

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

PROCEEDINGS AND DEBATES OF THE SECOND SESSION (1959—60)
OF THE FIRST LEGISLATURE OF THE WEST INDIES,
CONSTITUTED UNDER THE WEST INDIES
(FEDERATION) ORDER IN COUNCIL, 1957.

2nd Sitting

Thursday, 19th November, 1959

HOUSE OF
REPRESENTATIVES

The House met at 2.30 p.m.

Prayers

[MR. SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Mr. Speaker : I have the honour to inform the House that the hon. Member for St. George East (Mr. A. Gomes) has asked for leave of absence for a short time — he has not specified the time. If it is your wish and pleasure I shall grant him permission to be absent for a fortnight.

I shall now ask the Leader of the House to move the necessary Resolutions about various Committees.

COMMITTEE OF SELECTION

The Minister of Finance (Mr. Bradshaw): Mr. Speaker, I beg to move that a Committee of Selection be appointed to conform with Standing Order No. 69. As you know, Sir, all Committees lapse at the end of each session and this is just a formality for re-appointment. The Mem-

bers of the out-going Committee were :

Mr. Speaker (*Chairman*)
Mr. Delapenha
Mr. Hill
Mr. Robinson
Mr. Bryan
Mr. Bramble
Mr. Adams.

I move, Sir, that this House do appoint a Committee of Selection and that the hon. Members whom I have named be appointed to serve on the Committee.

Question put and agreed to.

SPECIAL SELECT COMMITTEES

Mr. Bradshaw : I beg to move that the following Committees, which lapsed after the last Session, be re-appointed :

- (i) The Select Committee to consider the Representation of the People Bill.
- (ii) Committee to deal with disqualification of Members.
- (iii) Committee on the preservation of places of historical interest in The West Indies.
- (iv) Committee to deal with the question of broadcasting of proceedings of the House.

Question put and agreed to.

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PAPER LAID

The Supplementary Estimates (No. 2) 1959.—[*Minister of Finance*]

**APPROPRIATION (1960) BILL
(Second Reading)**

Mr. Speaker: Before I call upon the Minister of Finance, I want to ask the permission of the House to do what was done on the last occasion, as the Committee on Broadcasting has not yet reported. On the last occasion the speech of the Minister of Finance, introducing the Budget, was broadcast. If it is your wish that the same procedure be followed, it will be done on this occasion. I may explain that the Committee itself had discussed this question before the end of the last Session and it was in favour of that particular speech being broadcast, with also some other things added.

Mr. Hill (Surrey, Jamaica): Mr. Speaker, the Opposition has no objection but would like to make the suggestion that similar facilities be afforded one corresponding speech from this side of the House on the same subject.

Mr. Speaker: As far as I remember, that also was agreed to in Committee at a certain stage, but then, after that, we could not get any Members to form a quorum. I take it that you have no objection on this (Government) side of the House and none on this (Opposition) side of the House.

Mr. Bradshaw: Mr. Speaker, I have the honour to move the Second Reading of the Appropriation Bill, 1960. Details of the financial requirements for the year

1960 are set out in a Memorandum which explains the provisions in the Estimates.

The inconclusiveness of the inter-governmental conference which wrangled for nine painful days from 28th September to 8th October last has left the Federal entity in a state conducive to demoralising immobilism. In such a dangerous condition the Federation is likely to dash the burgeoning hopes of our emergent and hard-pressed people and cause them to be frustrated; to forfeit growing recognition abroad; to court the ridicule of a hard world; to attract the contempt of our enemies and to cause reasonable doubt and awaken latent skepticism in metropolitan quarters. This is indeed a dark night; let the light of reassurance and renewed confidence hasten to disperse its dreary gloom lest decay set in and dissolution be the result.

In the circumstances the Government has deployed every resource at its command to retrieve the situation and to snatch the Federation from the very lip of near certain disaster. This is a time for understanding; for greatness; for magnanimity and for a tangible display of the resourceful leadership which this Government possesses: the Government is doing and giving all of these. It will secure the foundations and reinforce the superstructure of the Federation so as to ensure that the edifice can never be destroyed.

