

THE MID-ATLANTIC ECONOMIC MIRACLE:
BERMUDA

500 plus days of: A new Government, lots of community speculation, some anxiety coupled with falling confidence, a huge 50 year success story behind us - our Bermuda is built on brainpower. Successful ideas brought to the business table, backed with our money and by our population – over 18,000 new jobs have been created in Bermuda since 1950.

We did this:

- 1) By raising the school leaving age from 11 to 16 years old.
- 2) By encouraging existing business growth and new companies in Bermuda to service the arriving international business sector.
- 3) By welcoming all our young people, without exception, into all businesses. Those who learned, studied, trained are today's leaders.
- 4) By having sensible immigration policies that allow for the gaps in our own abilities to be filled by the best available from overseas.
- 5) By enriching and enhancing our own brainpower from overseas, we kept our thinking, our entrepreneurial spirit global – always fresh, always in the lead, always new, always changing.
- 6) We built the Bermuda College.
- 7) We built the Bermuda College Hotel School.
- 8) We have scholarships – hundreds of them.
- 9) We have a very, very bright body of students in our schools today.
- 10) We are well prepared and settled for the next 50 years of business growth.
- 11) The Government Ministries responsible for our creative environment have done a first class job – without exception.
- 12) We have a written Constitution – voted in by our own people.

All achieved in visible freedom of association, freedom of speech, freedom of capital (Bermudian) to create this modern miracle: Bermuda.

Trades unions, business houses, professionals and our community must protect those freedoms – they are the very core and centre of our success story.

Business houses compete to knock one another out of business. Trades unions are free to push for improvements for their members. The media are free to express themselves. The government schools are free to age 16. Our young are free to train themselves, if they choose.

These freedoms, and many others, are there, right now, coupled with law, yes, law, that minimises their social impact on us. Rules, guidelines, if you wish, covering areas of corporate law, TV law, community law, civil and criminal law.

The current new government is on a big learning curve, coupled with the desire and need, to deliver on their promises and to deliver to their own voters the expectations put in their thoughts, as voters, by this government.

The previous government lost its way at the end, by too much vision and no action. Too much arrogance from the top and no leadership. Too much, and too many totally irrelevant personal pursuits, followed by attempts to impose major constitutional arrangements without considering their supporters and voters, and finally losing an election, by throwing money at it rather than good old fashioned electioneering. This, after thirty years in power, with brilliant results. Because of this, the present Socialist Government stole the middle ground.

50 years of encouragement and maximum of recognition of our own skilled manpower – grown at home, is the key of our past and now future success.

50 years of welcoming, with some restrictions and maximum recognition and encouragement of our manpower from overseas, is the key to our past and future success.

The government, any government, needs to address the following issues:

- Housing for all our residents.
- School places for all our residents.
- Transportation for all our residents.
- Internal security for all our residents.
- Sensible business law for all our residents.
- Sensible TV/IT/e-Commerce laws for all our residents.
- Sensible civil and criminal law for all our residents.
- Sensible social programs for all our residents.

And leave the economy in the hands, many hands, of who can best manage our economic affairs, the over 14,000 businesses operating or incorporated here in Bermuda.

We, the business community, provide all taxes and all jobs. Big business and the over 1800 small businesses provide all taxes and all jobs. The over 1800 Bermudian small businesses, providing goods and services to larger Bermudian and overseas businesses, are the very entrepreneurial backbone of Bermuda's present and future wellbeing. Their spirit and self esteem is to be nurtured.

Individualism in the marketplace is the very driving force of all business – large and small.

Government, any government, may not, no, should not even consider interfering, at any level, with our success at providing jobs; unless and except, as already said about freedoms, business houses break the law.

So, as our success story continues, any government, that recommends slowing down, managing, sustaining, directing, re-directing; these are

impossible policies couched in idealistic doctrinaire protectionism, that have to be publicly reversed in order to save present and future jobs.

Individualism in government is the very destructive force of all democracy and community growth. Individualism has to be removed from public life.

Our Constitution enshrines collective responsibility of the Cabinet – one Minister speaks – the Minister speaks for all Ministers – and the Premier.

