over the affairs of the Territory.

61. The main points of the constitutional proposals were:

- (a) A request for informal consultations on the appointments of the Governor;
- (b) That the Governor should act in accordance with the advice of the Executive Council except when acting in his constitutional discretion or in the discharge of his special responsibilities;
- (c) That the Governor should no longer be able to act in his discretion in matters of internal security including the police force and the public service (it was noted that there had been criticism of the way immigration and passport matters were handled, and that immigration was properly a matter for local legislation rather than the constitution);

- (d) Objection to the Governor's reserve legislative powers;
- (e) Objection to the Governor's powers to return bills with recommended amendments;
- (f) Objection to the Governor's powers to dispose of land.

62. It was also proposed in the draft constitution that the office of Premier replace that of Chief Minister; that the post of Attorney General become a ministerial office; and that there be a Minister of Finance, a cabinet of ministers to advise the Governor and, finally, a Committee on the Prerogative of Mercy, whose members would include a minister as Chairman, the Attorney General, the Chief Medical Officer and not more than three members appointed by the Governor.

63. Mr. Ridley, in outlining the policy of the administering Power, stated that the United Kingdom Government was prepared to help the Territory attain independence, but it would not be prepared to accept internal self-government without a commitment from the Territory to move to independence shortly thereafter.

64. Regarding economic development, he stated that he understood the need for his Government to put in some infrastructure and pointed out that the Territory could be shielded from reduction in aid during the current year and in subsequent years if it undertook to go on to independence, and that once the Territory was independent it could approach other potential donors. He informed the delegation that, owing to the policies in force governing United Kingdom public expenditure, the Territory would almost certainly suffer a reduction in assistance if it did not agree to move to independence. He said further that the United Kingdom could put forward an independence package with a firm commitment to make money available for infrastructure if the Territory agreed to move to independence. Mr. Ridley stated that it was the view of the United Kingdom Government that the Territory would move to independence within nine months after the next general election, which was due by the end of 1980. Later in the course of the discussions, he asked the Turks and Caicos delegation if it considered June 1982 as a reasonable date for independence. He added that if the territorial Government and the Opposition agreed to the independence package, the United Kingdom would make a firm legal commitment to make the agreed sums available.

65. The administering Power, in summarizing its position, put the following two options to the delegation in the territorial Government: (a) maintenance of the status quo; or (b) internal self-government in the context of an agreed programme and an undertaking to become independent by mid-1982.

66. At a meeting held in December 1979, the legislative Council passed a resolution by which it accepted the proposed time-table for independence by mid-1982, together with a special aid package. According to press reports, the elected members of the Opposition did not participate in the voting; they had earlier walked out of the Council in protest.

67. On 1 February 1980, in response to an invitation from the United Kingdom Government, a delegatipn composed of Mr. Norman B. Saunders, Leader of the Opposition in the Legislative Council; Messrs. N. J. S. Francis and Daniel A. Malcolm, both elected members and members of the Opposition; Mr. J. Shearer, a businessman; and Mr. Ariel Misick, Constitutional Adviser to the Opposition, visited London for talks on constitutional advance. The delegation met with Mr. Ridley, Mr. Strong and other officials of the United Kingdom Government.

68. At the end of the meeting the following communiqué was released by the Foreign and Commonwealth Office:

"Mr. Nicholas Ridley, Minister of State at the Foreign and Commonwealth Office, held talks on 1 February with Mr. Norman Saunders, Leader of the Progressive National Party in the Turks and Caicos Islands, who was accompanied by Mr. N. J. S. Francis, Mr. Daniel Malcolm and Mr. Ariel Misick.

"The Turks and Caicos representatives emphasized that they were not in favour of independence until the islands were in a position to have a secure currency, a strong economy and public confidence in the ability of the local administration to enforce law and order and to combat international drug smuggling. While they accepted independence as the islands' ultimate destiny they were concerned lest external confidence would be threatened if this came too quickly. In their view, independence could not be realistically considered for the time being. They accepted that should the islands not proceed to independence by mid-1982, the aid package now on offer would no longer be available.

"Mr. Ridley expressed willingness to hold further discussions at any time."

7. Political parties and elections

69. There are two political parties presently in operation in the Territory. The ruling People's Democratic Movement (PDM) was formed under the leadership of the late Mr. James A. G. S. McCartney and Mr. Edward Swann, two leaders of a group of young Turks and Caicos Islanders involved in the Junkanoo incident in 1975. It will be recalled 4/ that in late May 1975, following expressions of discontent over the economic and social conditions in the Territory which led to several acts of arson and assault, police reinforcements from the British Virgin Islands and Montserrat were sent to Grand Turks on the British frigate HMS Minerva. In early June, an incident occurred in which a police inspector from the British Virgin Islands, a newspaper publisher from the United Kingdom and a member of the United States Navy stationed on the island, were temporarily held hostage in a local club,

4/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 23, (A/31/23/Rev.1), vol. IV, chap. XXIX, annex, sect. C, paras. 18-20.

the Junkanoo Club, which was owned by Mr. McCartney. After lengthy negotiations, it was agreed that the territorial Government would repatriate the foreign constables and would set up a judicial commission of inquiry to investigate the incident.

70. The opposition Progressive National Party (PNP), formerly the Progressive National Organization (PMO), was founded by several members of the former State Council under the leadership of Messrs. Norman B. Saunders, N. S. J. Francis and Daniel A. Malcolm. A third party, the United Independent Movement (UIM), which unsuccessfully contested the 1976 general elections, is no longer in operation.

71. The general elections of 29 September 1976 were the first held under the new Constitution and the first contested along party lines. The 11 elected seats of the Legislative Council, up from 9 elected seats in the State Council, were divided as follows: Grand Turk (the capital), 4 seats; North Caicos and South Caicos, 2 seats each; Middle Caicos, Salt Cay and Providenciales, 1 seat each. The three main political parties and a number of independent candidates contested the elections.

72. In the final result, 5 seats went to PDM, 4 to PNO and 2 to independent candidates. Of the independents, one joined PDM immediately while the other, Mr. C. W. (Liam) Maguire, later joined the same party at the request of his constituency. Mr. McCartney was subsequently appointed Chief Minister. Other ministerial appointments went to the following: Mr. Oswald O. Skippings, Deputy Chief Minister and Minister of Health, Education, Welfare and Local Government; Mr. Lewis E. Astwood, Minister of Public Works, Utilities and Labour; and Mr. Liam Maguire, Minister of Tourism and Development of Industries and Resources. Subsequently, provisions were made for the appointment of two parliamentary secretaries (junior ministers). Mr. Daniel Williams was appointed Parliamentary Secretary in the Office of the Chief Minister.