Over the last twelve months we have lived within our budgeted means and resolutely kept out of debt.

The approved Estimates for 1959 provided for Revenue of \$11,301,834 and Expenditure of \$10,532,735 (exclusive of C.D. & W.

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Schemes) thus allowing a surplus of \$949,099 on the year's working. Due principally to the fact that currency profits from Jamaica were larger than were anticipated, revenue is revised at \$11,602,534. On the other hand, Supplementary Estimates have caused Expenditure to be revised at \$10,492,262 and the resulting surplus is now estimated at \$1,110,272. When this figure is added to the accumulated surplus balance of \$2,334,610 at 1st January, 1959, the estimated surplus balance at 31st December, 1959, will be \$3,444,882. The greater part of this balance has, however, already been committed on account of policy decisions taken by this Government as I will explain when dealing with the budget proposals for 1960. Before I turn to 1960, however, I am impelled to recite a few of the solid achievements of the Government during the last twelve months.

The Honourable the Prime Minister has, by his consummate charm and diplomatic skill, succeeded in establishing and maintaining our Commonwealth and foreign relations at a very high level of cordiality; and his Department has, with the kind and generous aid of Canadian experts, drawn up a scheme for a Federal Broadcasting Service.

In the Ministry of Trade and Industry conclusion of the comprehensive and far-reaching agreement on Citrus and the successful Trade Mission to the United Kingdom, stand out to be seen by all and to benefit many of our people and industries.

The survey of the potentials of the Tourist Industry within the Federation which was very kindly and efficiently done by the Honourable Abe Issa of Jamaica at the invitation of the Honourable Minister

of Trade and Industry has thrown in sharp relief the immense potential for long term investment that lie, largely untapped, in the golden sands, the indigo skies, and emerald waters of all our islands.

The Ministry of Natural Resources and Agriculture was successful in setting up the Regional Natural Resources Council generally to promote the development of the most efficient use of the natural resources of the region and the welfare and development of agriculture and allied industries. Another of its functions will be to receive and consider reports and recommendations made by the official Standing Committee on Agriculture, Animal Health and Husbandry, Forestry and Fisheries and also by the Regional Research Committee for Agriculture and Allied subjects.

Advisers from that Ministry were made available for assignments in agricultural development and marketing in Dominica, Jamaica and St. Kitts among other Territories.

Surveys of the agricultural potential in the Leeward and Windward Islands were made and an agricultural census will be undertaken in 1961.

The Honourable Minister made extensive tours in the various Territorial Units that he visited.

The Honourable Minister of Communications and Works succeeded at talks in London last June in securing acceptance of Government's view that an investigation into the affairs of British West Indian Airways was a pre-requisite to a decision as to our policy in relation to the Airline as a national carrier. The investigation will take into account the relationship between

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B.W.I.A. and B.O.A.C., among other matters. But the talks produced short term results in that schedules and route arrangements are to be revamped to enable B.W.I.A. to increase its earnings and operate across the Atlantic into the United Kingdom.

Agreement was reached with the Canadian Government as to the type and specifications of the ships that are to be built in the Dominion for presentation to the Federal Government. Contracts have been let for the ships and our advice is that they will be ready for delivery in about eighteen months' time. The advice given to Territorial Governments in 1957 by a Mr. Mc Lellan whose services had been secured to survey shipping needs of the British area from Jamaica to British Guiana was that the success of any scheduled service between the islands depended upon ships built especially for the purpose. The vessels in question have therefore been designed in an effort to meet the requirements of the Federation in the aspects of passenger accommodation, cargo space and speed but without any change in overall size from what was originally recommended by Canada. Government is greatly looking forward to delivery of the ships and inauguration of the new service with them because they will enable travelling to be done and vital services to be rendered that will help to cement and generate in the minds of all our people the necessary oneness which is so essential to our existence and progress as a nation.

A team of Canadians investigated port and harbour facilities in the Federation for the purpose of making recommendations for improving them. The Federal Senior Eco-

nomist worked with the team whose report was recently received and is being studied. It has been planned that Canadian engineers will study the technical aspects of the report so as to supply us with all the vital information upon which plans for overall development of harbour facilities throughout the Federation could be based.

