

Report of the Jamaica Mission to Washington & London

June - July, 1962

The House is aware that the Jamaica Government sent a delegation to Washington in the latter part of June, 1962 and to London in the first week of July. The delegation was led by the Premier who was accompanied by the Minister of Finance, the Minister of Trade and Industry, the Minister of Development and Welfare and advisers.

Visit to Washington - 23rd June, 1962 to 30th June, 1962

2. Apart from the specific matters which are mentioned below the Jamaica Government felt that it was necessary for the members of the new Government to make the acquaintance of the members of the United States Government with whom Jamaica would be having close relationship from now on especially in view of Jamaica's independence. It was also felt that the Premier of Jamaica and Prime Minister designate, Sir Alexander Bustamante, should have an opportunity of meeting President Kennedy. The Government of the United States provided every facility for the visit. Beginning with the arrival of the mission at Miami until the mission left New York every courtesy was extended to the mission and every effort made in order to ensure that the members of the mission were put in touch with the various United States officials, members of the Congress and other persons with whom we wished to have discussions.

3. Following is a brief summary of the more important matters which were discussed -

(a) Sugar: The granting of a quota for sugar to be exported to the United States from Jamaica and the West Indies was discussed at all levels with representatives of the State Department, the Department of Agriculture and with members of Congress. The vital part played in the economy by the sugar industry was stressed as was Jamaica's ability as a source geographically close to the United States, to supply sugar at short notice. The result of the representations made by the delegation and representations which were made over a period by the Sugar Manufacturers Associations of Jamaica and the West Indies, have been the inclusion of the West Indies in the Sugar legislation, and the granting of a quota to the West Indies of 90,235 short tons at premium prices and an opportunity to share in the open quota at world market prices. Jamaica and the West Indies have in the past two years sold sugar to the United States at premium prices. These sales, however, were purely fortuitous and were dependent on administrative action on the part of the United States Government. For the first time Jamaica and the West Indies now become legally entitled on the basis of U.S. legislation to a Sugar quota. It is confidently believed that Jamaica and the West Indies will, whatever transpires in the future, remain among those countries which are entitled to sell sugar to the United States. This added outlet will be of tremendous importance to the stability of the sugar industry.

(b) Immigration into the United States

The mission outlined to representatives of the U.S. Government the anomalous position of Jamaica which will result on its independence from the present U.S. Immigration Laws. Under these laws all independent countries in mainland Central America and South America, the Republic of Cuba, Haiti, and the Dominican Republic are entitled to non-quota admission of their

citizens

citizens to the United States (i.e., their citizens are able to enter the United States freely subject to security checks and a demonstration of their ability to maintain themselves). The terms of the legislation are such that any Colonial country now in Central America or in South America will, on becoming independent, be accorded non-quota status. The Colonial countries in the Western Hemisphere, however, which are islands will not be accorded this status on independence. The result of this is that British Guiana and British Honduras, for example, will on becoming independent be entitled to non-quota status, but Jamaica and Trinidad, being islands, on becoming independent will not enjoy this status and in fact will have the doubtful distinction of being the two independent countries in the Western Hemisphere which will be in this position. It was quite clear that this anomalous result springs from the peculiarity of the drafting of the legislation which at the time could not have anticipated that these areas would have become independent in the foreseeable future.

The Jamaica mission was glad to learn that the U.S. Administration shared ~~their~~ view, and in fact had testified to Congress on the 12th of September, 1961, that Jamaica should be put on the same basis as countries in Central America and the mainland of South America. This is a matter of public record. No action, of course, can be taken unless amending legislation is enacted by Congress and there is no indication of the attitude of Congress in this matter. Further representations are to be made by Jamaica in support of having the legislation amended.

(c) Defence

Full discussions took place with appropriate departments on the defence needs of Jamaica and the delegation was given assurances which the mission regards as adequately covering Jamaica's position in the event that Jamaica should be subjected to external attack.

