

PO-CH / NL / 0265
PART A

Part A

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Begins: 19/3/86. 2/7/86
Ends: 27/3/87.



PO -CH /NL/0265



PART A

Chancellor's (Lawson) Papers.

INVESTIGATION INTO
GOVERNMENT PRACTICES ON
THE TURKS AND CAICOS
ISLANDS

Disposal directions: 25 years

[Signature]

11/10/95.

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PART A



PM/86/042

PRIME MINISTER

2/7/86

28

CH/EXCHEQUER	
REC.	02 JUL 1986
ACTION	Mr P. DAVIES
COPIES TO	CST. AST. EST. MST
	Sir P. MIDDLETON
	Sir G. LITTLE
	Mr LAVERIE
	Mr MOUNTFIELD
Mr KITCAT	
Mr CROPPER	

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Turks and Caicos Islands (TCI)

Introduction

1. A Commission of Inquiry, set up on 27 March to investigate suspected arson and other matters in one of our Caribbean dependencies, the Turks and Caicos Islands, has concluded that three of the four Ministers in the TCI Government are unfit to hold office. We need to decide how to react to this, taking into account on the one hand our responsibility for ensuring the good government of the territory, and on the other the implications for public order there, and for our position in the Caribbean region.

Background

2. The population of the TCI is approximately 9,000. It receives about £5 million development aid annually, including budgetary assistance of about £1.5 million. The Islands are currently administered by a Governor acting



through an Executive Council which includes a Chief Minister elected by three Ministers drawn from elected members of a Legislative Council. In 1976 a relatively advanced constitution was introduced, designed to give local Ministers substantial responsibility for a broad range of subjects, in preparation for full independence. The movement towards independence assumed in 1976 has however not taken place. We have been aware for some time of allegations of serious abuses both at local Ministerial and official level, including participation in drug trafficking. In March 1985 we cooperated with the United States Authorities to arrest the then Chief Minister, another Minister and a member of the Legislative Council in Miami for drugs related offences. Each was subsequently sentenced to a long term of imprisonment. On 31 December 1985 a government building in TCI was burned down. Preliminary enquiries by the local police produced sufficient evidence to suggest arson. They also revealed a conspiracy to commit arson and other public order offences, and corruption over political patronage. We therefore instructed the Governor to set up on 27 March a Commission of Enquiry under Mr Louis Blom-Cooper QC.

Present Situation

3. Mr Blom-Cooper is expected to submit his report to the Governor in London on 4 July, but I have already seen a draft of it. It finds arson of the public building by



persons unknown. It also finds the present Chief Minister and two other Ministers unfitted to carry out Ministerial responsibilities because of unconstitutional behaviour and ministerial malpractices. It makes comparable findings in respect of at least one Permanent Secretary. The deputy leader of the Opposition party and a senior Opposition figure are found to have been involved in a conspiracy to commit public order offences and to be unfit to hold public office.

4. Mr Blom-Cooper's report is not well written, nor wholly convincing. It is very critical about TCI Ministers but does not itself produce sufficiently solid evidence for us to bring charges against them. His report does however indicate a strong probability that they have acted in a way that is prejudicial to good administration. This reinforces our own view, deduced from the Governor's reports and the independent evidence, that this is the case. There is now also considerable evidence that Ministers are actively undermining the authority of the Governor in the Islands.

5. We announced in Parliament that the Commission would aim to submit its report by 1 June; there will be pressure for its publication, as well as considerable interest from the press and islanders. We therefore need to demonstrate that we are acting quickly to repair the situation.



Options

5. If we accept that the Ministers must be deprived of office, as I think we should, the three alternatives available to us appear to be:

- (a) to maintain the present constitution (and thus preserve the present Executive Council) while removing individual Ministerial portfolios, thus depriving Ministers of their specific Ministerial responsibilities. The disadvantage of this course is that there would then be continual confrontation between the Executive Council and the Governor which could make the conduct of Government business extremely difficult.
- (b) to amend the constitution by means of a draft Order-in-Council so as to suspend the present Ministerial system and to substitute a hand picked Advisory Council for the present Executive Council. Although this course has the disadvantage that the discredited Ministers would continue to sit in the Legislative Council (and could create trouble there through attempting to frustrate government business) the Governor thinks there will be sufficient popular support for an attempt to restore good government to limit the effectiveness of such conduct. This course would entail keeping in place some of the



present legislative machinery - notably the elected Legislative Council - which would be of some presentational advantage.

- (c) to suspend the constitution and to substitute a system of direct administration through the Governor. This has the advantage of being firm action. But it would also be the most humiliating for the TCI, and would disenfranchise, albeit temporarily, their population. Disgruntled TCI Ministers could mount a constitutional challenge and connive at a violent reaction in the islands. It could also be interpreted throughout the Caribbean as a retrograde step and as an attempt to re-impose white rule on a black population.

