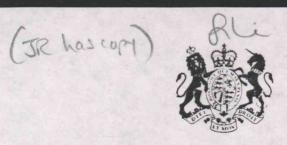
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10 DOWNING STREET LONDON SWIA 2AA

THE PRIME MINISTER

17 December 1990

Dear Mr. Je Huston,

Thank you for your very kind letter of 30 November. I greatly enjoyed our meetings last year and hope there will be an opportunity for us to speak again in the near future.

With my very good wishes for Christmas and a prosperous new year for the Cayman Islands.

Your Four Now

The Hon. T.C. Jefferson, OBE, JP.



Foreign and Commonwealth Office

London SW1A 2AH

14 December 1990

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Vealbules,

Thank you for your letter of 5 December enclosing one the Prime Minister has received from Mr T C Jefferson JP.

I enclose a draft reply.

(S L Gaes) Private Secretary

C D Powell Esq 10 Downing Street

Draft Reply from the Prime Minister

To: The Hon T C Jefferson OBE JP

Financial Secretary

Department of Finance and Development

Government Administration Building

Grand Cayman

Cayman Islands

Thank you for your very kind letter of 30 November. I greatly enjoyed our meetings last year and hope there will be an opportunity for us to speak again in the near future.

With my very good wishes for Christmas and a prosperous new year for the Cayman Islands.



10 DOWNING STREET

LONDON SWIA 2AA

From the Private Secretary

not actd | 5 December 1990

I attach a copy of a letter the Prime Minister has received from Mr. T C Jefferson, JP, Financial Secretary to the Cayman Islands.

I should be grateful if you could provide a draft reply for the Prime Minister's signature, to reach me by Wednesday, 12 December please.

CHARLES POWELL

Richard Gozney, Esq., Foreign and Commonwealth Office

Rec'd SIR. Office of the Financial Secretary Department of Finance & Development Government Administration Building Tel: 809 -94 -97900 Telex: 69 4260 Grand Cayman, Cayman Islands. OUT THE CAYMAN EL Ref. PERS. 30 November 1990 do h mm The Right Honourable John Major MP Prime Minister 10 Downing Street London SW1 ENGLAND Dear Prime Minister, Many congratulations on winning the support of your party and gaining Her Majesty's appointment as the successor to a most able Lady, Mrs. Margaret Thatcher. Having sat at the table with you at the Commonwealth Finance Ministers meeting in Port of Spain, Trinidad, and in bidding you farewell, by wishing you every success, I had no thought at the time that in approximately two months you would rise to lead your country. Needless to say your task will be onerous, but I believe it has the potential of enriching your life as you seek to harmonise the party and provide the services your people require. May Almighty God bless you as you take up the office of Prime Minister and guide your every decision, so that nothing but success will come to you and the people of Great Britain. Yours sincerely, T. C. Jefferson O.B.E., J.P. Financial Secretary TCJ/ep

Gdu Ros - Janice



With the compliments of

THE PRIVATE SECRETARY

Re overdue correspondence

list. > Mr Bush. Please see

the attached. As you can

see it was agreed that
a minister shaud reply an

FOREIGN AND COMMONWEALTH OFFICE

the PM's behalf. This copy is for your files. Sheetal Kotak



Foreign Float
WIAD

From the Parliamentary Under Secretary of State

19 July 1990

Dean M-Bul

Thank you for your letter of 17 July. I have also been asked to reply to your letter of 29 June addressed to the Prime Minister and to the Secretary of State for Foreign Affairs.

The Governor has now replied at length to the petition which you enclosed with your letter. I do not think there is anything I can usefully add.

I hope that the difficulties to which you allude may be resolved without it proving necessary for you and your colleagues to travel to London. I am afraid that I shall in any case be abroad for much of the next few weeks. But my officials are always ready to meet the elected representatives of a Dependent Territory for which the UK is responsible. Such talks could not be characterised as formal negotiations of any kind, but would represent an opportunity for all concerned to learn more of each other's point of view.

Tom, ance

Tim Sainsbury

W M Bush Esq Legislative Assembly of the Cayman Islands Cayman Islands W^M McKeeva BUSH

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10 DOWNING STREET

From the Private Secretary

Acid 9 July 1990

I attach a copy of a letter the Prime Minister has received from Mr. William McKeeva Bush and other members of the Legislative Assembly of the Cayman Islands.

I should be grateful if you could provide advice and, if appropriate, a draft reply for Private Secretary signature, to reach me by Monday 23 July please.