73. Under the Constitution, the next general elections are due before the end of 1980. The major campaign issue that has emerged so far is the question of the Territory's future status which must be put before the electorate before the independence plan can be implemented. In pre-election campaign speeches on behalf of the ruling PDM, the Chief Minister urged voters to vote for "independence, freedom and PDM". Mr. Saunders, Leader of the opposition PNP, stated that his party was "opposed to political independence at this time". He denied statements by members of PDM that the United Kingdom grant of £39 million for infrastructural support for the Club Méditerranée project (see paras. 114-115 below) was conditional on the acceptance of independence by the Territory. It was subsequently made clear that the issue of independence would be left to the electorate and that the United Kingdom assistance for the project would be made available whatever the voters decided. Both parties and the United Kingdom Government have stated that they will accept the voters' decision.

74. Some campaign positions are common to both parties, including the need for an increase in the pace of economic and social development; the need to create jobs; concern over the inability of the Territory to protect itself against use as a transit point by drug traffickers; condemnation of corruption in official circles; and the need to protect the territorial waters.

75. Following the death of the Chief Minister (see para. 97 below) it was announced that a by-election would be held on 12 June. Candidates from both political parties contested the election; Mr. Herbert Been was the candidate of PDM and Mr. Richard Williams represented PNP. In the final results, Mr. Been, who polled 181 of the 269 votes cast, was declared the winner.

8. Police

76. The Royal Turks and Caicos Islands Police Force has an establishment of 80 officers and men distributed throughout the inhabited islands, under the command of a Commissioner of Police. The headquarters of the Force is on Grand Turk. Initial training is given at the police training centre in Grand Turk while advanced training is provided in Barbados and the United Kingdom.

77. During its visit to the Territory the Mission was informed of the serious drug trafficking problem facing the police and the lack of adequate manpower skills and basic facilities to combat it effectively. In its consultations with the administering Power, the Mission raised the question and was told by Mr. Richard J. Stratton, Assistant Under-Secretary of State at the Foreign and Commonwealth Office, that the matter had been recently discussed between the Governments of the United Kingdom, the United States and the Turks and Caicos Islands. It had been agreed that certain measures would be taken to control drug trafficking in the Territory; the United Kingdom Government, for example, would send a senior police officer from London to establish and train a special drug squad within the Royal Turks and Caicos Islands Police Force. The United Kingdom Government would also provide electronic and other equipment to the squad. The United States Government would continue to co-operate with the territorial authorities and the administering Power in this matter.

9. Military bases

78. The Government of the United States maintains a Coast Guard station on South Caicos and an air force base and a telemetry station on an area of 233 hectares on Grand Turk. A United States naval facility was in operation in the Territory from 1951 until its closure in March 1980.

79. During its stay in the Territory the Mission visited the Coast Guard station. The Commanding Officer informed the Mission that the facility was located in the Territory under the provisions of a rider to the military bases agreement between the United Kingdom and the United States (see para. 81 below); and as such no rent was paid to the local authorities. The station was primarily concerned with marine navigation in the area bounded by San Salvador, Puerto Rico, the Bahamas and the Dominican Republic. It was staffed by 16 officers and men of the United States Coast Guard Service, and two local people were employed in the housekeeping service. It was expected that the station would close towards the end of 1980 and the buildings and most of the equipment turned over to the territorial Government. The facility provided assistance to local fishermen in distress and to the local community at large, particularly in supplementing their water supply when needed.

80. The United States Air Force base on Grand Turk is essentially a missile tracking station, the second in a series of missile and space-launch support systems for the United States Air Force at Cape Canaveral, Florida. There is one Air Force officer stationed at the base, Captain Dale Ludwig, whose main function is to serve as liaison between the Governments of the United Kingdom, the Turks and Caicos Islands and the United States. Pan American World Airlines provides base support services under a subcontract with the Radio Corporation of America (RCA) which has the basic contract to provide support services for the tracking and monitoring of missiles and space launches.

81. The agreement between the Governments of the United Kingdom and the United States concerning the military bases in the Territory was signed in 1951 and was due to expire on 31 December 1977. The agreement had been under review since 1967. In October 1977, a renegotiation of the agreement was held in Washington, D.C., and was attended by a delegation from the Territory consisting of the Chief Minister, the Minister of Public Works, Utilities and Labour, the Minister of Health, Education and Welfare and Mr. William Herbert, a legal and constitutional adviser. The delegation presented the following proposals:

(a) That extensions to the runway at Grand Turk Airport and the pier at South Dock be undertaken by the United States Government;

(b) That job opportunities be made available for Turks and Caicos Islanders in the United States;

(c) That supplementary assistance be provided for illegitimate children fathered by United States servicemen;

(d) That rental fee for the military bases be paid directly to the Government of the Territory.

Later the same month, it was reported that the delegation had declined an offer of \$US 125,000 per annum as rental for each of the two bases.

82. On 21 September 1978, the Office of the Chief Minister issued a statement announcing that a week earlier, the United States Government had officially informed the Territorial Government that it intended to close its naval base on Grand Turk and its Coast Guard station on South Caicos by March 1980. The statement added that negotiations for renewal of the existing arrangement had so far been unsuccessful. In a subsequent statement by a United States Navy spokesman, it was asserted that the rapid pace of technological development in recent years had reduced the need for some of the United States military bases in the Caribbean, and that the Governments concerned had therefore been notified of plans for the phased closure of a number of United States naval facilities.

83. A delegation from the Territory consisting of the Chief Minister, the Deputy Chief Minister, the Minister of Public Works, Utilities and Labour and Mr. Edward Stack, a consultant, visited Washington, D.C. from 17 to 24 September 1979 for discussions on matters relating to the United States military bases on Grand Turk, in particular, rental for the bases and the

return to the territorial Government of the airfield currently under United States control. Mr. Stephen Howarth of the United Kingdom Embassy to the United States represented the administering Power. The United States Government was represented by Mr. George Churchill, Director of International Security Operations; Colonel V. Corder, Security Officer; and Mr. Julien Le Bourgeoise, Desk Officer for Caribbean Affairs at the State Department.

84. In the course of the discussions, it was agreed (a) that an immediate transfer of the airfield could take place, on condition that it be operated on international standards; and (b) that an amount of \$US 750,000 which had been paid to the United Kingdom by the United States in rental fees would be turned over to the Government of the Turks and Caicos Islands.

85. The Turks and Caicos delegation also raised the question of reparation to the territorial Government in respect of over 200 illegitimate children born of local women to United States nationals, together with a request for the adjustment of disparities between the wages of local personnel and those of United States nationals working at the bases.

86. According to information received by the Mission, the United States Government agreed to pay the territorial Government an initial sum of \$US 2.6 million in rental fees for the military bases (see also para. 148 below). Following its withdrawal from the naval base, the United States Government also turned over the buildings and equipment to the Territory.

10. External relations

87. Details concerning recent developments in the Territory's external relations are contained in the report of the Special Committee to the General Assembly at its thirty-fourth session. ^{5/} Briefly, the Territory is not a full member of the Caribbean Community (CARICOM), although it is a member of its associated institutions, in particular the Caribbean Development Bank (CDB) and the University of the West Indies. Mr. A. F. Williams, the Financial Secretary of the territorial Government, stated during a visit to Montserrat in January 1977 that import duties were the main source of territorial revenue, most of which would have to be given up by participation in CARICOM.