7. The choice between these alternatives is not easy. But after careful consideration, I believe that b) is the least damaging. It has the support of the Governor who has drawn up a shortlist of respected islanders from whom members of the Advisory Council could be selected.

8. In order to establish an acceptable basis for the orderly political Government of the TCI in the future. I propose to link an announcement of a decision to amend the constitution to an announcement of our intention to undertake a constitutional review. This would serve to



demonstrate the temporary character of the amendment to the constitution, and make it more acceptable to the wider body of Caribbean opinion. If it became clear that option (b) was not going to work, we would still be free to move to option (c) and suspend the constitution in its entirety.

Timetable

9. The timing is very tight. The Governor's position has been increasingly exposed, and in view of possible personal risk to him, I have taken steps to provide him with UK police protection. The mood of the islands is uneasy pending publication of Mr Blom-Cooper's findings and the Governor has expressed the view that the risk of a violent reaction could grow as time passes. TCI Ministers have warned the Governor that although they will not stir up trouble they will do nothing to prevent it. Trouble in the TCI could have unwelcome repercussions for the Commonwealth Review Conference since TCI Ministers are likely to try hard to elicit support from friends in the Caribbean. In parliamentary terms there are clear advantages in demonstrating that we intend to act quickly. On a contingency basis therefore, I propose to place the necessary Order-in-Council in the Privy Council by 7 July in time for its meeting on 8 July, in order that it may come into effect as soon as required thereafter subject to the advice of the Governor, who has been recalled for consultations and will be reporting on 4 July.



Security

10. We have also set in hand contingency measures to deter trouble on the islands and to deal with it if it should arise. The Governor and the Defence Adviser for the Caribbean believe that the TCI police force, who number about 90, should be able to contain any outbreaks of disorder short of sustained and widespread violence, although arson is a particular threat with which they would find it difficult to deal. The West Indies Guardship can be positioned just over the horizon and a company of the Queens regiment at Belize can be standing by at six hours notice to move if required. The Defence Adviser at Kingston plus a military intelligence liaison officer (MILO) would arrive in the TCI before the Order-in-Council is promulgated by the Governor to coordinate military precautions

Reinforcement of TCI Administration

11. We will also need to reinforce the Governor. We believe that he will require additional qualified expatriate staff as follows:

- (a) a senior officer to take charge of the local civil service;
- (b) an official to act as the Governor's representative on the other island while he remains at the capital, Grand Turk;
- (c) a staff officer to relieve the Governor of some of his routine administrative responsibilities.

(jobs for
the - FCO
- boys)



Presentation to Other Governments

12. We will also need to explain our actions clearly to Caribbean and other Governments - notably the US, Canadian, French and Dutch Governments. In order to avoid misunderstanding, we will need to get over that our aim of restoring good administration to the islands is in the best interests of the islanders themselves; that the Advisory Council is an interim measure which will remain in place until a constitutional review has reported; that these measures are designed not to hinder the TCI's progress towards independence, if that is the wish of the inhabitants; and that in the meantime we will take what other steps are necessary to provide the administrative underpinning and educational training to attain that objective. We would aim to get public expressions of understanding from at least the more respectable Caribbean leaders.

Conclusions

13. My conclusions are therefore that:

- (i) the situation in the TCI requires prompt and effective action to suspend the present Ministers;
- (ii) the best course is set out in paragraph 5(b) above:



(iii) presentation will be very important, and must include informing other Governments. We would hope to involve Caribbean leaders in the work of the constitutional review;

(iv) we must ensure that we can secure the position on the ground; and also reinforce the Governor's staff;

14. Providing that colleagues do not dissent, I shall submit the necessary draft Order-in-Council before the Privy Council meeting on 8 July. The precise timing of a statement in Parliament would be subject to that of action in the TCI. Mid-July is the most likely timing.

15. I am copying this minute to the other members of OD, to the Chief Whip and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

2 July 1986

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10 DOWNING STREET

LONDON SW1A 2AA

3 July, 1986.

CH/EXCHEQUER	
03 JUL 1986	
TO	MR P G DAVIS ✓ 3/7
CST, PST, EST, MJT	
SIR P MIDDLETON	
SIR G LITTLE	
MR LAVELLE	
MR MOUNTFIELD	
From the Private Secretary	
MR WILKINSON	
MR CROPPER	

Dear Tony,

TURKS AND CAICOS ISLANDS

The Prime Minister had a brief discussion with the Foreign Secretary this morning about the situation in the Turks and Caicos Islands as described in his minute of 2 July. The Prime Minister said that there was some question in her mind whether it would not be better to suspend the Constitution entirely, and substitute a system of direct administration through the Governor. This would demonstrate that we were determined to deal firmly with the problems which had arisen. It might subsequently be possible to restore limited constitutional government quite quickly. However, she accepted that the Governor was content with the intermediate course recommended by the Foreign Secretary, which would substitute a nominated Advisory Council for the present Executive Council, but leave the Legislative Council in being. This course was one likely to attract less criticism in the Caribbean, particularly from Sir Lynden Pindling whose support we would need at the meeting of Commonwealth Heads of Government in early August. She was therefore prepared to accept the Foreign Secretary's recommendation.