(d) Bauxite Barter Programme

At present large quantities of Jamaica bauxite are stockpiled on a barter basis for U.S. agricultural surplus commodities which are disposed of elsewhere in the world. The effect of this arrangement has been that Jamaica has averaged the sale of approximately one million tons of bauxite to the barter stockpile programme. Revenues obtained by the Government from this transaction amount to at least £700,000 per annum. In addition considerable employment is generated and other local expenses disbursed. Continuation of the barter stockpile programme is therefore of great importance to the Jamaican economy, and representations were made to the U.S. Government in favour of the continuation of the programme.

(e) Other Export Crops

Difficulties being met in the U.S. market by Jamaica's export of textiles and cigars were discussed. Discussions were also held on the problems connected with the inspection by Plant Protection Officers in the United States of agricultural exports from Jamaica. If these procedures could be simplified it was hoped that it would be possible for Jamaica to greatly expand its exports of food and fresh vegetables to the United States. On all these matters a sympathetic attitude was shown.

The European Common Market, the difficulties which would be faced by Jamaica if the arrangements now being discussed between the United Kingdom and the European Common Market

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were finalized without adequate protection for tropical products, were mentioned. The U.S. representatives said they were well aware of the problem. They were asked to bear in mind the special problems connected with Jamaica.

(d) Economic Aid

Discussions were held with the various U.S. Aid Agencies regarding the current programme of AID and future AID programmes. There were detailed discussions on the terms of the loans for housing and water supplies which have already been announced and it is expected that formal loan agreements between both Governments will be signed sometime in September. The problems connected with the terms of these loans are complex arising largely from the needs of the United States to protect its balance of payments position and to channel the expenditure of U.S. aid funds into the U.S.

It is now believed that satisfactory arrangements have been worked out in principle and the actual draft loan agreements are to be discussed with U.S. representatives who will come to Jamaica in September. Jamaica's programme of aid for the U.S. fiscal year 1963 was also discussed. No formal agreements could be reached on this programme, however, in view of the fact that the entire Foreign AID programme was still before the Congress and the Administration have no idea as to what funds were ultimately going to be voted by Congress.

(g) Long-Term Aid

At present U.S. aid to Jamaica is on a project by project basis, and in respect of each year. Under the Alliance for Progress programme it is recognised by the United States that aid to be effective has to be on some continuing assured basis. The applicant country, however, has to fulfill certain tests and also must be operating on the basis of a coherent long-term plan.

Jamaica presented a review of its long-term plan to the U.S. Administration and other appropriate agencies. This Plan is now being studied in the United States and at a later date further discussions will be held between Jamaica and the Agencies concerned as to whether the Plan as drawn up could appropriately be used as a basis for a development programme and to which aid could appropriately be given. Whilst the Alliance for Progress programme is designed for aid on a regional basis, and therefore operates in conjunction with the Organisation of American States and all its related institutions, the mission was given an assurance that pending the joining of the O.A.S. we would continue to be regarded as eligible for assistance from Alliance for Progress funds on a project by project basis.

Following on this, discussions were held with the President and representatives of the Inter-American Development Bank, which is one of the institutions working within the framework of the Organization of American States and is a cooperative venture in which the United States and the members of the O.A.S. have invested sums of money which are in turn made available to members on a loan basis.

(h) Organization of American States

The opportunity was taken also of having discussions with the Secretary General of the Organization of American States and other

officials

officials in this organization. All the relevant information pertaining to procedures for joining, the obligations of memberships of the organization, etc. have been obtained.

The Premier stated publicly that at the appropriate time Jamaica will apply for membership of the O.A.S.

(i) International Monetary Fund and

The International Bank for Reconstruction & Development

Both these international institutions are of great significance to independent countries. The International Monetary Fund provides important stand-by credits for countries which get into balance of payments difficulties, or which need to strengthen their currency reserves. The International Bank and its related institution, the International Development Association, make loans for projects for development programmes. Discussions were held with officials of both institutions and the decision taken to make an immediate application for membership in these institutions. It is not possible to join the Bank without joining the Fund but a member of the Fund need not be a member of the Bank. The applications have been submitted in the hope that the preliminary work would be done so that by the time independence is achieved the formalities would be rapidly completed and Jamaica would be a full member of these institutions as soon as possible after the 6th of August.