88. The Territory participates in regional projects sponsored by the United Nations Development Programme (UNDP) and Governments in the region, including the training of civil servants and police officers in Barbados, Jamaica and Trinidad and Tobago.

89. As a result of the Territory's previous constitutional links with the Bahamas and Jamaica (see paras. 19-20 above), it has maintained closer relations with those

^{5/} Ibid. Thirty-fourth Session, Supplement No. 23 (A/34/23/Rev.1), vol. III, chap. XXIV, annex, paras. 24-28.

two countries than with other Caribbean countries. In addition, an estimated 14,000 nationals of the Turks and Caicos Islands reside and work in the Bahamas. Most of the current leaders of the society have lived for part of their lives in the Bahamas.

90. In an effort to strengthen the existing ties, three members of the PDM executive attended the annual convention of the ruling Progressive Liberal Party (PLP) in the Bahamas in October 1978. In the following month, the Chief Minister and two officials of his Government visited Jamaica to hold discussions with its Prime Minister on the situation prevailing in the Territory. During the visit arrangements were made with Mr. Peter King, Executive Director of the Jamaica National Export Corporation (JNEC) for a Jamaican trade mission to visit the Turks and Caicos Islands early in 1979. Mr. King offered the technical and training facilities of JNEC for use by government officials and businessmen in the Territory. Prior to the visit a business group from Jamaica signed agreements with the territorial Government for the construction and operation of a bakery and a poultry farm in the Turks and Caicos Islands.

91. During its visit to the Territory, the Mission was informed that the Territory would host the Seventh Conference of Presiding Officers and Clerks of Commonwealth Caribbean Parliaments, to be held on Grand Turk in June 1980. An organizing committee had been formed in the Territory prior to the Mission's visit to make the necessary arrangements for the meetings. The Mission was also told that elected representatives and members of political parties from Antigua, the Bahamas, Bermuda, the Cayman Islands, Jamaica and other Commonwealth Caribbean countries and the United Kingdom, would be attending the ruling party's convention in June 1980.

92. The Mission was further informed that owing to the inadequacy of certain services, some medical services in particular, nationals had to go to Miami, Haiti, or the Bahamas when they required such services.

93. It was reported in August 1979 that Mr. Oswald O. Skippings, the Minister of Health, Education, Welfare and Local Government, had attended the Fifth Regional Conference of CARICOM Ministers of Health, held at Antigua from 10 to 12 July (see also para. 173 below). The Territory, together with the Bahamas, Bermuda and the Cayman Islands, participated in the Conference as an observer. According to the same press report, it was the first time that the Turks and Caicos Islands Government had accepted the standing invitation to attend.

11. Civil service

94. According to information provided by the administering Power, in 1978 there were 464 established posts in the Territory's civil service, of which 377 were filled by Turks and Caicos Islanders, 4 by expatriates of the United Kingdom and 24 by nationals of Caribbean countries. Local officers held 28 senior posts, which represented 53 per cent of all such posts.

95. All posts held by expatriates, with the exception of five, required professional or subprofessional qualifications not obtainable in the Territory and for which higher education (the General Certificate of Education (GCE) advanced level or above) was necessary. According to the report, localization of those posts could only be achieved as nationals obtained the necessary entry qualifications from secondary school to embark on the required training, or as nationals trained or educated abroad returned to the Territory. It had been hoped that the introduction in 1975 of an advanced-level GCE course at the Turks and Caicos High School would make a major contribution in preparing pupils for higher education. However, the Mission was informed during its visit that the "A-level" experiment had been discontinued.

96. Provision was made under the 1979/80 approved budget estimates for a civil service salaries revision totalling \$US 400,000. The salary increases, ranging from 25 to 32 per cent, will be paid retroactive to 1 April 1979.

12. Death of the Chief Minister and subsequent developments

97. On 3 May 1980, Chief Minister James A. G. S. McCartney and a delegation including the Deputy Chief Minister and the Minister of Public Works, Utilities and Labour, left the Territory for talks with officials of the United States Government in Washington, D.C. On 9 May, following the talks, the Chief Minister and a United States real estate developer, Mr. James Joyce, who had recently submitted proposals for major tourist developments on West and South Caicos, left Washington, D.C. for New Jersey, where Mr. Joyce owned property. The Cessna 411 aircraft in which they were travelling suffered engine failure, crashed and exploded in a wooded area in New Jersey. Because of the intensity of the impact and the ensuing fire, positive identification of the Chief Minister was delayed for some time. On 24 May, his body was flown to the Territory for burial.

Actions taken by the Governor

98. The Governor, in a radio broadcast on 12 May, made the following statement:

"I am broadcasting to the people of the islands to explain the constitutional position following upon the recent and tragic death of the honourable Chief Minister.

"Once the office of Chief Minister is vacant, then, under the Constitution, all the other posts of Minister fall vacant also. Moreover, I cannot reappoint any person to the office of minister until the advice of a new Chief Minister is obtained, nor could I permit the former ministers to continue in office informally. The new Chief Minister is, under the Constitution, the person who is elected as such by the elected members of the Legislative Council. In the absence of an elected Chief Minister and of the other Ministers, the Executive Council cannot transact any business and I as Governor must, reluctantly and of necessity, act without having had the benefit of ministerial advice. It is my earnest desire that ministerial

authority and the ability of the Executive Council to advise me be restored as soon as possible. I am therefore making arrangements for a meeting of the Legislative Council of the islands to be called in the very near future so that the elected members may proceed to elect a new Chief Minister.

"Once the Chief Minister is so elected, he then advises me whom he wishes to appoint as the three other ministers and as parliamentary Secretaries. The ministers having been appointed, and portfolio responsibility having been assigned to them by me, acting on the advice of the Chief Minister, ministerial responsibility will then be reassumed and the Executive Council may conduct its business. The Executive Council would then advise me which day I should appoint for the holding of the by-election to fill the vacancy caused by the tragic death of the Honourable Mr. McCartney.

"The Constitution does not permit me to dissolve the Legislative Council before the expiration of its full term of four years, unless I have consulted with the Chief Minister and he has advised me to dissolve. There is no discretion granted to me in this matter, and I am quite unable to dissolve the Legislative Council at this time.

"I have informed the former ministers that while constitutionally they no longer hold such offices, and in view of the sudden and unforeseen circumstances which have occurred, they may have access to their former offices to attend to their own personal papers and belongings, and they may remain in their Government houses until fresh ministerial appointments are made. I have also reassured them that all the non-ministerial appointments which they currently hold and to which they are appointed by name, such as the Tourist Board and the Air Transport Licensing Authority, remain unaffected.

"I wish to assure everyone that it is my sincerest desire that the normal pattern of Government in these islands be restored as soon as possible.

"In closing, may I once again express to all the people of the islands the grief which all of us feel concerning the dreadful loss we have suffered."