I am sending copies of this letter to the Private Secretaries to the members of OD, the Chief Whip and Sir Robert Armstrong.

Yours sincerely,

(C.D. Powell)

A.C. Galsworthy, Esq., C.M.G.,
 Foreign and Commonwealth Office.

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CAICOS
ISLANDS

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CH/EXCHEQUER	
REC.	04 JUL 1986
ACTION	Mr P. DAVIS
COPIES TO	CST, PST, EST, NST Sir P. Middleton Sir G. Little Mr LAUELE

✓ 7/7

FOREIGN AND COMMONWEALTH SECRETARY

Mr MOUNTFIELD
Mr KITCATT
Mr CROPPER

TURKS AND CAICOS ISLANDS

Many thanks for sending me a copy of your minute of 2nd July 1986 to the Prime Minister on the Turks and Caicos Islands. I have no difficulty with its conclusions and the contingency arrangements set out in paragraph 10, do, of course, reflect discussion between our Departments. But to ensure the timely implementation of these arrangements, I should be grateful if my Department could be kept closely in touch on the projected date for an announcement.

2. I am sending copies of this minute to the Prime Minister and other members of OD, to the Chief Whip and to Sir Robert Armstrong.

A.Y.

Ministry of Defence

4 July 1986

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PM/87/016

PRIME MINISTER

ES
19/3/87.

CH/EXCHEQUER	
RE.	19 MAR 1987
X	MR P. DAVIS
10	EST, MST
	SIR G. WITLER
	MR LAVELLE
	MR MOUNTFIELD
	PS/CBE
	B/CBE

Turks and Caicos Islands (TCI)

1. We agreed last July to suspend Ministerial Government in the Turks and Caicos Islands following evidence of widespread Ministerial malpractice. We substituted an interim administration pending the outcome of a review of the Constitution to be undertaken by a specially appointed Commission. The Commission reported to me on 23 December 1986.

/ 2. The attached paper by FCO officials sets out the background to the Commission, its principal recommendations and FCO views on them. The Commission's findings confirm that matters have gone badly wrong in the TCI. However its central thesis is that there is no practical alternative to a return to Ministerial Government. It recognises nonetheless that the experiment of Ministerial Government has generally failed in the past because Ministers have abused the system and have neglected the public interest. It therefore recommends the introduction of a series of measures to safeguard the public interest and ensure proper administration.

3. I am satisfied that the Commission's main recommendation for a return to Ministerial Government is the right solution: it should however be achieved in slightly slower time than the Commission suggests. I have examined a wide range of alternative options, but all contain significantly greater risks.

/4.

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4. The measures proposed do not however go far enough in providing the firm and effective control which will henceforward be acquired. In particular we need to satisfy ourselves that we can take steps constitutionally to avoid the risk of a return to power of politicians who had been found unfit for public office. Additional measures are accordingly proposed, to meet our requirements and enhance the prospects for a stable administration. Provided that colleagues are content, I shall arrange for the changes recommended by the Commission, amended and strengthened as proposed, to be promulgated by Order in Council or local TCI ordinance. I shall also arrange for a statement to be made in Parliament before the Easter recess. I believe it would be to our advantage to brief the Opposition on Privy Council terms before the statement is made.

5. I am copying this minute to members of OD , and to the Attorney General, the Chief Whip and Sir Robert Armstrong.

(GEOFFREY HOWE)

Foreign & Commonwealth Office
19 March 1987

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Turks and Caicos Islands (TCI)

INTRODUCTION

1. The decision to appoint a Constitutional Commission was agreed by Ministers in July 1986 after Mr Louis Blom-Cooper's Commission of Enquiry into alleged arson had found evidence of widespread Ministerial malpractice. Sir Roy Marshall, a former Vice Chancellor of Hull University was appointed to lead the Commission. He was assisted by Mr Henry Steel (a constitutional lawyer) and Mr Albert Williams (a native of the TCI and a former Financial Secretary). The Commission consulted widely throughout the TCI and in the Commonwealth Caribbean. A synopsis of their report is at Annex A.

