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The Decimal Currency Bill, 1969

The Bill laid on the Table of the House of Representatives on the 26th February, 1969, entitled "The Decimal Currency Act, 1969" will implement the scheme for the establishment of a decimal currency system in Jamaica as approved by the House in January 1968. Members will recall that a Select Committee of the House was appointed to consider proposals for the decimalisation of Jamaica's currency.

2. The main recommendations of the Committee were:
- (i) that Jamaica's currency should be decimalised;
  - (ii) that the system to be adopted should be based on a major unit equal to ten shillings;
  - (iii) that the major unit should be the dollar and the minor unit the cent;
  - (iv) that the decimal coins should be one cent, two and one-half cents, five cents, ten cents, twenty cents and twenty-five cents, while the decimal notes should be fifty cents, one dollar, two dollars and ten dollars;
  - (v) that the current half-penny should continue to circulate and be treated as the equivalent of a half-cent;
  - (vi) that the date of conversion to the decimal currency system should be either in September or October of 1969.

3. Since the Report of the Select Committee was considered by the House, extensive research has been done on the technical and other aspects of introducing a decimal currency system. In particular, the practicability of having a  $2\frac{1}{2}$  cent coin and of treating the half-penny as a half-cent was re-examined, in the light of the experience of other countries which have decimalised and have adopted a ten shilling/cent system, e.g., Australia and New Zealand. It has been found in these countries that the introduction of a  $\frac{1}{2}$  cent into the coinage creates technical problems, since it will be necessary to have a special  $\frac{1}{2}$  cent column on calculating and accounting machines. The machines are not normally manufactured with  $\frac{1}{2}$  cent columns and additional costs would therefore be incurred by the community to provide them. Moreover, the introduction of a vulgar fraction in a decimal system robs the system of simplicity which is its greatest virtue.

4. The major reason for recommending the introduction of a  $2\frac{1}{2}$  cent coin was to make available a coin which is the exact equivalent of 3d. Up to October, 1968, the 3d was in popular use in the Corporate Area for bus fares. However, since that date there has been an increase in the minimum adult fare to 4d. Because of the change in bus fares and because of the technical problems and the increased cost of providing for a  $\frac{1}{2}$  cent column on calculating and accounting machines, it was decided that the proposal to introduce a  $2\frac{1}{2}$  cent coin and to allow for the  $\frac{1}{2}$ d to be treated as a  $\frac{1}{2}$  cent should not be pursued. No provision has therefore been made in the Decimal  
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Currency Bill for this.

5. The House is asked to note the above.

EDWARD SEAGA  
Minister of Finance and  
Planning  
20th March, 1969

M.F. No: 196/09