99. In a subsequent broadcast on 16 May, following the meeting of the Legislative Council for the election of a new Chief Minister, the Governor announced that the names of two candidates (Mr. Skippings of PDM and Mr. Saunders of PNP) had been put forward and that the vote had resulted in a tie, with each candidate receiving five votes. He added that

"... This deadlock is most unfortunate at this juncture in the nation's affairs. It may be resolved by the result of the by-election to be held in the Grand Turk-North Back Salina constituency. That result will restore the number of elected members in the Legislative Council to eleven, which can be expected to break the deadlock and lead to the election of a new Chief Minister. And the Chief Minister will then advise me whom to appoint as the three other Ministers.

"As regards the by-election in Grand Turk-North Back Salina, the Supervisor of Elections, Mr. Charles Been, and his staff have been working at top speed to finalize all the necessary arrangements. The day for polling day will be Thursday, 12 June, and nomination day will be Tuesday, 27 May.

"As always, I am ready to consult with all the elected members of the Legislative Council and if at any time they indicate to me that they are ready to elect a new Chief Minister before the by-election is held, I shall not hesitate to call the Legislative Council for that purpose.

"I have no doubt that all of us will continue to do our best to uphold and maintain the dignity of the Islands during this most difficult period."

Position of PDM

100. On 15 May 1980, PDM issued a press release concerning its position on the constitutional situation in the Territory arising from the death of Mr. McCartney, the Chief Minister and leader of PDM:

"... The Legislative Council of the Turks and Caicos Islands met in Grand Turk this morning under the instruction of the Governor, to elect a new Chief Minister. The Council had a split vote, five to five, and since no elected member was elected, the country is without an Executive Council, according to the interpretation of Governor Strong. The Governor, therefore, may act without reference to the elected members.

"Under the constitution, it would appear that a by-election need not be called for four months, and such an election should then decide the election of the new Chief Minister. In a communiqué to the Speaker this morning, the Governor admitted that to date the New Jersey police are still working to identify the remains of the late Chief Minister, and that there is no death certificate and the body cannot be released for burial.

"The position of the PDM party is that without a death certificate, the Governor had no constitutional authority to presume the Chief Minister had vacated his office, and that he should have presumed him only to be absent. In the absence of the Chief Minister, the Governor has the constitutional power to appoint another minister to act in the Chief Minister's place.

"The Legislative Council should not have been asked to vote on the new Chief Minister until the death of the former Chief Minister is legally proven. The voting today, therefore, was illegal. The Governor's obvious desire to rule without benefit of consultation with an elected Chief Minister, is indicative of his desire to oust the PDM from power."

C. Economic conditions

1. General

101. Since the 1960s the economy of the Territory has been based largely on property development and tourism, the export of fish (lobsters and conch) and government expenditure, the last of which depends almost entirely on external aid to cover capital expenditure and recurrent budgetary deficits. Nationals receive remittances from relatives living and working abroad, mainly in the Bahamas and the United States. The agricultural sector has not been developed owing mainly to the poorness of the soil and the scarcity of water. The manufacturing sector is in its infancy and consists of five fish processing plants located in various parts of the Territory and a small handicrafts centre. Commercial deposits of aragonite, a mineral composed of calcium carbonite, have been discovered, but their exploitation is awaiting certain infrastructural developments.

102. Traditional aid from the United Kingdom and investment from Canada, the United States and the United Kingdom have played a significant role in the economic development of the Territory. The processing and export of lobster and conch, the mainstays of the economy, are primarily under the control of foreign-owned companies. Real estate development and the hotel industry are also dominated by foreign concerns.

2. Economic development

103. The policy of the ruling PDM on economic development, as outlined by the Chief Minister following his appointment to office, is as follows: (a) to reduce unemployment (currently estimated at 35 per cent of the labour force) by expanding the fishing industry and reviving the salt industry; (b) to seek foreign investment on a joint venture basis; and (c) to grant an exclusive gambling casino licence to any interested party prepared to build a hotel with a minimum of 200 rooms. The Government also seeks financial aid from Canada and the United States to assist in the development of the Territory's infrastructure.

104. In order to promote economic development through the encouragement of joint ventures of local and foreign investors, the following legislation has been enacted: (a) the Companies Ordinance, 1970, to provide fiscal and other incentives to private investors for a period of up to 20 years; (b) the Encouragement of Development Ordinance, 1972, to grant relief to developers through tax and duty exemptions; and (c) the Development Board Ordinance, 1974, to stimulate economic development by obtaining loans and services from CDB for nationals engaging in agricultural, industrial or touristic enterprises (see also paras. 143-145 below).

105. It was reported in March 1979 in the Conch News, a local newspaper, and confirmed to the Mission during its visit, that the territorial Government in early 1979 had presented development proposals estimated to cost \$US 40 million (see annex VI to the present report) to a team from the British Development Division in the Caribbean led by Mr. John Edwards. It was further reported that the team had agreed to forward the development proposals to the United Kingdom Government.

106. The main projects include: (a) the dredging of North Creek on Grand Turk to provide a protected harbour, thus allowing for the construction of a yachting marina and further commercial development; (b) the extension of the fishing grounds to the Mouchoir and Silver Banks (south-east of Grand Turk); (c) the revival of the salt industry on Salt Cay and South Caicos by labour-intensive measures, to produce high quality salt by solar evaporation for the health food market; and (d) the establishment of a new industry, the exploitation of sea-bed aragonite (which is used in the manufacture of paper, paint, glass, fertilizer and steel) through the creation of a deep-water harbour on South Caicos. On the basis of the development plan, the Government held discussions with a number of foreign investors who had expressed interest in the construction of a 200-room casino-hotel on North Caicos and other real estate development projects on other islands. Marcona Industries of Fort Lauderdale, Florida, has expressed an interest in the development of the aragonite industry on South Caicos, with the condition that the Government would first have to establish the deep-water harbour.

107. In its recent report on conditions in the Territory, the administering Power stated that economic growth in the Territory continued to be adversely affected by conditions in North America and Europe, and that aid funds from the United Kingdom were the main source of project implementation, with emphasis on infrastructural development. It was reported, however, that several private investment initiatives from previous years and a few new ones were in various stages of progress, including (a) feasibility studies by the International Salt Company of the United States on the re-establishment of the solar-evaporated salt industry; (b) plans for ship-to-ship oil transfer and oil bunkering facilities; and (c) proposals for the development of a hotel and marina complex on Grand Turk.

108. It was also reported that, during the period prior to independence, the British Government would provide an annual allocation of £1.0 million in capital aid and £300,000 in technical co-operation aid for expenditure within the year in question on mutually agreed projects. In addition, the British Government would make a special allocation of £3.9 million for infrastructural development in support of the Club Méditerranée tourist village project (see paras. 114-115 below). Prior to independence, the administering Power would be prepared to examine the possible need for a resumption of budgetary aid (the 1979/80 territorial revenue estimates contained no provision for such aid) if the Government's budgetary position and future prospects should suggest such a need. The administration of any budgetary aid after independence would be the subject of a separate agreement. Upon independence, development aid of £5 million would be made available on grant terms for mutually agreed projects. A review of progress in the Territory's post-independence development programme and of disbursements under the grant would be conducted over a two-year period and a further allocation of development aid, to allow the development programme to continue, would be considered. Continuing support in the form of a technical assistance programme would be provided, including the provision of personnel and of training in the United Kingdom, on the basis of a memorandum of understanding to be agreed.