Of the ten Federated Territories, only four: Jamaica, St. Lucia, Grenada and Trinidad, have berthage facilities. St. Kitts, Antigua, Montserrat, Dominica and St. Vincent are without and Barbados is now building a deep water harbour. The double handling of cargo: from ship to lighter to wharf, and vice-versa, in the ports without berthage facilities constitutes a great handicap to the speedy turn-around of ships, and increases the cost of handling which results in higher prices to consumers. Government will therefore do everything within its delimited powers to help in this vital matter. Already a Canadian has been assigned for service in Jamaica to organise a Port Authority there.

The Ministry of Labour and Social Affairs successfully organised the first ever competition on low cost house planning during the early part of this year; the competition was open to qualified architects practising in The West Indies, West Indian students studying architecture overseas and persons engaged in house designs for a Housing Authority in The West Indies for at least two years. The prizes awarded were made available through the generosity of the Canadian Bank of Commerce, the Bank of Nova Scotia and the Royal Bank of Canada. The Federal Government expects as a result of the competition to make improved house plans available to prospective home owners and builders at reasonable cost.

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In June this year, for the first time, the Federation was represented at the I.L.O. in Geneva by a Federal Minister assisted by advisers from Unit Territories. This was made possible as the result of observer status having been conferred upon the Federation through the agency of Her Majesty's Government at Westminster; and the Honourable Minister of Labour and Social Affairs exemplified the Federal presence in the important deliberations of that organisation.

Important conferences on Social Welfare, Nursing Administration, Nursing and Labour were organised by the Ministry and held here at Federal House, in Barbados and in Grenada. The guiding principle upon which the conferences were based was to bring people of like minds and parallel professions or vocations together for a better understanding of mutual problems in order to promote a unified approach to those problems for the benefit of our people whom they serve.

The Ministry of Finance continues to be responsible for the coordination of Territorial applications for assistance and for the general administration of regional schemes controlled by the Federal Government. During the year grants totalling \$9,754,032.00 were approved by the Secretary of State on behalf of all Territorial Governments.

The enactment by the U.K. Parliament of the C.D. & W. (Amendment) Act, 1959, provided the West Indies with \$43,200,000 W.I. (£9 million) of new C.D. & W. money for the period ending 31st March, 1964. Official announcement of the sub-allocation of these funds by the Federal Government

(in collaboration with the Secretary of State) was made on the 21st of October. The new sub-allocations, together with the unspent balances of the previous allocations, will provide a total of \$75,201,600 W.I. (£15,667,000) of C.D. & W. funds for expenditure during the five-year period ending 31st March, 1964. Governments have been requested to review their development programmes in the light of these new allocations and to supply the Federal Government with details of the development projects to be undertaken over the period 1960-64. This information will enable the Federal Government to assess the relative importance and urgency of projects put forward for C.D. & W. assistance as well as the extent of any additional assistance (technical, advisory or financial) which might be required by the Governments for the speedy and effective implementation of programmes.

Discussions were held with officials of the Canadian Government early in the year on the use of the \$10,000,000 (Canadian) (\$18,000,000 W.I.) grant to the Federation. On the basis of these discussions approximately \$6,000,000.00 (Canadian) have been earmarked for the construction and equipment of two ships to provide a regular inter-island service. The remainder will, with the approval of the Canadian authorities, be applied to finance a list of development schemes for our Territories. Since the initiation of the programme seventeen specialist technical or advisory personnel have been assigned to the Federal Government in a variety of fields for periods ranging from two months to two years and awards totalling approximately \$300,000 W.I. have been

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approved for training courses. The total cost of these is, of course, being deducted from the overall grant.