COMMISSION'S RECOMMENDATIONS

2. The Commission's main recommendation is for a return to Ministerial Government by the end of the year, following elections to be held under a revised electoral system. It also recommends the introduction of certain safeguards against Ministerial abuses as follows:
- larger, multi-member constituencies so as to dilute the links between members of the legislature and their constituents and thereby reduce patronage.
 - an enhanced role for the elected Legislative Council. The Legislative Council would meet more frequently. Standing and select committees would be set up to review government activities.
 - administrative checks. A Public Service Commission Ombudsman and Resident Auditor are proposed in order to secure the independence of the civil service from patronage and prevent financial improprieties.
 - express affirmation of the independence of the Attorney General in his role as public prosecutor.
 - a new disqualification from election clause.

ASSESSMENT OF RECOMMENDATIONS

3. We consider that:

- a) the Commission's recommendations are in general likely to provide an acceptable basis for the future administration of the TCI; but
- b) they should be strengthened, in order to provide HMG with the means of exercising firmer control and to keep discredited politicians from office. This can be done by:
 - i) strengthening the proposed electoral disqualification clause by applying it to anyone who, in the previous five years had been convicted in any country of a crime carrying a sentence of not less than 12 months imprisonment;
 - ii) giving the Governor the power to withhold any Ministerial responsibilities when he has reason to believe that the person likely to be recommended by the Chief Minister is unfit to hold office. The Governor will, in short, no longer be bound, as under the present Constitution, to act on the Chief Minister's advice regarding the allocation of Ministerial responsibilities. Similarly he would have the right to withdraw a responsibility if the Minister concerned forfeited his confidence;
 - iii) instructing the Governor to exercise his reserve powers to the full in the public interest, even at the risk of confrontation. These include his responsibilities for the civil service. This will require the Governor to administer in a consistently firm and determined manner;

/iv)

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- iv) making clear in public that we reserve the right to make further constitutional changes if the return to Ministerial Government does not work.
- v) appointing a Resident Chief Justice.
- vi) insisting that the majority of jurors in any particular case should come from an Island other than the Island of origin or residence of the defendant. This would strengthen the Commission's recommendations that juries should be drawn from all parts of the islands.

4. It is further considered that:

a) elections should not take place in the TCI before April/May 1988 in order to allow more time to give effect to the new measures. A new Constitution should be promulgated at the same time;

b) the recommendations on development aid are reasonable and can be met over a number of years from within aid levels planned for the TCI. The proposed Planning Unit should facilitate the implementation of a long term development plan But it should be our aim to reduce the level of aid as the TCI economy is strengthened;

c) the Commission's report and HMG's response should be brought to the attention of friendly governments in the region in order to secure their understanding and support.

BACKGROUND

RETURN TO MINISTERIAL RULE

5. There is no realistic alternative to a return to Ministerial rule. The Commission's recommendation follows an exhaustive evaluation of the situation in the TCI. It also reflects the strong preference of the islanders, and the advice received from Commonwealth Caribbean

/Governments.

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Governments. Alternatives such as prolongation of the interim administration, or the substitution of direct administration could cause serious unrest. The constitutions of the other dependent territories do not provide models which would be appropriate for the TCI.

6. But since a return to Ministerial government could result in the exercise of executive power by those politicians named by Mr Blom-Cooper's Commission of Enquiry as being unfit to hold public office, and by the former Chief Minister Mr Norman Saunders, who was sentenced to imprisonment in the USA on drugs related charges in March 1985, it is necessary to consider whether to give the Governor the power to disqualify certain individuals from standing for election. In Saunders's case the fact of his having been convicted and sent to prison provides a formal legal justification for such a measure. The proposed clarification of the disqualification provision recommended by the Commission would prevent Saunders from contesting the next two elections. But there is no legal justification in the case of the politicians indicted by Mr Blom-Cooper but not charged with any crime. Disqualification in their case could provoke a challenge in the courts and a widespread adverse reaction both in the TCI and the Caribbean which would undermine the Governor's ability to administer the territory. Redrafting the Constitution so as to clarify and strengthen the Governor's discretion over the allocation of Ministerial responsibilities would meet our objectives equally effectively.

TIMING

7. On timing, it would be unrealistic (as the Constitutional Commission recommends) to return to ministerial government before the end of this year.

/Elections

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Elections should be held instead in April/May 1988, which is when they next fall due under the provisions of the present (1976) Constitution. This would allow more time to introduce the electoral and constitutional changes and to establish and test the new administrative safeguards. A timetable for the implementation of these measures is attached at Annex B.

AID

8. The Commission stress the importance to the TCI of the aid programme which runs to about £5 million annually (including £1.5 million of budgetary assistance). A detailed breakdown is at Annex C. The need for administrative training and improved higher education facilities, and the other developmental needs identified by the Commission can be met from within this figure. The TCI Government has hitherto found difficulty in identifying and settling its priorities. A Planning Unit, under expatriate supervision, as recommended by the Commission should help to resolve that problem. It is clearly right that the TCI infrastructure and administration should be built up to a level which can encourage private development and investment. The long term objective must be gradually to reduce the current level of aid at a pace commensurate with the strengthening of the TCI's economy. Priority will continue to be given to development of a kind likely to put the islanders on their feet and reduce gradually TCI aid expectations.