It has also been arranged with the Bank that in order to enable it to obtain an up-to-date picture of the Jamaican economy and of Jamaica's needs for development capital that a survey mission from the Bank be sent to Jamaica later in the year. Further details of this mission will be announced as soon as the date of arrival of the mission is known.

(j) Farm Labour Programme

Discussions were held with the Department of Labour on various aspects of the Farm Labour Programme. Representations were also made regarding new regulations which would have imposed hardships on Jamaican workers in the United States. We were assured that the programme is fully appreciated and would receive the support both of the employers and the United States Administration.

(k) Investment Guarantees by the U.S. Aid Agencies

Under this Scheme the United States Government guarantees investments abroad made by United States nationals and corporations. Full details were obtained of the scheme as they were made to apply to Jamaica and arrangements are being made so that a new agreement will be signed which will be applicable on Jamaica becoming independent.

(l) Visit to the President

Highlight of the visit was of course the discussion held by the Premier and Ministers with the President of the United States. There was a general discussion on matters of common interest to both countries.

Discussions in London

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4. At the Jamaica Independence Conference in February, 1962 it was agreed that later in the year 1962 and before Jamaica's independence date further discussions should be held between the Jamaica Government and the United Kingdom Government regarding economic aid for Jamaica.

5. The delegation had discussions with Mr. Reginald Maudling, the then Secretary of State for the Colonies; Mr. Hugh Fraser, the then Under-Secretary of State, and various officials of the Colonial Office, the Commonwealth Relations Officer, the War Office and the Admiralty.

6. There was a full presentation of the financial position of the Jamaica Government and of the short falls in financing for the capital Budget up to the 31st of March, 1962. This position has already been fully explained to the House. The needs of the capital Budget for the financial year 1962/63 was also discussed.

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7. Representations were made also regarding the transfer of War Department lands in Jamaica to the Jamaica Government. The continuation after independence of existing C.D. & W. Schemes, both local and regional which have already been approved, and the continuation of C.D. & W. Assistance to the University in respect of the hypothetical share which could be regarded as attributable to Jamaica and which would normally have ceased on Jamaica's independence.

8. The results of these discussions have been announced and for the information of Ministers, are again summarised below:

The British Government outlined to the Jamaica delegation the terms of its financial settlement. This would include the handing over to the Jamaica Government of War Office lands and buildings in Jamaica, except for those small portions which it was agreed should be retained by the British Government. The value of the lands and buildings being handed over to the Jamaica Government was assessed by the British Government to be about £2,500,000. In addition there would be grants to cover various unexpended portions of C.D. & W. funds amounting to about £1,000,000 and finally the British Government indicated its ability to make an exchequer loan of £1,250,000 in respect of Jamaica's capital budget for 1962-63.

The Jamaica delegation stated that they would wish to re-open after Independence the question of assistance for their long term development plan, and it was recognised by the British Government that the Jamaica Government would then be eligible on the same basis as other Commonwealth countries for Commonwealth assistance loans.

9. It will be seen that the request for financial assistance was dealt with in two parts. The first in respect of the period ending on the 6th of August, 1962, when Jamaica is still a dependent territory of the United Kingdom. The financial settlement which is set out above relates to this period. The second part of the presentation relates to the long term Capital needs for the development plan, after the 6th of August, when Jamaica will be an independent country. The procedures for getting aid after this date will be quite different and will be determined by a completely different relationship from that which now exists, (~~see Press Release on this~~).