On the 26th February an agreement was signed with the Institute of Inter-American Affairs of the U.S. International Cooperation Administration (I.C.A.) for a programme of technical cooperation. This was followed in June by the signing of a Windward Islands American Cooperative Service Agreement and subsequently a West Indies-American Cooperation Service Agreement. These agreements each establish a Cooperative Service to undertake studies and initiate and administer projects for economic development. Funds for the Windward Islands Service are provided jointly by the Windward Islands and I.C.A. — each contributing \$85,700 (U.S. \$50,000) in respect of the twelve-month period ending on the 31st May, 1960. The West Indies Cooperation Service is financed by a unilateral contribution of \$85,700 (U.S. \$50,000) by I.C.A. for the same period. It is hoped that the I.C.A. contributions will be continued in subsequent years. Under a subsidiary agreement special assistance was also provided during the year in the fields of technical education \$514,000 W.I. (U.S. \$300,000), road building equipment \$171,000 W.I. (U.S. \$100,000). Other assistance was obtained from the United States during the year in the form of Technical and Advisory staff (Dr. A. F. Albers, I.C.A. Economic Development Adviser joined the staff of the Ministry in June and other specialist staff were assigned to the Windward Islands, Barbados, Antigua and Montserrat), and training courses: of which over 60 awards have so far been made for technical and vocational training in Puerto Rico.

Assistance totalling approximately \$1.46 million W.I. (U.S. \$850,000) has been allocated by the United Nations Special Fund to assist with the establishment of an Engineering Faculty at the U.C.W.I. During the year, visits were received from Mr. David Owen, Chairman of the U.N. Technical Assistance Board and Mr. Antony Gilpin, Deputy Director (Programme Division) who spent about ten days at Federal House briefing the staff of the Ministry on United Nations Technical Assistance and the preparation of programme requests.

Grants totalling \$7,282,655 W.I. were made to grant-aided Territories during 1959 to cover ordinary budget deficits.

On the advice of an Expert from the Bank of England, the services of a Currency and Banking Adviser are being sought to carry out a fact-finding investigation preparatory to the formulation of plans for a Federal Central Bank. In this connection discussions were held with the Jamaica Minister of Finance and a representative of the Colonial Office, in February, to consider the Jamaican Government proposals for setting up a Central Bank. The Federal Government is satisfied that the Jamaica proposal will not in any way prejudice the Government's plans when they materialise.

In May the Federal Exchange Control Act was passed by Parliament. This legislation will enable the Federal Government to produce a common code of exchange control procedures for implementation throughout the Federation. Appreciable assistance was provided by a senior official of the Bank of England Exchange Control Department who visited the Region at the invitation of the Government and held discussions with Government Officials and

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Bank Managers. It is expected that adequate arrangements for bringing the Act into force will be completed shortly.

The long hoped for merger of the Imperial College of Tropical Agriculture with our University College was arranged for, early this year, with the kind help of an old friend and respected servant of The West Indies, Sir Stephen Luke. The joint institution will cost us quite a bit more; but out of the happy consummation will flow greater educational strength to our people and higher prestige to those who have the honour to drink from that bubbling fount of learning.

Economic activity has been kept attuned to the vibrant nature of the West Indian temperament but not parallel to our needs: During the first nine months of this year seventeen products and nine companies with a capital value of \$3,502,080.00 (£729,600) were given approved status under Jamaica's Industrial Incentives and Export Industry Encouragement laws. The range of products includes such items as cellulose bags, typewriters, receiving audio amplifiers and fittings, motor-cars and motor trucks. Seven hotels were under construction (they will provide another 1,294 beds), and the processing applications for the establishment of new industries continues apace.

In Trinidad and Tobago ten industries have been granted Pioneer Status and several applications for a similar privilege are being given consideration. The \$25,000,000.00 Government 6½% Bond offering has attracted gratifying response throughout the Federation and beyond. It has stirred people in every corner of the Territory as was evidenced by the irate voice of an anxious County Councillor who

spoke to me on the long distance telephone from Guayaguayare on 12th instant saying: "What happening? People down here wild asking for application forms for the Bonds and we ain't have any; I would like to get some tomorrow morning." Of course, I at once relayed the information to my joyous opposite number in the Trinidad Government (Dr. Williams) to whose Ministry the Councillor thought he had spoken.

The share capital for a Brewery in Barbados was over subscribed in short order a few months ago, with the result that the Company has had to resort to allotment of shares. Hotel construction continues in that Territory.