(DOMINIC MORRIS)

S. L. Gass, Esq., Foreign and Commonwealth Office.

LEGISLATIVE ASSEMBLY OF THE CAYMAN ISLANDS 29 June 1990 Rt Hon Margaret Thatcher, MP, Prime Minister, House of Commons, London SW1 AOAA, ENGLAND. Dear Madam Prime Minister, The undersigned majority of elected members of the Legislative Assembly of the Cayman Islands ("LA") enclose herewith: -A copy of our letter of even date to H.E. Gov. Alan Scott (1) setting forth our stand on Motion 3/90 and related issues; A copy of Government Motion 3/90; (2) Report of Constitutional Commissioner (1971); (3) Cayman Islands (Constitution) Order 1972; (4) Legislative Assembly Standing Orders (Revised); (5) (6) Various relevant newspaper clippings; and Cayman Islands Who's Who & Business Guide (1990). As set out in our letter to Governor Scott, we wish to bring to your urgent attention matters of the gravest concern to the undersigned and to the people we have been elected to represent. As a result of Government Motion 3/90, we anticipate the necessity of our visiting London in the near future and would welcome an opportunity to meet with you on these matters at that In the mean time, we shall be grateful for your office to enquire into the matters raised herein with a view to effecting prompt corrective action through the United Kingdom Government. Yours faithfully, William McKeeva Bush John Dwight Jefferson Jr Third Elected Member for First Elected Member for West Bay West Bay George Haig Bodden Second Elected Member for Roy Bodden First Elected Member for Bodden Town Bodden Town Truman Murray Bodden Gilbert Allan McLean Third Elected Member for Second Elected Member for Cayman Brac and Little Cayman George Town John Bonwell McLean Elected Member for East End

LEGISLATIVE ASSEMBLY OF THE CAYMAN ISLANDS 29 June 1990 H E Gov Alan J Scott, CVO, CBE, Governor of the Cayman Islands, Office of the Governor, Government Administration Building, GRAND CAYMAN. Your Excellency, The undersigned majority of elected members of the Legislative Assembly of the Cayman Islands ("LA") hereby confirm our stand on Government Motion 3/90 and related issues as follows On the 23rd November 1988, the four present elected members of Executive Council ("ExCo") were voted into ExCo with the support of three other elected backbenchers, one of whom resigned on the 1st March 1990 and whose vacant seat was filled in a by-election on the 30th May 1990 by one of the undersigned, Mr. G. Haig Bodden. Under our present non-party political process, a total of twelve members were elected to the LA. In turn, these twelve elected four of their number to the Government bench. Thus, the present elected ExCo members gained their seats on ExCo from the then majority of elected MLAs, rather than from the electorate of the Cayman Islands. Since November 1988, all reasonable efforts have been made by backbenchers to work harmoniously with the four elected ExCo members, but these ExCo members have made this virtually impossible. Mainly through their own actions and inactions which alienated their former backbench supporters, the present elected ExCo members have lost the support of the majority of elected members of the LA ("MLAs"). In particular, the essential backbench support which the four elected ExCo members had in November 1988 has since then been withdrawn. The present elected Government has lost various votes in the LA, which reflects a lack of confidence in several of its major policies, including rejection in September 1989 of Government's proposed master ground transportation plan ("MGTP") maps for George Town. The elected Government also failed to sustain its proposed budget last December and had to agree a budget in line with the wishes of the majority of elected members of the LA. The resounding electoral victory of Mr. G. Haig Bodden (with 73% of votes cast in the 30th May Bodden Town by-election) indicates the present public support for the policy positions of the backbench majority, who campaigned openly for the winner. His opponent, Mrs. Mary Lawrence, campaigned in support of Government's policies and her candidacy was understood to be supported by the four elected ExCo members. In a desperate effort to hold onto power as a Government with no backbench support for some of its major policies (especially major and controversial projects such as the MGTP and the two-site hospital in Grand Cayman), the present elected ExCo members proposed Government Motion 3/90, which is designed to remove (from the backbench majority of elected members of the LA) control in Finance Committee over authorisation to spend public monies.