PRESENTATION

9. The Government's response to the Constitutional Commission's report will require careful presentation in Parliament, in the TCI, in the Caribbean and to those of our allies who maintain a high level of interest in the Caribbean, particularly the United States and Canada.

10. The report has been sent for printing as a Command Paper. A Parliamentary statement should if possible be made before the Easter recess since this would help the Governor in his dealings with local politicians. It would be to HMG's advantage to ensure that members of the Opposition are briefed carefully in advance of it. Copies of the report should be made widely available in the TCI and the Governor will be instructed to secure public support for the Government's response with the help of leading community figures. High Commissioners and Ambassadors in relevant posts should be instructed to hand copies of the report and the Parliamentary Statement to their host government and to brief them carefully.

Foreign and Commonwealth Office
March 1987

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19/3/86

CH/EXCH/OT/ER	
REC.	19 MAR 1986
✓	CST MST
COPIES	10
Sir G. Lutter	
Mr Lavelle	
Mr Monroffield	
Mr P G Davis	



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With the compliments of

THE SECRETARY OF STATE
FOR FOREIGN AND COMMONWEALTH
AFFAIRS

Enclosed are the annexes to
 Pm/87/016 19 March
 'Turks & Caicos Islands'
 apologies for the omission

FOREIGN AND COMMONWEALTH OFFICE
S.W.1

TURKS AND CAICOS ISLANDS CONSTITUTIONAL COMMISSION

SYNOPSIS OF COMMISSIONERS' REPORT

CONSULTATIONS IN THE TURKS AND CAICOS ISLANDS (TCI) AND THE CARIBBEAN REGION

- 1. Commissioners began work in TCI on 5 November, 1986. Public meetings were held in all six inhabited islands attended in total by some 500 people. Private interviews with individuals and groups provided an opportunity for another 270 people to express their views. 35 written memoranda were received.
- 2. Sir Roy Marshall, Chairman of the Commission, visited Barbados, Trinidad and Tobago, Antigua and Dominica before arriving in Grand Turk. The Commissioners, either separately or as a group, also visited Jamaica, St Lucia, Montserrat, British Virgin Islands, Cayman Islands and the Bahamas for consultations.
- 3. Commissioners completed their work in TCI on 6 December and finalised their report in London on 23 December.

CONSTITUTIONAL ISSUES - THE COMMISSION'S FINDINGS

The Party System

- 4. Party factionalism had a considerable hold on electorate and caused deep divisions in community. Party loyalties played an important, but improper, consideration in such matters as public employment.
- 5. Nevertheless Islanders believe retention of present party system essential to ensure democratic government.

Restoration of the Ministerial System

- 6. Overwhelming support for return of Ministerial system coupled with recognition of need for checks and balances to prevent future

nal practices.

The Legislative Council

7. General feeling that Legislative Council ineffective for three basic reasons:

- i) Nominated Members party cyphers;
- ii) Backbenchers played no role in government or in policy formulation, or as a check on Executive;
- iii) The Executive Council acted without reference to the Legislative Council and frequently withheld information from it.

Electoral Districts

8. Electoral districts with an average number of voters of only 370 (range 146 to 648) too small. Elected representatives favoured party/personal supporters at expenses of public good.

9. Qualifications to vote required clarification. Should be made more difficult for non-belongers to acquire the franchise.

10. Membership of the Legislative Council (elected and Nominated members) should be confined to genuine Islanders. Residence qualification to stand for election should be made more restrictive, although there was much divergance of opinion on this.

Disqualification of Candidates

11. Difference of opinion about the disqualification of candidates with criminal records. Balance of opinion appears to favour extension of some form of disqualification if a practicable formula could be devised. Recommend disqualification for conviction carrying a sentence of 12 months or more in Commonwealth countries or extraditable offences in other countries.

The Executive

12. Recognition that difficulties and abuses in the operation of the Ministerial system were a fundamental cause of present problems.

This was evident in three areas:

- i) Ministers and the public service: The traditional division between responsibilities and duties of Ministers and civil servants ignored, particularly in respect of appointments to government employment. Considerable political patronage especially in relation to temporary government employment. Ministers had increasingly involved themselves in the day-to-day working of the civil service allowing party and personal interests to dictate decisions. Damaging effect on the service's efficiency and morale.
- ii) Ministers and the Governor: Similar problems existed over demarcation of responsibilities between Ministers and the Governor, notably where the latter's reserved powers impinged upon a Minister's portfolio (ie, the Governor's reserve powers in respect of foreign affairs overlapping with civil aviation in the negotiation of international agreements).
- iii) Parliamentary Secretaries: Some suggestion that constitutional provision to appoint Parliamentary Secretaries be increased. But Commissioners unconvinced that Parliamentary Secretaries served any purpose other than providing Government with guaranteed vote in Legislative Council.