Antigua is a hive of activity with hotel building and several holiday resorts are being proceeded with in Grenada. Improvement of aerodromes in St. Kitts and St. Lucia to accommodate four-engined aircraft are in an advanced stage and Tourist Hotels are planned for these two places. The building of airstrips in Dominica and St. Vincent is serving to attract many promising visitors to these Territories. And Montserrat is giving a good account of herself: an hotel is under construction and a Canadian Company has applied for permission to establish a Tomato processing plant there. Industrial Estates are being developed in Antigua, St. Kitts and St. Lucia.

However, our people, mostly the cream of them, continue to migrate in search of a better and fuller life that would provide them with full time as against the mainly seasonal employment which our predominantly agricultural economy provides. Our Federation will only be able to retain its

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people by providing jobs and increasing opportunities for them. But we are a poor and under-developed nation.

At the end of 1958, the Public Debt of the Federation stood at approximately \$265,828,000, or \$87.44 per capita : ranging from \$100.50 in Jamaica to \$5.97 in Montserrat.

I am advised that next year at least two of our non-grant-aided Territories will be forced to do deficit financing on their Budgets. And may I be permitted to remind you, Mr. Speaker, that of our ten Territories six — Antigua, Dominica, Grenada, Montserrat, St. Lucia and St. Vincent — are grant-aided ?

I think, Sir, that I have said sufficient to make it patent that the Federation as a whole is not in the best possible health, either financially or economically. The cold and incontrovertible fact which faces us is that in every single Unit Territory it is — and will be — a compelling necessity to generate increased and increasing wealth if we are to retain even the unbuttered bread in our mouths even if “twere possible to ignore our disturbing rate of reproduction. The portent is that economic viability might constitute the hinge upon which the door of West Indian nationhood may swing.

Woven into the general context of expansion of trade and strengthening of our economy, and indeed of nationhood itself, is Customs Union and all that goes with it. A Federal Customs Union is urgent and inescapable and over the waters of the Caribbean which join us together I appeal to all Unit Governments to support the lead of my government in this paramount matter.

Let it not be supposed, though, Mr. Speaker, that this is self pity; it is only a recital of the naked, if painful, truth.

But the Federation possesses some resources, Mr. Speaker. The most potential of these is our people who are hardy and resilient, keen and adaptable, vigorous and progressive. At the end of 1958 there were on deposit in our banks and Building Societies \$503,423,000.00 which, taken against a mid-1957 total population of 3,040,000 persons reflected per capita savings of \$165.59, *id est*, (\$136.13 per capita Jamaica \$131.70 in the Leewards). In addition there is in the United Kingdom many millions of dollars in assets standing to the credit of West Indian Governments and people. Ways and means must be devised, by those of us capable of doing so, to turn West Indian savings to economic advantage in our Territories.

Mr. Speaker, the result of an exercise which I organised with respect to seventeen items of foodstuffs, drink, and necessaries that could be produced locally is very revealing. It shows that in 1958 of a total of \$115,600,000.00 spent on Rice, Onions, Cornmeal, Peas and Beans, Potatoes (Irish), Beef and Veal, Pork and Mutton, Coffee, Soap, Groundnuts, Poultry, Eggs, Tomatoes, Beer, Gin, Leather goods and Animal Feeding Stuffs, \$62,250,000.00 worth or 85.2 per cent was imported; and that if the imports were to be replaced by domestic production — which indeed they can be — the extra man-power required might be of the order of 50,000 man equivalents per year excluding secondary employment effects. I take the commodity, eggs, to illustrate the feasibility of replacing importation of the commodities mentioned by domestic production : of the

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10,000,000 dozen eggs consumed last year, valued at \$12,000,000, 9,415,000 dozens or 94.15 per cent were produced within the Federation. This is a notable achievement representing years of devoted and sustained effort by people of vision. The achievement is being repeated in poultry supplies and it can be repeated again and again with respect to the commodities enumerated. Clearly then, Sir, in the field of food production alone there lies fallow abundant material for West Indian initiative and enterprise!