- This meeting was attended by a large, spirited and supportive cross-section of the community.
- 13. Government Motion 3/90 effectively proposes, contrary to the advice of the majority of elected MLAs, to appoint three non-elected civil servants as ordinary voting members of a new restructured Finance Committee. We consider that this destroys the democratic checks and balances of having only elected legislators vote to authorise the spending of public monies, which had been settled when the 1972 Constitution was put in place.
- Appointing these civil servants to a position wherein they vote to spend public monies and then also administer the spending of such monies violates the principle of separation of powers. It also violates the principle of impartiality by unnecessarily forcing these civil servants into political activity without accountability to the electorate.
- At the recent Commonwealth Parliamentary seminar, one of the resource speakers, the Hon. Sir John Sharpe, Minister of Bermuda, said that "expenditure has always rested with the elected members of parliament. In Bermuda, that was implied... So implicitly, ... when it comes to expenditure, certainly in my country (previously and presently) it has been dealt with by the elected members of parliament." Nothing in our constitutional history renders this situation any different in the Cayman Islands.
- "Standing Orders embody much that is important to the constitutional lawyer, such as the principle that the expenditure of public funds can only be proposed by a Minister of the Crown...": see Wade & Phillips, Constitutional Law, seventh edition (1965), at page 91.
- The Rt. Hon. the Earl of Oxford and Asquith, KCMG, the 17. expert on constitutional matters, in his 1971 Report as Constitutional Commissioner, recognised the composition of Finance Committee to be a constitutional matter by including the subject within his "principal recommendations": see 1971 Constitutional Report, para. 36. After due consideration,

- addition, removal of the Financial Secretary as Chairman of Finance Committee is contrary to the principle set forth in section 43(2) of the 1972 Constitution that the chairman of a committee of the LA should be the ExCo member who has been charged with responsibility under section 9 of the 1972 Constitution and "whose responsibility corresponds as nearly as maybe to the functions of such committee." Thus, the Financial Secretary is the logical and constitutionally proper chairman of Finance Committee.
- Being a clear-cut and fundamental constitutional matter and 19. in accordance with well-established parliamentary convention and practice in the Cayman Islands, the three non-elected civil service ExCo members should not vote to appoint themselves as ordinary members of Finance Committee.
- Appointing the three non-elected civil servants onto Finance 20. Committee is also a politically regressive step, which goes against reasonable, expected and natural political development in the Cayman Islands as encouraged by the United Nations and supported by the UK Government.
- The LA is to operate in line with the great traditions of 21. the Westminster parliament, with general resort being had where our Standing Orders are silent to House of Commons usage and practice: see Standing Order 85(1). In cases of doubt, our Standing Orders are to be interpreted in light of such usage and practice: see Standing Order 85(2). usage and practice is understood to include various constitutional conventions: see de Smith, Constitutional and Administrative Law, second edition (1973), at pages 232 and 265.
- "The existence of conventions is due to the need for rules 22. to supplement the legal framework of the constitution": <u>see</u> Wade & Phillips, at page 10. "Most of the conventions of the constitution are binding usages, understandings or practices. They are forms of political behaviour regarded as obligatory": see de Smith, at page 58. "[A] constitutional convention is a rule of practice which is regarded as binding on those to whom it applies even though it cannot be enforced in the courts: see Clifford-Turner, Doing Business in the United Kingdom, volume 1 (1987), at page 1-6.

political platform during the 1988 general elections. the words of the constitutional expert, it is clear that the LA elected in 1988 has "no mandate to speak for the people on this important and controversial matter" of Government Motion 3/90: see 1971 Constitutional Report, para. 14. In 1962, the UK Secretary of State was unable to accede to the request from the elected Government of that day to grant 29. full internal self-government immediately after then forthcoming general elections, because it was considered "wrong to anticipate the October elections at which the timing of any constitutional advance might be expected to be an issue": see 1971 Constitutional Report, para. 14. situation today is not essentially different, in that Government Motion 3/90 anticipates a matter which is expected to be (and which should be) an issue at the next general elections, whenever those elections may be held. Accordingly (and in the event it becomes relevant), it would be wrong to accede to the present elected Government's request for approval of the Government Motion 3/90 amendment to Standing Orders. "So long as constitutional progress has not reached the point of ministerial responsibility, the problem of defining 30. the obligations of the Governor to act in accordance with advice does not arise; for whatever share the local inhabitants may have in the administration of the country, he remains free to disregard the opinions of his Executive Council and the general responsibility for government is his - subject, of course, to the overriding authority of the United Kingdom Government": see Roberts-Wray, Commonwealth and Colonial Law (1966), at page 335. "[T]he Secretary of State's ultimate responsibility for public affairs in overseas territories does not stop short of the administration of justice, and there is nothing to prevent his intervening, if he thought it necessary to do so, on a general question, such as the policy adopted by the Governor in exercising the authority delegated to him, or even in an individual case brought to his notice, if he had reason to think the interests of justice so required": see Roberts-Wray, at pages 341-342. Section 7(2)(a) of the 1972 Constitution also provides that 32. the Governor is not required to consult with ExCo in any case in which, in his judgment, "the service of Her Majesty would sustain material prejudice thereby." Peace, order and good government of the Cayman Islands 33. require the present elected Government to honour the conventions and practices of the Westminster parliamentary system. In all the relevant circumstances of the current political situation in the Cayman Islands, it is "inexpedient in the interests of public order, public faith or good government" for the Governor to take inappropriate self-serving advice from the four elected ExCo members on such critical matters as approval of the amendment to Standing Orders as proposed in Government Motion 3/90; and dissolution of the LA. Accordingly, time has now come for the Governor, in accordance with the proviso to section 8(1) of the 1972 Constitution, to obtain the approval of the UK Secretary of State for Foreign and Commonwealth Affairs to act against the advice of ExCo on these matters.