Selection of Ministers

13. A radical new system for electing Ministers by national ballot proposed but considerable practical and political problems were seen in this suggestion.

Local Government

14. Little opportunity at grass-roots level for Islanders participation in decisions. Present system of local government, nominated District Boards (where they existed) ineffective. Some

representations for introduction of elected local authority with limited executive powers. Commissioners considered that such a system might reduce impact of party politics and enhance democratic process. However little public support for such a system which it was felt would provide another vehicle for political patronage.

Independence of the Attorney-General

15. Value seen in now entrenching the independence of the Attorney-General in Constitution.

Jury Trial

16. Clear evidence that the system of jury trial should be changed as it was seriously defective and produced perverse verdicts. In such a small and close society it might be impossible to empanel a completely independent jury. Overwhelming belief that trial by jury was a fundamental right which should not be changed. But was no objection to improvement such as ensuring that jurors are selected from all the Islands.

Ombudsman

17. Proposal to provide for Ombudsman in Constitution received widespread support. Cost might be reduced if holder of the office could combine it with some other duties.

Prevention of Corruption

18. Some interest shown in setting-up a Prevention of Corruption Commission. Commissioners felt that this might be too complicated for Islands. But there would be value in establishing a compulsory registration of assets and interests if effective machinery could be devised to enforce genuine compliance.

Private Practice and Commercial Activities by Retired Officers

19. Representations received about expatriate public officers who used what many regarded as privileged information acquired while in

office for commercial gain in the Islands immediately on termination of their service. Commissioners agreed that, if a build-up of local resentment was to be avoided, support for some device to prevent similar occurrences in future should not be ignored.

OTHER MATTERS REQUIRING CONSIDERATION

The Public Service

20. Since introduction of Ministerial system in 1976 the Administration (Governors and Chief Secretaries) had relaxed control over public service establishment matters; a reserve power. This combined with the politicisation of the Public Services Advisory Board had been a contributing factor in the current problems vis-a-vis the public service. Political interference combined with poor levels of pay and inadequate training had also severely reduced the morale of the service.

21. Commissioners recommend the entrenchment in the Constitution of a Public Service Commission and its establishment as soon as possible to achieve non-political and impartial service. The Commission would initially be advisory to Governors. It would however, have wider responsibilities than usual for such a body. Besides advising on such matters as appointments, promotion, discipline, etc, the Commission would also give guidance on the duties and responsibilities of Ministers and senior civil servants and their relationship; on pay and terms and conditions of service; and on training. To be effective the Commission will require adequate staff and resources.

Planning for Development

22. Responsibility for planning development is currently divided between the Governor's office (private sector) and Financial Secretary's Office (public sector): neither have sufficient staff. British Development Division (BDDC) attitude regarded as aloof. Not approaching the Islands aid requirements in a coordinated manner. This situation should not be allowed to continue.

3. There are no proper development policies in a number of important economic sectors again because of inadequate staffing levels. Among the remedies is the preparation of national development programme. The Commissioners felt that there was therefore a need for a proper Central Planning Unit attached to the Chief Minister's Office (when Ministerial government returns) to coordinate production of such a programme.

Population

24. So that TCI might cope with the desired level of development there is a need for a population policy aimed at attracting Islanders presently residing overseas back to TCI and suitably qualified immigrants, and of providing training in essential skills. This latter aim is particularly important if Islanders now living in TCI are not to remain disadvantaged in comparison with expatriates.

Communications

25. Immediate and pressing need for reliable air links between Grand Turk and other countries, and for improved inter-island communications.

Education

26. Commissioners told that local education had seriously deteriorated during the last ten years to a point where there were not enough suitably qualified school leavers to enter vocational training, professional training and the civil service. Many of those trained overseas also failed to return for lack of incentive. The teaching service has consequently been consistently poached by other professions with a result that there are now large numbers of expatriate teaching staff, employed at considerable additional cost. BDDC and the United Nations Development Programme now providing assistance in this sector, but the proposed Central Planning Unit could play an important role in identifying long-term solutions.

Off-Shore Finance Industry

27. It was clear that few Islanders had first hand knowledge of the Constitution or easy access to it. A need therefore for widespread education in this regard to stimulate informed public opinion. The Commissioners accordingly recommend that their Report and HMG's printed response to it be made available in large numbers to Islanders; Community and Church leaders have agreed to help with their dissemination.