Our visible trade in 1958 was adverse to the tune of \$151,995,000, *id est*, imports of \$859,151,000 as against exports and re-exports of \$707,156,000. The position was relieved in some measure by "Invisibles". The direction of trade has remained unchanged, with the United Kingdom being our best buyer and foremost supplier, and Canada our next best customer. It is indicated, however, that with the removal of restrictions on dollar imports Canada and the United States will assume formidable postures from which systematic sorties may be mounted to reduce the British position. West Indian governments and businessmen must take courage, jettison the out-worn attitude of waiting for business to come to them, and get cracking *a la Jamaïque*. Let us all remember that streams, however slow moving, erode their banks and that it is the moving water that carries away the soil — never the reverse. The West Indian is by nature vigorous and impatient; and he must go after business, especially in the countries with which The West Indies trade at substantial deficits annually. The United States, Australia, New Zealand, Holland, Western Germany and Czechoslovakia, are patent examples.

At the Inter-Governmental Conference on the Federal Constitution, this Government presented a paper emphasizing salient facts about the financial position of the Federation which should have already been well known. I am persuaded of the necessity to repeat them here, and I do so, Mr. Speaker, in the nature of Byron's:

" . . . telescope of truth,

Which strips the distance of its phantasies,

And brings life near in utter nakedness,

Making the cold reality too real!"

The revenue from sources available to the Federal Government during the first five years (assuming no diminution in revenue from currency profits) amounts to \$11.7 million approximately per annum. More than half of this is applied to Regional Services, such as, the combined University College of The West Indies with its Teaching Hospital, and College of Tropical Agriculture; the West India Regiment and the Regional Shipping Service, all of which represent services transferred from Territorial Budgets to the Federal Budget. After allowing for contributions received from non-federating Governments, the net expenditure on Regional Services amounts to 48.9% of the Federal Government's 1959 Budget Revenue, leaving only 51.1% freely disposable.

Our paper was predicated upon the assumption that:

- (a) no new services will be established;
- (b) the annual increase in expenditure due to increments, increased costs and normal growth of existing services can be held at five per centum;
- (c) there will be no diminution in revenue from currency profits as a result

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of the establishment of a Jamaican Central Bank and the possible creation of a Federal Central Bank before the end of the period; and

(d) no provision is made for reserves; and it was shown that budget deficits could be anticipated in 1961 and 1962, and that there would be a net estimated accumulated surplus at 31st December, 1962, of \$3.2 million. This estimated surplus would consist of the carry-forward of the whole of the surplus for 1958 and part of that for 1959. 1958 was however an abnormal year, in the sense that various services were only initiated part way through the year whereas the maximum mandatory levy was demanded from the Territories. In the event, if 1959 is regarded as a normal year (and the Estimates by no means provide for all the personal emoluments and other charges which are required for efficient operations) it is apparent that even in this year the Federal Government is living above its means since at that level of expenditure it was not possible to make the necessary advance provision for —

- (a) the University College, both capital and recurrent costs. (The Cato Report recommended an additional annual subvention of \$2,400,000 by 1960);
- (b) capital for the establishment of a Federal Central Bank;
- (c) the merger of the Imperial College of Tropical Agriculture and the University College, which will cost \$192,000, annually in 1961/62, and 1962/63; and \$288,000 — \$432,000 thereafter;
- (d) contribution to a successor organisation to the Caribbean Commission;

- (e) Regional Broadcasting;
- (f) Civil Aviation;
- (g) Telecommunications; and
- (h) the Regional Shipping Service against estimated increased cost for operating the two Canadian gift ships.

It was recorded in the paper that against the background of salaries revision in Jamaica and Trinidad, the Federal Government is already finding it difficult to provide such conditions of service as are necessary to recruit and retain the complement and calibre of staff required for the efficient conduct of its business: yet the Government is for financial reasons unable to formulate definite policy in this regard.

Taking notice of the suggestion that the Constitution was so framed as to ensure that the Federal Government should not until 1963 embark upon activities such as those I have mentioned, it was forcefully pointed out that there are other activities which can *not* be postponed until 1963 if early Dominion status for the Federation is to be achieved: for instance, overseas representational services must be built up in countries where they do not at present exist (particularly in the United States); the Commission in Canada must be strengthened; a nucleus of career diplomatic staff must be recruited and trained; The West Indies must participate more fully in international organisations; and financial arrangements must be made for membership in the International Monetary Fund and International Bank for Reconstruction and Development.

