

Budget Alert 4.2 The Political Context of Economic Developments in Grenada in the 1950's

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The structure of Grenada's economy is influenced by its historical legacy, its evolution to a politically independent state, and the policies pursued by administrations. The economic developments in Grenada are outlined in the context of the political and constitutional changes over the years.

In the 1950s, Grenada was shifting away from the governance system of direct control by the British Government; based on the Crown Colony form of Government comprising a Governor and an Executive Council appointed by the British Government. Under this system of Government, the economy was void of domestic economic management and fiscal policy was virtually non-existent. Monetary policy was not necessary as the pound sterling circulated freely as the medium of exchange. The social conditions in Grenada were similar to that of the other British colonies and could be gauged from the findings of the 1945 Moyne Commission report that denounced the deplorable conditions of the colonies.

Economic developments in the 1950s were influenced by the changing political system, the structure of the economy, the upgraded and broadened skills of the population, and the social conditions in the country.

Emerging from direct colonial rule, developments in the 1950s in Grenada and other such colonies were dominated by a series of political and constitutional changes. During that time, the existing crown colony structure of government was constantly modified to increase local participation in the governance arrangements. As such, the Executive Council, which was nominated by the British Government under crown colony government was transformed to a legislature, referred to as the legislative council, elected by a broader coverage of the population.

The constitutional and political changes were informed by the findings of the Moyne Commission Report and the Royal West India Report. In 1951, the constitution was revised to increase the number of elected members in the legislature. Additionally, the income and property qualification for candidates at elections was abolished and a 15-pound sterling deposit was introduced. The

deposit was not refunded if the candidate failed to get one-eighth of the votes in his/her constituency. In that year, universal suffrage was granted for all persons 21 years and over. However, the British Government allowed the Governor to retain his power which was rationalised as being in the interest of good government and public order. The Governor was therefore vested with the power to assent bills passed by the Legislature and could recommend to the Secretary of State that a particular bill or measure be vetoed.

At that same time, Eric Gairy entered the political arena initially as a trade unionist bargaining for higher wages for the sugar workers. The formal establishment of his Grenada Mental and Manual Trade Union in July 1950 was followed by a series of strikes in the midst of demands for higher wages. The arrest of Gairy did not quell the crowd, and with pressures from the agricultural workers, Gairy was released on the condition that he restore order to the country.

The period is often referred to as "SKY RED", marked by the burning of estates and other property.

Campaigning for improved social and economic conditions and, with the support of the working class, Gairy and his Grenada United Labour Party (GULP) won the 1951 general elections. Within the following five years, constitutional changes were marginal. In 1955, however, a committee system was introduced with the objective of preparing the Legislature for their role of decision making in the planned West Indian Federation. During that interim period, the Legislature was expected to become acquainted with the machinery and operation of the government. Thereafter, Grenada participated in the short-lived West Indies Federation of 1958 to 1962.

In 1957, a new political party - The Grenada National Party (GNP), headed by H.A Blaize, was formed. While the Grenada United Labour Party won the support of the labour population and, in particular, the estate workers, the Grenada National Party was classified as a middle class-based party consisting mainly of the business community, the plantocracy and the middle-class intellectuals. The newly established Grenada National Party won the 1957 general elections. At the same time, Gairy was suspended from the Council and from taking part in general elections for five years (1957-1961), and it was alleged that this was for breaking up a meeting of his opponents in the 1957 election campaign.

By 1959, a Ministerial Form of Government was introduced in Grenada and a new provision of government was set up, consisting of an administrator appointed by and representing the Queen.

He presided over an executive council consisting of a chief minister, three other ministers, a minister without portfolio and the principal law officer. The Chief Minister was appointed by the Administrator and was expected to be an elected member who commanded the confidence of the other majority elected members. The Legislative Council consisted of one ex-officio officer, two nominated and ten elected officers. Leader of the Grenada National Party, H.A Blaize, became Grenada's first Chief Minister, but his term in office was terminated at the 1961 general elections. The next article examines the economic and fiscal policies pursued during the 1950's.

Knowledge is power and Experience is the greatest teacher.

Disclaimer: This article is written in my personal capacity and not in my capacity as Chairwoman of the Fiscal Resilience Oversight Committee.

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