3. Land

109. In 1980, the total land area of the Territory was estimated at 50,180 hectares with the following population distribution:

	<u>Area</u> (hectares)	<u>Estimated population</u>
Middle Caicos	12,480	500
North Caicos	10,660	1,100
Providenciales	9,750	650
East Caicos	4,680	-
West Caicos	2,340	-
South Caicos	2,210	1,600
Grand Turk	1,820	3,150
Salt Cay	650	480
Other land areas	5,590	-
Total	<u>50,180</u>	<u>7,500 a/</u>

(a) Including 20 persons not listed above.

110. It was estimated that approximately 2,400 hectares of prime beach-front land were under the ownership of private land developers. The Mission was informed that the 70 acres of land to be used in the Club Méditerranée project on Providenciales had been leased from private sources.

111. All development is subject to the approval of the Planning and Development Authority (PDA) established under the Planning and Development Ordinance, 1965. The Authority consists of a Chairman and six members, with nationals being in the majority. The Territory's building code is based on the South Florida building code.

112. As the townships on Grand Turk and South Caicos continued to expand, the Government has taken the precaution of subdividing specific areas into house lots and reserving them exclusively for nationals at concessionary prices. At present there are no long-term loan or mortgage facilities available in the Territory other than those offered by commercial banks. The price of land in March 1980, depending on location and infrastructure, ranged from \$US 6,175 to \$US 148,000 per hectare.

113. In May 1979 the Ministry of Tourism and Development announced that the Government was making Crown land available under conditional development leases for industrial, commercial and hotel development as well as for home construction.

4. Property development

114. During 1979 the territorial Government supported the proposal of Club Méditerranée, a French group of developers, to establish a 650-unit tourist village on a 28-hectare site on the island of Providenciales, with a view to promoting package tours from Europe. The resort would provide full employment for 200 local residents and contribute an estimated \$US 3 million a year to the economy. Under the terms of the proposal, Club Méditerranée would invest about \$US 12 million, in return for which the territorial Government would provide the necessary infrastructure.

115. In early January 1980, Mr. Patrick Reardon, the acting Governor, announced that the United Kingdom Government had agreed to the immediate release of funds totalling more than £3.9 million for infrastructural development necessary to support the construction of the resort project. Such development would include an extension to the airport runway on Providenciales; road surfacing between the airport, the Blue Hills settlement and the tourist village site; the construction of official buildings; and the installation of water and electricity.

116. At the signing of the agreement between Club Méditerranée and the Government of the United Kingdom the following month, Mr. Reardon stated that the project represented an inducement to other investors, who had nothing to fear and everything to gain, whatever the future of the Government might be and whatever the electorate might decide on the future status of the Territory.

117. In July 1979 it was reported that a 72-room hotel, the Island Princess, was under construction at the Bight on Providenciales.

118. According to information supplied to the Mission after its visit, construction has started on the Caicos Reef Lodge on South Caicos, which will have accommodations and dining facilities for 50 persons. On Providenciales, the Leeward Marina and Villas company has completed five marina-front suites which are now in use. On Salt Cay a number of government-sponsored tourist cottages were completed in late 1979.

119. A number of other property development projects are in various stages of progress. Some of the major undertakings are described below.

120. Phase one of the White Sands Beach Resort hotel and condominium complex on Grand Turk was expected to start in May 1980. This plan calls for the construction of 200 two-bedroom condominium units on the island's south-west coast.

121. Marset International Limited has submitted proposals to the Government for the construction on Parrot Cay of a marina and boating channel; a 50-bedroom "five-star" quality resort hotel; 48 ocean-front homesites; 34 boating homes; and 27 houses. The total cost of the development is estimated at \$US 18 million and when completed it is expected to provide employment for over 250 Turks and Caicos Islanders. This development is designed to follow the success of the Little Disc Bay Resort in the British Virgin Islands. Rothermal Cooke, a London architectural firm, has been commissioned to produce preliminary designs.

122. The J. B. Kenneally Construction Company of New Jersey has submitted a proposal for a 40-hectare integrated resort hotel and residential community on West Caicos. The proposal includes plans for port facilities, 200 hotel and condominium units, scuba-diving and yachting facilities, residential development and an industrial park. It is also proposed to drain low-lying swamps in the immediate development area.

123. The above company is also reported to have submitted plans to the Government for the construction of a hotel, commercial and residential complex with a minimum of 50 units on waterfront property in the Cockburn Harbour area on South Caicos. It is noted that the Chief Minister was with an executive of the J. B. Kenneally Construction Company at the time of his death in early May 1980.

124. During its visit the Mission saw many private homes under construction throughout the Territory.

5. Tourism

125. The Government continued its efforts to strengthen the tourism industry by (a) accelerating the development of tourist facilities and air communications; (b) meeting the hotel industry's training needs; and (c) organizing publicity programmes both locally and in the main tourism markets.

126. Many of the private investment proposals currently being considered by the Government are related to tourism and, if completed, are expected to triple the number of hotel beds, which is presently estimated at 200. The main area of tourist development is Providenciales.

127. According to figures released by the Territory's tourist board in Miami, the number of non-resident visitors to the Turks and Caicos Islands rose from 5,599 in 1977 to 9,569 in 1978, an increase of over 70 per cent. Of the 9,569 visitors in 1978, a large proportion (7,194) came from the United States. It was expected, however, that this pattern would change in response to the successful tourist promotions in Europe and the completion of the Club Méditerranée holiday village.

128. During the first nine months of 1979, 7,406 non-resident visitors came to the Territory, compared to 6,873 during the same period in 1978, for an increase of 7.8 per cent. Inadequate air communications during the early part of the year and news of Hurricanes David and Frederick were thought to have discouraged visits during that period.

129. Air communications between the Territory and Miami were improved in July 1979 when Air Florida, a United States-based company, introduced non-stop jet service between Miami and Grand Turk. According to Mr. Edward Acker, Chairman of the Board of Air Florida, arrangements were made with Turks and Caicos National Airlines (TCNA) for the transfer of passengers destined for other islands in the Territory. Mr. Acker stated that the Territory's tourist industry was totally dependent upon air service, as were residents of the Turks and Caicos Islands who shopped in Miami.

130. In an article in The Green Flash, a local newspaper, in May 1980, it was reported that the Chairman of the Board of Air Florida had recently approved a schedule beginning 15 June according to which Air Florida would increase the frequency of its flights to the Territory from three to six days a week. Under the new schedule, Air Florida would fly from Miami to Grand Turk on Tuesday and Thursday and to South Caicos on Monday and Friday, returning to Miami in both cases via Puerto Plata, Dominican Republic. On Wednesday and Sunday, flights would arrive at South Caicos from Miami via Puerto Plata and return non-stop to Miami.