10. The delegation made representations regarding the Commonwealth Migrants Bill and pointed out that quite apart from financial assistance a major matter in which Jamaica could be assisted would be the admittance of a reasonable number of Jamaican migrants, and it was suggested by us that at least 16,000 per annum should be admitted. In connection with this matter Ministers made contact with many Jamaican Migrant organisations and with the Migrants Division of the Jamaica Commission in London. It is clear from all these discussions that Jamaica has not been taking full opportunity of the provisions of the Commonwealth Immigrants Bill which provides for the admission within limit of persons on a 'first come first served basis', who are neither relatives of migrants in England, are skilled, nor have a job to go to. It is proposed to have appropriate machinery set up both in London and Jamaica to ensure that full advantage is taken of the provisions of the Act by those who may wish to migrate.

11. The Government also wished to be assured that Jamaica would continue to have access to the London Loan Market where the Government would exercise its own efforts to raise money. Approval is required, however, from the United Kingdom Government whenever a foreign Government wishes to borrow on the London market.

12. The opportunity was taken to have a number of other

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discussions regarding matters of interest to Jamaica.

Ministers were given an up-to-date account of the present state of the Common Market negotiations, and we were satisfied that the proposals put forward by the United Kingdom to protect the interests of countries like Jamaica which could potentially become Associated Overseas Territories of an enlarged Common Market adequately safeguarded Jamaica's interest. Whilst the present state of negotiations are such that it would not be constitutionally possible for a Jamaican representative to be associated either with the United Kingdom team or independently, it was agreed that the possibility should be explored of a Jamaican representative making himself available in Brussels from time to time where it would be possible for him to get up-to-date information on the state of negotiations, and he would be able to use such means, diplomatic and otherwise, as may be available, to make the Jamaican views known.

13. Discussions took place on matters relating to arrangements for civil aviation after Jamaica becomes independent. These involved the re-negotiation of bilateral treaties, and an understanding was reached that the existing arrangements will continue for a reasonable time until Jamaica is in a position to commence formal negotiations. Various Airlines interested in providing services for a Jamaica National Airline were also interviewed and these discussions are to be continued in Jamaica.

14. Valuable assistance was given by the Television Adviser to the Secretary for Technical Cooperation and it is agreed that his services can be made available to help in the finalising of arrangements for the setting up of a television service in Jamaica should the Government so request.

15. The status of Jamaica Government stock on the London market was examined with the Crown Agents and other agencies. Registration to give effect to the preservation of the Trustee status of Jamaica stock will be presented to the House shortly. The arrangements for the setting up of the Jamaica High Commission offices in the United Kingdom were also finalised subject to negotiation with the Federal Government on the amount of premium to be paid for the Bruton Street premises which the Jamaica High Commissioner will take over from the Interim Commissioner.

16. The level of shipping freight rates prevailing on the Jamaica - United Kingdom ^{route} was discussed with the Shipping conference. Recently a surcharge of 9/- per ton was imposed on all freight between Jamaica and the United Kingdom and Western Europe. Jamaica's export can be rendered uncompetitive in the world markets by high freight rates and the Government can now announce that as a result of these representations the Shipping Companies have agreed to remove this 9/- surcharge on exports from Jamaica to the United Kingdom and Europe.

17. Preliminary discussions were held on two matters which, if successfully developed could be of great importance for Jamaica. The first relates to the channelling of Jamaican Migrants Savings into some financial institution through which such savings could be made available for investment in private and public projects. Jamaicans in the United Kingdom are known to be thrifty and are anxious to ensure that their savings can be put to use in Jamaica to their own advantage and for the benefit of the country. To facilitate this, plans are being drawn up for the establishment of an Investment Trust which would receive these savings and select suitable investments in Jamaica.

The second matter relates to the promotion of an apprenticeship scheme in the United Kingdom under which large firms in the United Kingdom, with high quality facilities for training apprentices will be approached to take a certain number of Jamaican apprentices for training.

Discussions have already been held with a number of firms and the prospects appear to be quite favourable. This matter is being further explored.

18. Finally there were further discussions on Jamaica's application for membership of the Commonwealth and of the arrangements to be made to seat Jamaica's Prime Minister at the meeting of Commonwealth Prime Ministers to be held in London in September this year.

D. B. SANGSTER
Minister of Finance.
23rd July, 1962.