

The three commissions studying the fiscal, civil service and the judicial problems of federation presented their reports late in 1955. The Secretary of State for the Colonies then invited the colonies concerned to send representatives to a conference to be convened in London on February 7, 1956.

The London Conference of 1956

The principal task of the London Conference of February 1956 was to study the reports of the three commissions on the fiscal, civil service and judicial problems of federation and to incorporate the recommendations arising out of their reports and out of the Trinidad Conference in the federal plan of 1953. The report of the fiscal commission gave rise to the greatest amount of discussion.

In 1953 it had been agreed that the Federal Government should receive the postal revenues, when the Federation assumed responsibility for the postal services, and fifteen per cent of the custom duties on imports; the fiscal commission thought, however, that the Federal Government should be assured of a more reliable and productive source of revenue if it were to be able to discharge its responsibilities satisfactorily. The 1956 Conference agreed, and it was decided that for the first five years the Federal Government would obtain its revenue from profits on the issue of currency and from a mandatory levy on the unit governments. It will also have the right to raise revenue by excise and custom duties concurrently with the unit governments.

It was also agreed that there should be an integrated trade policy for the Federation and that a customs union should be introduced at the earliest opportunity.

Certain constitutional changes were agreed upon. As noted above, it had been agreed in 1953 that the Council of State should consist of the Prime Minister and seven members of either houses of the Federal legislature chosen by him, plus three officials appointed by the Governor General and three members of the federal Senate appointed by the Governor General in Council. The 1956 Conference decided, however, (a) that the three officials appointed by the Governor General would only have the right to attend meetings of the Council of State and to participate in its discussions; (b) that the three federal Senators would be appointed to the Council on the recommendation of the Prime Minister, and not of the Governor General in Council.

One matter which was not settled at London was the site of the national capital. The Conference agreed to appoint an independent fact-finding commission of experts which would recommend three suitable sites for a capital and indicate its preference. One of the sites on the commission's list would then be chosen as capital by the delegates to the London Conference who agreed to continue to act as a standing Federation Committee to carry out constitutional and administrative pre-federation functions. The United Kingdom Government has undertaken to contribute to the cost of the necessary federal buildings up to one million pounds, an amount double that pledged in 1953.

The Conference ended on February 23, 1956, with the historic announcement that the sixteen delegates had agreed to federate their respective islands. The first Federation Day in 1956 will be proclaimed when Royal assent is given to the United Kingdom Act approving federation; in subsequent years, however, February 23 will be the official Federation Day.