Auditing

28. Annual audited accounts and Annual Budgetary Aid Reports showed regular indiscriminate over-expenditure of departmental votes and misuse of fund. Little attention appeared to be paid to these reports by Ministers and no remedial action taken. Public Accounts Committee was unable to function properly. Commissioners therefore recommend that the Chief Auditor should be resident, and that HMG should make it clear that maintenance of budgetary aid is dependent on the non-recurrence of these malpractices.

The Police

29. Establishment matters are properly handled and operational control of the Police Force rested correctly with the Commissioner of Police. Force is free from political interference. The ratio of Islanders to expatriates in Force is 60:40. The large numbers of expatriate officers has not however caused friction primarily because the majority of senior officers are Islanders. Expatriate officers in fact provide a useful degree of detachment and stability. In any event increasing numbers of Islanders were now being attracted to the service.

30. Drug abuse was low. Trafficking had however, been a major problem between 1979 and 1982. The problem has since been brought under control. But it should be remembered that current menace cocaine is, because of its much smaller bulk, more difficult to detect than marijuana.

Immigration

31. The relationship between the Police and Immigration Service is good. Immigration control is however, becoming a serious problem and consideration is being given to the police assuming responsibility for some aspects of immigration. In circumstances, Commissioners believed this made good sense.

TIMING AND PROCEDURE

March/April 1987 Publication of Marshall Report

Simultaneously:-

Statement in both Houses of Parliament

June 1987 - December 1987

Appointment of Public Service Commission, Resident Auditor, as recommended by Constitutional Commission, followed by appointment of Resident Chief Justice and Ombudsman.

End 1987/
Early 1988 Introduction of new electoral system on the basis of larger constituencies and multiple representation; and preparations for elections.

April 1988 Elections.

April 1988 Required amendments to 1976 Constitution made by Order in Council to give effect to remaining Marshall recommendations.

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BRITISH AID TO THE TURKS & CAICOS ISLANDS (TCI)

Level of Aid

British aid to TCI is currently running at over £5.0 million a year.

Aid disbursement and planning figures are as follows:-

	Aid Expenditure (£000)			Aid Framework (£000)		
	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89
Capital	1435	1372	2370	2650	2650	2650
Budgetary Aid	1343	1572	1860	2110	1000	1000
Technical Cooperation	718	670	947	1200	2000	1500
TOTAL	3496	3614	5177	5960	5650	5150

Capital Aid

There has been a substantial increase in capital aid over the last two years to meet the costs of ^alarge infrastructure rehabilitation programme, including electricity supply, airports, docks, roads and schools. This programme will continue for the next few years.

Budgetary Aid

TCI is the only country in the Caribbean still in receipt of budgetary aid. Although there is scope for increasing revenue through developing its tourism and offshore industry, TCI does continue to experience revenue shortfalls and is likely to do so for the next few years. TCI's income and expenditure are regularly monitored through Budgetary Aid Reviews carried out by the British Development Division in the Caribbean (BDDC). HMG's policy is to assist TCI to increase its revenue with a view to eliminating budgetary aid in the next few years.

Technical Cooperation

By Caribbean Aid standards the manpower programme in TCI is a large one, with a total of 21 UK expatriates presently filling key Government posts and providing expert advice in a number of areas. Manpower needs are kept constantly under review and additional staff will be appointed as the need arises. Training of the TCI Civil Service is a key element in improving the quality of the administration and steps are being taken to arrange training courses later this year.

Development Plan

BDDC are working closely with the TCI Government to draw up a realistic long-term development programme for the period 1987-1990. The plan will cover areas such as tourism, offshore finance and land taxation. These offer TCI the best chance of eliminating the need for budgetary aid. Individual consultancy studies are being carried out in tourism, offshore finance and private sector development.

CONFIDENTIAL

RD



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 March 1987

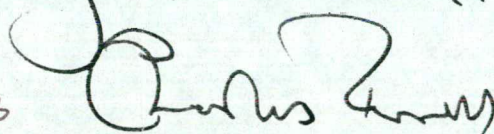
Dear Tony,

TURKS AND CAICOS ISLANDS (TCI)

The Prime Minister has considered the Foreign Secretary's minute of 19 March about the outcome of the review of the Turks and Caicos Islands constitution by a specially appointed Commission. She is in general content with the measures which it is proposed to take to implement the Commission's recommendations, as well as additional measures proposed by the Foreign Secretary. The only point which gives her pause is the recommendation in paragraph 3(b)(ii) of the accompanying paper which would give the Governor power to withhold any Ministerial responsibilities when he has reason to believe that the person likely to be recommended by the Chief Minister is unfit to hold office. This might be regarded by many as too draconian a power unduly constraining the Chief Minister's right to make nominations (although the Prime Minister understands why the proposal is made). She would be grateful if the Foreign Secretary would reflect further on this point before reaching a decision. Apart from that, she is content.