It was stressed in the paper that the Federal Government, by reason of the constitutional provisions, is the one Govern-

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ment in The West Indies which is precluded from sharing in tax revenue generated by increased economic activity; and the one Government which has no protection against decreases in the value of money since the expenditure side of its Budget reflects such decreases where the revenue side does not.

The paper strongly urged recasting of the constitutional scope of the Federal Government which would have necessitated a special review of the fiscal relations between Federal and Territorial Governments in the light of such new definitions of the role of the Federal Government as might be agreed at the Conference. We accordingly proposed:—

- (a) that the provisions of the first draft of the Constitution in regard to duties on the scheduled commodities be restored; and
- (b) that the period of five years in respect of the limit on the ranges of duty set out in the Fourth Schedule to the Constitution be shortened to accord with whatever timing was proposed by the Conference for the achievement of Dominion Status.

The anticipated result of these proposals was replacement of the mandatory levy of \$9,120,000 by consumption duties estimated to yield \$12 million in 1960 rising to \$14 million by 1962.

The Paper was not however considered by the Conference, and it is now left for a Committee to go into the whole question of Federal finances. For yet another year, therefore, the estimates of expenditure have been drafted on the basis of a mandatory levy of \$9,120,000.

Mr. Speaker, the Draft Estimates for 1960, which I now present to this Honourable House, provide for Revenue of \$15,060,337, and Expenditure of \$16,612,142, resulting in a deficit of \$1,551,805. The fact that a deficit is expected on the 1960 working should not occasion alarm, as it flows from policy decisions, taken by the Council of State in connection with the utilisation of surplus balances for the purpose of establishing a Development Loan and Guaranty Fund and a Central Bank as soon as possible. Provision has accordingly been made for these institutions in the Draft Estimates. But despite the anticipated Budget deficit next year, I have estimated for an accumulated surplus of approximately \$2,000,000 as at 31st December, 1960. And you will observe, Mr. Speaker, that I have resolutely held expenditure to just a peep over five per centum on the 1959 expenditure. Details are set out in the memorandum attached to the Estimates, but I propose to deal with some of the more important features of the Budget:

The Federal Government proposes to establish a Loan and Guaranty Fund to provide long term credit facilities for private investment in the fields of industry and tourism. Long term credit for economic development is one of the most urgent needs of the Federation; and in venturing into this challenging field I would most earnestly express the hope that this bold effort of the Federal Government will serve to attract supporting capital like iron filings around a magnet. The initial capital would be provided by an allocation of \$2.3 million from Colonial Development and Welfare funds and \$1.7 million from Surplus Balances, making a total of \$4 million,

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but other sources are being explored for further capital contributions.

The Fund will be a revolving fund, and will be directed to meeting the need to encourage greater private participation in the process of economic development, to facilitate the greater use of loan capital, and to attract additional outside loan resources. By enlisting private initiative and ingenuity, tangible results are expected from the operations of this Fund within a short period.

The geographical location of the Federation places us at or near the centre of a great number of republican nations; our most valuable asset in such an interesting situation is our tried and tested political stability. It is an asset upon which we would be insensible not to capitalise. The greatest and most telling tribute to that stability was paid in July of this year when at the height of a vigorous general elections campaign in Jamaica, at least two external companies announced their intention to establish business in that Territory. The moral is crystal clear and it is this: so far as the companies in question were concerned it did not matter which political party won the elections; under either party stable and responsible and honourable government was secure in Jamaica; and it is similarly secure in every last one of our ten Federated Territories. When, therefore, we invite entrepreneurs to invest in our Territories — and I do now once again invite them — it is against the enviable background just described and with prideful confidence that they will come to an oasis of peace and progress in which profitable enterprises can be established and from which they could operate with the utmost confidence.

There is also provision for setting aside a reserve of \$1,000,000 as the initial capital of the proposed Federal Central Bank when established.