131. The Territory is also served by a number of small air charter companies. One such company, Blue Hills Aviation, announced in May 1980 that it had recently purchased 1980 Navajo Chieftain aircraft valued at \$US 400,000, which together with its Paper Aztec and Seneca, would provide full charter services in the Territory.

132. The number of enterprises involving marine sports, in particular scuba-diving, continue to grow in the Territory. Although mostly associated with hotels, these enterprises are beginning to attract charter boats. A recent development was the signing of an agreement on 6 May 1980 between the territorial Government and the Young Men's Christian Association (YMCA) to establish a fully equipped diving school and hotel complex on Salt Cay.

6. Agriculture and livestock

133. There is very little agricultural activity on Grand Turk and South Caicos, where the majority of the population resides, mainly due to poor soil capacity and low rainfall, about 69 centimetres per year. The Caicos Islands have more rainfall, particularly on Middle and North Caicos, where an estimated 30 hectares of land was considered suitable for intensive farming through irrigation and about 4,000 hectares suitable for dry farming.

134. Mr. Daniel Williams, Parliamentary Secretary in the Chief Minister's Office, told the Mission that maize, other vegetables and fruits were grown in the Caicos Islands, and recent experiments in producing certain agricultural products on demonstration farms and in school gardens had been very successful. He listed the main constraints to the development of the sector as: (a) a lack of funds for the purchase of seed, fertilizers and machinery; and (b) poor interisland transportation and inadequate market facilities in the capital. The services of an agricultural officer to assist the Government in the development of agriculture in the Territory have been provided by the British Development Division in the Caribbean.

135. Livestock, mainly cattle, pigs and poultry, is raised in most settlements to supplement food supplies.

7. Fishing

136. The fishing industry employs about 400 persons and is the largest employer in the Territory after the Government. The volume of business generated each year is in the neighbourhood of \$US 2 million. Government revenue from this source in 1978

amounted to \$US 109,310 (\$US 103,190 in export licences and duties and \$US 6,120 in fishing licenses). Five processing plants, four foreign and one locally owned, operate in the Territory, and export the bulk of their produce of lobsters and conch to the United States. There is also a traditional market for dried conch in the Republic of Haiti. Attempts to establish suitable markets elsewhere in the Caribbean and the United Kingdom have so far been unsuccessful.

137. In order to protect the resource of lobster, the Government imposes a closed season which extends from 1 April to 31 July. Attempts by plant operators and the now defunct fishing co-operative to encourage the catching of scale fish (as opposed to shellfish) for export during the closed season have been moderately successful. The Department of Fisheries comprises a fisheries officer and an assistant, four fishery inspectors and the crew of a fisheries patrol vessel. The staff is non-professional and the principal function of the department is to protect the marine resources through the licensing of boats and to promote conservation by enforcing closed seasons, limitations on the size of catch and other controls; it also monitors the operations of the processing plants and checks export licences. In 1978/79 the total budget for fisheries protection was \$US 39,025 (representing 0.7 per cent of the recurrent budget), of which \$12,063 was for salaries and \$26,962 for support services. The Government has no research programme of its own and relies on external institutions to provide such help. The Mission learned that limited research into marine culture had been undertaken on Pine Cay by a private organization and that the University of Miami had also conducted research.

138. In March 1979 it was reported that Mr. Peter Slessor, a United Nations official on secondment to CDB, had visited the Territory to examine ways in which certain specialized agencies of the United Nations could assist the Territory in the marketing of non-traditional exports. In his findings, Mr. Slessor identified the following possibilities: revitalization of the export of aquarium fish; full utilization of shark resources (shark fins bring \$US 9 a kilogram on the international market and the processed meat of a large shark is worth about \$US 30); the production of canned conch chowder and brine shrimp; and the marketing of seaweed and fish meal as fertilizers. Mr. Slessor made the point that if the raw materials were present and a market demand established, financial and technical assistance could more easily be obtained.

139. The lobster catch for the 1978/79 season was approximately 371,363 tails (322,000 kilograms) at a total value of \$US 994,276. An estimated 359,952 tails were exported, while the remainder were sold to local hotels.

140. Complete statistics on the total catch of conch are not yet available, but the amount supplied directly to the processing plants was approximately 3.1 million units with a value of \$US 563,400. In addition, approximately 7,300 kilograms of scale fish were processed for export by two of the plants during 1978.

141. According to information provided to the Mission by the Fisheries Department, the lobster catch for the most recent season (1 August 1979 to 30 March 1980) as recorded by the five processing plants amounted to approximately 407,000 kilograms. The conch catch for the period December 1979-March 1980 amounted to about 144,000 kilograms.

8. Industry

142. With the closure of the salt industry in 1964, there has been no industrial activity in the Territory other than the processing and packaging of fish and a limited production of handicrafts. In September 1977, the Government entered into an agreement with the International Salt Company of the United States, under which the company was commissioned to undertake feasibility studies into the viability of a large-scale solar salt evaporation industry on islands in the Caicos group. The company had planned to invest some \$US 35 million in this venture, with the hope of producing 1 million metric tons of coarse grade sea salt each year for export to North America and Venezuela. Also in 1977, the Government invited Marcona Ocean Industries, another United States-based company, to investigate the possibility of exploiting deposits of sea-bed aragonite through the creation of a deep-water harbour on South Caicos. The Mission was informed that because the territorial Government did not have the necessary counterpart funds to provide certain infrastructural work and other support facilities, both proposals were in abeyance.

143. The Development Board of the Turks and Caicos Islands was established as a statutory body under the provisions of the Development Board Ordinance, 1974. The main objectives of the Board are to promote, direct and influence the development of industry, agriculture and tourism, using loan obtained funds from CDB. The interest rate on loans is 8 per cent to persons whose net worth is less than \$US 150,000 and 10 per cent to those whose net worth is over \$US 150,000, to members of the Board and to members of the Legislative Council. It is the Board's policy that borrowers must contribute between 20 and 30 per cent of the cost of the project, and pay all duties, fees, costs and legal charges, if any. Long-term loans must be secured by a first mortgage and the amount of such loans is limited to 75 per cent of the value of the security. Medium- and short-term loans are granted against the mortgage of land and other acceptable security as the Board may decide.

144. In its 1978 report, the Board stated that of the 57 loan applications received during the review period, for a total of \$US 767,785, CDB had recommended approval of 10, valued at \$US 196,276. Three of those approved had not been executed because the borrowers had been unable to subscribe the required 20 per cent of the project cost. It was also reported that there continued to be a demand for credit for small industries, but the policy of CDB concerning members of the Legislature and their close relatives made it difficult to service many loans in such a closely knit society. It was noted, however, that CDB had relaxed some of the restrictions previously applicable in the Territory.

145. The Board observed that the lack of communications between islands made it difficult to serve some of them effectively. The Manager of the Board had been able only to make infrequent visits to the various islands during 1978. At the invitation of the Board, Mr. R. Fuller, Manager of the Belize Finance Corporation, had visited the Territory for the purpose of assessing the Board and making recommendations.