William McKeeva Bush First Elected Member for

First Elected Member for

Truman Murray Bodden

Gilbert Allan McLean

Second Elected Member for Cayman Brac and Little Cayman

Prime Minister

Rt Hon Margaret Thatcher, MP

Rt Hon Douglas Hurd, CBE, MP

Secretary of State for Foreign and Commonwealth Affairs

Rt Hon Neil Kinnock, MP Leader of the Opposition

Third Elected Member for

West Bay

Roy Bodden

Bodden Town

George Town

cc:

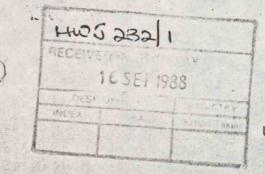
John Dwight Jefferson Jr Third Elected Member for

George Haig Bodden Second Elected Member for Bodden Town

Elected Member for East End

John Bonwell McLean

West Bay



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OF 160900Z SEPTEMBER 88
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MODUK FOR SEC (0)(C)

1. FOLLOWING PERSONAL FROM THE PRIME MINISTER.

BEGINS. I WAS VERY CONCERNED TO LEARN OF THE SUBSTANTIAL DAMAGE
THAT THE CAYMAN ISLANDS HAVE SUFFERED AS A RESULT OF HURRICANE
GILBERT. YOUR INITIAL REPORTS SUGGEST THAT DESPITE THE FORCE OF
THE HURRICANE, THANKS TO YOUR CAREFUL PREPARATIONS, CASUALTIES
AMONG THE CAYMAN ISLANDERS ARE SLIGHT. FOR THIS WE ARE GRATEFUL.
PLEASE EXTEND MY SYMPATHY TO THE INJURED AND THOSE WHO HAVE
SUFFERED DAMAGE TO PROPERTY. HMS ACTIVE IS NOW WITH YOU TO
RENDER ANY ASSISTANCE AND WE STAND READY TO HELP IN ANY OTHER WAY
WE CAN. ENDS.

MESSAGE DATED 15 SEPT 88.

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

14 September, 1988.

CAYMAN ISLANDS: HURRICANE GILBERT

Thank you for your letter of 14 September proposing a message from the Prime Minister to the Governor of the Cayman Islands about Hurricane Gilbert. I am sure that the Prime Minister would be ready to send a message, and the telegram enclosed with your letter may issue.

(C.D. Powell)

R.N. Peirce, Esq., Foreign and Commonwealth Office.

Foreign and Commonwealth Office

London SW1A 2AH

14 September 1988

Den Chiles

Cayman Islands: Hurricane Gilbert

I wrote to you yesterday about Hurricane Gilbert and the message of sympathy to Prime Minister Seaga of Jamaica. This message has now issued.

The Cayman Islands later sustained a virtual direct hit from Hurricane Gilbert. Thanks to careful preparations the Governor reports no loss of life but there has been extensive damage to houses, warehouses and public buildings. There is no electricity, and communications were badly affected.

The Prime Minister may wish to send a similar message to the Governor of the Cayman Islands. I enclose a draft.

Your en

(R N Peirce) Private Secretary

C D Powell Esq PS/No 10 Downing Street UNCLASSIFIED

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FM FCO
IMMEDIATE GRAND CAYMAN
TELNO
OF SEPTEMBER 1988
INFO IMMEDIATE MODUK

Begins. I was very concerned to learn of the substantial damage that the Cayman Islands have suffered as a result of Hurricane Gilbert. Your initial reports suggest that despite the force of the hurricane, thanks to your careful preparations, casualties among the Cayman Islanders are slight. For this we are grateful. Please extend my sympathy to the injured and those who have suffered damage to property. HMS Active is now with you to render any assistance and we stand ready to help in any other way

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we can. Ends.

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PS/Mrs Chalker

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<<<<

Ps/Mrs Chalker

PS/Mr Eggar

PS/PUS

Mr Feanr

UND

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PUSD

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No 10

PS/Mr Patten

Mr Pugh, ODA

Disaster Unit, ODA

LACPD, ODA

DIO, Cabinet Office

OT4/2A, DTI

HMT

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