A sum of \$250,000 is earmarked for setting up a Currency Stabilization Fund. This is being done to meet any exigency which might arise from the requirements of Article 98 (2) of the Constitution which reads —

“In respect of each financial year as aforesaid, the Federal Government shall pay —

- (a) to the Government of Jamaica, a sum equal to the sum (if any) that is paid in that year from the general revenue of Jamaica to meet any deficiency in the Government Currency Note Income Account under sub-paragraph (iii) of paragraph (4) of section 7 of the Currency Notes Law of Jamaica; and
- (b) to the Government of every other Territory, a sum equal to the sum (if any) that is paid in that year from the revenue of that Government to meet any deficiency in the Currency Fund Income Account or in the Currency Fund under paragraph (3) of article 4 or under article 6 of the Agreement contained in the First Schedule to the Currency Act or Ordinance of that Territory.”

The Federal Government relies upon income from operations of the Currency Boards in order to balance its Budget, but it is also responsible to make good all losses sustained in these operations. Since the possibility exists of the Federal Government

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not only failing to receive anticipated revenue, but even of having to make disbursements on account of losses, it is considered advisable to establish a fund with an initial contribution of \$250,000 as security against any such contingency.

Principal amongst the additional staff provided are two posts of Permanent Secretary, one each for the Ministry of Natural Resources and Agriculture, and the Ministry of Labour and Social Affairs, and a post of Deputy Financial Secretary. Expansion of activities makes it necessary that these posts should be provided.

This Government proposes to assume responsibility for the provision of technical assistance and advice to Unit Governments, especially in the Leeward and Windward Islands, in the fields of Income Tax, Finance and Economics and Training at least in Accounting Methods.

Government also proposes to replace the part-time service of the Organisation and Methods Officer by a full time service which would be available to the Territories of the Leeward and Windward Islands.

Government further proposes to establish a Pool of Technical Officers which would include specialists in Water, Road design and construction, Structures and estimating and coating. A Chief Technical Officer will be appointed as head of this organisation and his first duty would be to advise the Federal Government on the size and composition of the Technical Pool.

With the assistance of the United Kingdom Board of Trade and the Financial Policy and Institutions section of the United Nations, the drafting of legislation to regulate the operations of insurance companies is now well advanced and it is

expected that it will be ready for enactment during 1960.

It has been proposed to Unit Governments that the scheme for reciprocal local borrowing on the basis of recommendations by the 1955 Conference of British Caribbean Finance Officers should be put into operation. It is hoped that arrangements can be finalised during 1960.

Active consideration is being given to the establishment of a Widows' and Orphans' Pension Scheme for Federal staff. It is expected that arrangements will be finalised during 1960.

It is expected that during 1960 arrangements will be completed for the coordination of all external assistance by the Federal Government on a regional basis. Unit Governments have not as yet been formally approached on this matter.

Sir, West Indians should by now be fully aware that our gravitation to nationhood does not proceed along a well-surfaced road—or indeed a road that is clear at all. It has led us far into the primeval forest of doubt; on to the bleak and bare and dizzy abysses of uncertainty and despair and plunged us deep into the roaring whirlpools of almost unending controversy. But it now seems to be bringing us out into the lofty plains of light where translucent streams of understanding move gently among the green recesses of unity. Our goal of nationhood is achieved only upon the basis of consolidated effort; with every man and woman of us joining sincerely in the task of propelling the nation by our own steam. Federation is at once a challenge and a hope. Permit me, Mr. Speaker, to paraphrase Burns and say: 'tis blissful in this dawn to be alive.

Thursday, 19th November, 1959

[MR. BRADSHAW]

Mr. Speaker, the year 1960 confronts the Federation like a formidable peak which must be scaled; but upon whose forbidding face foot-holds to support us can quite clearly be seen. Let us then to the grand assault for we can not evade the challenge of our national destiny.

I beg to move.

After a pause —

Mr. Bradshaw: Mr. Speaker, I beg to name Monday, 23rd November, 1959, as the date on which the debate on the

Second Reading of the Appropriation Bill, 1960 should be resumed and that the Paper setting out the details of proposals for supplementary expenditure for the year 1959 be referred to the Committee of Supply on the same day.

Agreed to.

ADJOURNMENT

Resolved, That this House do now adjourn until Monday, 23rd November, 1959 at 2.30 p.m. — [Mr. Bradshaw]

Adjourned accordingly at 3.40 p.m.