9. Currency and banking

146. All exchange control regulations were suspended in 1973, when the United States dollar became the legal tender in the Territory. The Government has subsequently introduced legislation establishing the Territory as a tax haven, and as a result over 630 off-shore companies, including international financial institutions, have been registered in the Territory. Approved recurrent revenue from this source in the 1978/79 budget was given as \$US 90,000.

147. Two commercial banks operate in the Territory (Barclays Bank International of the United Kingdom and the Oxford International Bank and Trust Company of the United States) in addition to the Government Savings Bank. All have their main offices on Grand Turk and operate branches on South Caicos and Providenciales.

10. Public finance

148. No direct taxes are levied on land, property or income in the Territory. According to the 1979/80 budget estimates (see annex VII to the present report), recurrent revenue totalling \$US 6.6 million was expected from traditional sources, including (a) customs duties (\$US 1.5 million); (b) internal revenue, including a hotel bed tax, stamp duties, company registration and rental of government property (\$US 317,500); (c) other department revenue (\$US 872,000), including philatelic sales of \$US 530,000; and (d) sales and royalties on coins (\$US 217,000). The revenue estimates also included the rental fees for United States military bases of \$US 2.6 million, or 40 per cent of total revenue (revenue from this source will decline in future years as the bases are phased out); a contribution from capital aid to the Public Works Department of \$US 350,000; and retainable surplus funds (from 1976-1978) of \$US 91,410. No provision for budgetary aid was made in the current estimates.

149. Recurrent expenditure for 1979/80 was estimated at \$US 5.5 million (\$US 5.8 million in 1978/79). The main items of expenditure were health, education and welfare, \$US 1.9 million (\$US 2.3 million in 1978/79); infrastructure, \$US 1.4 million (\$US 1.5 million in 1978/79); tourism and development, \$US 300,000 (\$US 382,804 in 1978/79); and salaries revision, \$US 400,000 (see para. 96 above).

150. Capital expenditure was estimated at \$US 2.6 million (\$US 1.6 million in 1978/79) from the following sources: United Kingdom development aid grants, \$US 2,040,000; Canadian International Development Agency (CIDA), \$US 7,490; CDB, \$US 418,000; and European Development Fund (EDF), \$US 100,000. United Kingdom aid will finance infrastructural development, including airport facilities, roads, electrification, water supply and training; the CDB funds are to be used in connexion with the National Diving School project (see para. 132 above) and the purchase of aircraft and equipment; and the EDF grant will be used for improvements to the South Caicos Airport.

151. The pattern of aid received from the administering Power in previous years is shown below. All figures are in thousands of sterling pounds:

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Budgetary aid	515	903	1,004	1,075	974
Project aid	394	387	829	689	316
Technical co-operation	96	153	213	191	123
Total	<u>1,005</u>	<u>1,442</u>	<u>2,046</u>	<u>1,955</u>	<u>1,413</u>

152. For the period 1977-1981, UNDP assigned to the Turks and Caicos Islands an adjusted indicative planning figure of \$US 633,000, later increased to \$US 765,000. Of this last amount, \$US 226,000 was budgeted for 1979, \$US 339,000 for 1980 and the remaining \$US 102,000 for 1981.

11. Communications and basic facilities

153. Only the main roads on Grand Turk are paved. The roads on the other islands are unpaved and are in various stages of disrepair. The allocation for road expansion and improvement in the current budget estimates is only \$US 17,203, which is less than the actual expenditure of \$US 24,957 in the previous year. However, road improvement between the Providenciales Airport, the Blue Hills settlement and the Club Méditerranée site will be financial under the special grant offered by the United Kingdom Government for the project.

154. The Territory is dependent on reliable air communication with the outside world for the operation of its tourism industry, the movement of its nationals and the transport of certain commodities, particularly in view of the absence of a single deep-water port. The Government continues to encourage more commercial airlines to operate regular international flights. As mentioned above (see paras. 129-130), Air Florida introduced non-stop jet service between Grand Turk and Miami in July 1979. In addition, Air Bahamas operates a weekly service between the Bahamas and South Caicos and TCNA provides thrice-weekly service between Haiti and Grand Turk.

155. During the period under review, improvements were carried out in the management and operation of TCNA as a result of arrangements between the territorial Government and British Caledonian Airways to operate TCNA according to stringent international standards for a period of three years at an annual fee of \$US 80,000. The local airline now operates two Islander aircraft within the Territory. CDB approved loans totalling \$US 368,000 in fiscal year 1979/80 for the purchase of two Islander aircraft, spare parts and communication equipment for TCNA. Another two aircraft are planned for eventual use by TCNA.

156. The airline's revenue increased from \$US 8,000 in February 1979 to over \$US 57,000 in August 1979 as a result of increased traffic. However, owing to heavy capital investment the airline is operating at a loss. In a government press release issued in late 1979, it was stated that TCNA and Air Turks and Caicos (AIRTAC), its parent company, had incurred a combined operating loss of \$US 221,283 for the period from May to September 1979.

157. Capital aid from the United Kingdom has been approved for a wide range of improvements to the Territory's airport facilities.

158. It was reported in December 1979 that an agreement had been reached between the territorial Government and the United States (to be ratified by the United Kingdom and the United States), under which the Grand Turk Auxiliary Airfield would be turned over to the Government of the Turks and Caicos Islands. The airport will be operated by employees of the territorial Government while continuing to use equipment provided by the United States. The Territory is expected to benefit from the training of its nationals and from increased landing fees. Under the terms of the agreement, United States Government aircraft will be exempt from landing fees, but the United States Government will use its good offices to secure funds for improvements to the runway and aprons.

159. As part of its development programme, the territorial Government is seeking funds from the United Kingdom for the development of deep-water ports. The Mission was informed by members of the Government and the public that, because the Territory currently has no deep-water ports, it is not served by large sea-going vessels and therefore has to transship goods, using vessels that are inadequate and of doubtful seaworthiness. The Minister of Tourism and Development considers that the establishment of a deep-water port would greatly enhance the prospects of certain development proposals that are pending.

160. The ports of entry are Grand Turk, South Caicos and Providenciales. The maximum draught of vessels is limited to about 3.7 metres. The United States Air Force base at Grand Turk has the best jetty in the Territory, but civilian traffic is limited. The high cost of both import and export of goods by air is a basic constraint to development.

161. The Department of Public Works and Utilities is responsible for the supply of electricity in the Territory, which it currently provides only to Grand Turk and South Caicos. Providenciales has two private electrical utilities supplying power to residential developments. The Government is continuing its efforts to the increasing needs of the Territory.

162. The scarcity of fresh water is a serious problem in the Turks and Caicos Islands, there being very little rainfall and long seasonal droughts. Surface water exists only on Pine Cay, which is privately owned. During times of drought, the Government provides water to people in Grand Turk, South Caicos and Salt Cay, where the bulk of the population resides, at a subsidized price. Sewerage and waste disposal is a problem on Grand Turk, where the system is limited. Garbage disposal is irregular. There is a definite need for an improved public waste disposal system.