I am copying this letter to the Private Secretaries to members of OD, to the Legal Secretary to the Law Officers, to the Private Secretary to the Chief Whip and to Sir Robert Armstrong.

CH/EXCHEQUER	
REC.	20 MAR 1987
FILE	MR P. G. DAVIS 20/3
COPIES TO	CST, EST
	SIR G. HATFIELD
	MR LAVELLE
	MR MOUNTFIELD
	PS/C&E

Yours sincerely,


C D POWELL

A. C. Galsworthy, Esq., C.M.G.
 Foreign and Commonwealth Office

CONFIDENTIAL



FROM: S P Judge

DATE: 23 March 1987

MR P DAVIS

cc PS/Chancellor

Mr Lavelle

Mr Mountfield

PS/Customs & Excise

TURKS AND CAICOS ISLANDS (TCI)

The Minister of State has seen the Foreign Secretary's minute of 19 March to the Prime Minister. He recalls that one of his colleagues in business, who had been Governor of Grenada, was asked five years ago if he would like the throne of the Turks and Caicos Islands.

S.P.S.

S P JUDGE
Private Secretary

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

25 March 1987

CH/EXCHEQUER	
REC.	25 MAR 1987
ATTN	MR P. DAVIS, 2st/3
COPIES TO	CST, MST
	SIR G. LUTTIG
	MR LAVELLE
	MR MOUNTFIELD PSIC&E

Dear Charles,

Turks and Caicos Islands (TCI)

Thank you for your letter of 20 March. The Foreign Secretary fully understands the Prime Minister's worry that the new powers we are proposing to give the Governor might seem draconian. But he believes it essential that we should have means at our disposal to ensure that we can if necessary prevent the return to office of discredited politicians in the TCI. Since the Blom-Cooper report was published last year none of those named appears to have accepted that he acted irresponsibly and without regard for the public interest. On the contrary they have remained unrepentant and uncooperative and have sought to undermine the authority of the Governor. Their return to power could discredit HMG's past efforts and impede our attempts to provide the Islands with a good administration.

The public mood in the TCI may be changing and the public support for the discredited politicians could be waning. Both the Blom-Cooper enquiry and more recently the Constitutional Commission have made clear the extent to which individual politicians have abused the system for their own ends.

In these circumstances, Sir Geoffrey Howe has looked hard at the following options:

- a) to impose direct rule;
- b) to prolong the present interim administration beyond July 1988 when the present Order In Council expires;
- c) to disqualify discredited politicians from standing for elections;
- d) to accept the Constitutional Commission's recommendations but to clarify and strengthen the Governor's existing powers under the present Constitution over the assignment of Ministerial responsibilities.

/He

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He felt that a), b) and c) would provoke a disproportionately strong adverse reaction not just in the TCI but in the Caribbean generally. c) was also ruled out because in the absence of specific and proven legal justifications, disqualification could be challenged in the courts and would moreover appear undemocratic. d) therefore appears to be the right course.

The powers we now propose to give the Governor would involve a small but significant change in the wording of the present Constitution. In assigning Ministerial responsibilities the Governor would act after consultation with rather than in accordance with the advice of the Chief Minister. He would disregard the Chief Minister's views only if he had failed to dissuade him from nominating a discredited politician to the Executive Council. But the power could also be used to withdraw a responsibility from any Minister to whom it had been previously assigned if in the Governor's judgement he was incapable of discharging it effectively. The primary objective therefore would be to ensure good administration rather than merely to prevent discredited Ministers returning to office. In each case the Governor's decision would require the prior agreement of HMG. It would be very much a weapon of the last resort, to be used with discretion and only after the most careful examination of the circumstances in a particular case.

I am copying this letter to the Private Secretaries to members of the OD, the Legal Secretary of the Law Office, Private Secretary of the Chief Whip and to Trevor Woolley.

Yours ever

R N Culshaw

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

490/142



~~No action
required by
Treasury.~~

OS

m. euid
27/3

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

27 March, 1987.

Dear Robert,

TURKS AND CAICOS ISLANDS

Thank you for your letter of 25 March, responding to the point raised by the Prime Minister on the new powers which it is proposed to give the Governor of the Turks and Caicos Islands.

The Prime Minister was grateful for the explanation, and agrees that the Foreign Secretary should proceed on the lines proposed.

I am copying this letter to the Private Secretaries to members of OD, to the Legal Secretary to the Law Officers, to the Private Secretary to the Chief Whip, and to Sir Robert Armstrong.

CH/EXCHEQUER	
REC.	27 MAR 1987
BY	Mr PGF Davis
TO	EST EST
	Sir G Kitter
	Mr Lavelle
	Mr Mountfield
	PS/CvE

Yours sincerely,

(C.D. Powell)

R.N. Culshaw, Esq., MVO,
Foreign and Commonwealth Office.