12. Trade

163. According to a recent report of the administering Power, the Territory imports nearly all its requirements. Total imports declined from \$US 7.5 million in 1977 to \$US 7.1 million in 1978. (Imports from the United States were valued at \$US 5.2 million in 1978). Total exports also declined, from \$US 2.4 million in 1977 to \$US 1.7 million in 1978. The trade deficit now stands at \$US 5.3 million. However, this deficit is offset by invisible earnings largely from the tourist industry, the off-shore financial industry, remittances from abroad and external aid sources.

164. As previously mentioned (see para. 90 above), a trade mission organized by JNEC visited the Territory in early 1979. Following the visit, JNEC announced that it had received orders worth \$US 55,600 and had identified an annual market of about \$US 500,000 for Jamaican exports. It further announced that a cargo charter had been signed to provide regular shipment of goods from the Jamaican capital to Grand Turk, a measure which would correct the problem of unavailability of regular cargo facilities between the two countries.

D. Social conditions

1. Labour 6/

165. According to a report commissioned by the British Development Division in the Caribbean entitled "A Survey of the Employment Position, Potential and Prospects of the Turks and Caicos Islands", by Mr. R. Vaughn Evans, the territory's labour force almost doubled during the period 1970-1978, when it rose from 1,573 to 2,943. The male labour force grew by more than 50 per cent from 1,062 in 1970 to 1,634 in 1978 while the population of working age increased by only about one third, which would imply a modest increase in male participation in the labour force. The female labour force, on the other hand, increased by over 150 per cent during the same period (from 511 to 1,573), suggesting a very substantial increase in female participation in the labour force. Labour force participation was higher in the lower Caicos Islands and Salt Cay, where elderly people continued to seek work under the Welfare Works Programme, than in the more industrialized Grand Turk and South Caicos.

166. The role of the Government as the main employer, following the demise of the salt industry, is particularly evident in the Turks Islands. Over all, more than 40 per cent of the labour force is employed by the Government, ranging, from 17 per cent on Providenciales and 22 per cent on South Caicos to 61 per cent and 65 per cent on North and Middle Caicos, to 88 per cent on Salt Cay. South Caicos has escaped this reliance on Government employment through its bouyant fishing industry, while Providenciales has built up a vibrant private sector based on fishing, tourism and real estate development. North and Middle Caicos continue to rely on welfare-oriented work programmes to supplement low cash incomes.

6/ Statistical information concerning the Territory's labour force is contained in annexes VIII and IX to the present report.

167. The unemployment rate, which stood at 8.8 per cent in 1970, rose to 17.3 per cent in 1978.

168. Internal migration of the labour force indicated a movement of young adult workers to Grand Turk, South Caicos and Providenciales. External migration continued to be towards the Bahamas and the United States.

169. In projecting the labour force situation over the decade 1978-1988 based on certain population progressions, Mr. Evans predicted in his report that labour surplus would develop on Salt Cay (65), North Caicos (290), Middle Caicos (100) and most severely on Grand Turk (690), while labour shortages would occur on South Caicos (210) and Providenciales (930), effectively balancing out the surpluses. He suggested two policy options which the Government might consider to deal with such a trend: (a) the selection of specific growth centres in the islands and the relative concentration of scarce public investment resources on Providenciales and South Caicos; and (b) the provision of Government social and economic services to encourage interisland labour mobility.

170. The Government continues its efforts to create employment opportunities by the stimulation of economic development and to improve the present working conditions of all labourers.

2. Public health

171. Public health, medical and sanitation services are administered by the Chief Medical Officer and his staff, which includes three doctors. The Territory is served by the 26-bed General Hospital at Grand Turk, which contains a small operating theatre. The hospital compound also has a 10-bed infirmary to provide accommodation and care for the elderly and the infirm.

172. Medical clinics staffed by a registered nurse and an assistant are maintained on Grand Turk, Salt Cay and South Caicos. There are two such clinics on Providenciales (one of which is privately operated), two on North Caicos and three on Middle Caicos. There are two dental clinics, one on Grand Turk and the other on South Caicos.

173. As stated above (see para. 93), Mr. Skippings, the Minister of Health, Education, Welfare and Local Government, attended the Fifth Regional Conference of CARICOM Ministers of Health held at Antigua in July 1979. In his statement to the Conference, Mr. Skippings pointed out that the Territory had a special problem because many health services, facilities and personnel positions had to be duplicated on the six inhabited islands. He added that, with the help of the Regional Director of the World Health Organization (WHO) and the Pan American Health Organization (PAHO), the Territory had obtained certain projects, including: (a) a mosquito control programme to minimize the risk of dengue, yellow fever and malaria; (b) a water purification scheme; and (c) basic facilities for the early detection of cancer.

174. The Mission was informed of the inadequate supplies of medicine in many of the clinics and of instances when patients who could not be treated either at clinics or at the General Hospital (such as those requiring major surgery) had had to be flown to Miami, Haiti or the Bahamas for treatment.

E. Educational conditions

175. The administration of education in the Territory is under the control of the Minister of Health, Education, Welfare and Local Government, who is assisted by a Chief Education Officer and a staff of three. A Board of Education is appointed annually.

176. Education in the government schools is free and attendance is compulsory in all the islands. In 1969, the scholarship system was abolished for secondary education. Parents of students from other islands who attend the high school on Grand Turk are given a grant of \$US 25 a month to assist with the cost of lodging.

177. Primary education is conducted in 14 government schools and serves children from 4 1/2 to 15 years of age. The 12-15 year age group represents those who do not gain entrance to the secondary schools.

178. Secondary education consists of two schools which offer a five-year education leading to the General Certificate of Education (GCE) (O-level) and one junior high school which offers a three-year course and transfers students to the five-year programme.

179. There are no technical or vocational schools in the Territory, although the Grand Turk High School has a vocational wing which prepares students for external courses in woodworking and technical drawing. The school also provides classes in home economics and dressmaking up to the GCE level.

180. In 1978 there were 2,450 children of school age, of whom 2,312 were indigenous. Enrolment was as follows:

	<u>Boys</u>	<u>Girls</u>	<u>Total</u>	<u>Teachers</u>
<u>Government schools</u>				
14 primary	889	803	1.692	82
3 secondary	289	331	620	40
<u>Independent schools</u>				
1 primary Bible Baptist	64	74	138	4

181. The training of an adequate number of local teachers remains one of the principal educational problems. The shortage is the result of an unforeseen increase in the number of school-age children in the rural areas and the high proportion of teacher trainees not completing their courses or moving into other types of employment. There are no teacher-training facilities in the Territory. During 1978, there were eight teachers attending education courses abroad.

182. Under the 1979/80 budget estimates, expenditure on education on the recurrent account was \$US 538,178, or 8.3 per cent (\$US 588,806 the previous year). Capital expenditure for education was estimated at \$US 391,644 (\$US 266,556 in the revised estimates for 1978/79).