A hotelier airs her views on ferry timetables, she is told by a Minister who failed to consult, or have his ministry to consult, to shut up. (Therefore committing his colleagues – until denied.)

Is the thick edge of the wedge to be applied to all business? Shut up or the government will retaliate – this from a Socialist Government who believes in freedom of speech and expression?

Are we to return to the old 1960's advisors to the PLP Opposition, now our present government, that of Geoffrey Bing and Dudley Thompson? I got to know them during their frequent stays in Bermuda – clever espousers of left wing idealistic doctrinaire economic politics that have caused total failure in their countries of Ghana and Jamaica.

I doubt it. Our present government is committed to uphold all our socio/economic policies now in place.

Our present government is committed to uphold all the rights and protections enshrined in our Constitution – voted into law by our people.

This commits our government to maintain and encourage corporate growth, to maintain Bermudian investment and to maintain overseas investment into Bermuda and encourage Bermudian and overseas manpower so as to sustain and expand our economy at least by 2% per annum.

I know the micro-managers will have a field day and moan and groan but it is up to them also to be realistic about where their financial resources come from, that enable them to afford their contribution to our quality of life.

Quality of life is about the education of the mind, the thought, the word and the action. Sloppiness in any of these areas of discipline leads to uncertainty in Bermuda.

A government backbencher slams the police and the judiciary, and worse, our Attorney General publicly ridicules a magistrate – the very government services that we expect them to uphold, for our own general security and protection of our homes.

Sloppiness of mind, thought and words – or is it something worse, are these individuals attempting to undermine the police, the courts and the appeal courts? No one senior to these individuals, in our government, have rebuked them and requested them to publicly support our system of justice and security - do they?

Independence remains on the Socialist Government agenda says a Government Minister. (Therefore committing her colleagues – until denied.)

Independence is not on the agenda of serious Bermuda business houses, interested in the current and long term benefits to be gained through innovative business growth.

It follows, therefore, that independence is not on the agenda of any government in power here in Bermuda that wishes to fully protect our business growth, our economic miracle, part of which is the hotel industry now in decline; the other part, International Business, that may feel under political strategic threat.

We throw more and more tax dollars at tourism. This is a total, utter, waste of tax money. Over these past fifteen years these dollars blinded the Ministers of Tourism, into thinking they were doing something useful:

working, travelling, marketing, prizewinning brochures, ads, first and best prizes for what we do, etc. The results:

Since 1977, all that this spending spree has produced is:

2502 jobs lost

59 closed hotel units

1742 beds lost

100,000 less visitors, and

\$120,000,000 per year losses in business revenue to those engaged in the visitor business.

Throwing good money into an ailing business never ever is the answer. First, harness the Bermudian hotel industry's brainpower for ideas they can and will finance.

Second, with the full co-operation of the government, the industry is to advise the Ministry of Tourism on how their substantial financial assistance is best deployed both outside and inside of Bermuda.

During those same years, most of what the Premiers of the day worried about were:

Base closures and, by comparison, their relatively small contribution to our economy; Independence; and irrelevant personal pursuits etc., these in addition to all the good they did; sadly they will probably only be remembered for their shallower activities.

I quote:

"The history of small societies, if analysed carefully, show a simple plan of self destruction over a given period of time. Simply put, a group of people go from:

- i) Want to need. This is a period of struggle for the better things of life.
- ii) Need develops into affluence and plenty by dint of super human effort. This is a period of everybody beginning to mind everybody else's business because everybody knows what is better for everybody else.

- iii) Affluence and plenty brings envy, greed and jealousy between the people of the society in all of its worst overtones. Now the society splits into numerous groups polarising on a thought, a philosophy, real or imagined injustices resulting in the better known names of anarchists, maoists, ban-the-bomb, facists, conservatists, socialists, do-gooders and so the list goes on.
- iv) At this point, the society begins to crack at the seams because no form of leadership can command the majority of the people without continually looking over its shoulder and going against principle to maintain power. The elected government in fact, although it will never admit it, transfers power to the Civil Service.
- v) Now that we have the bureaucrat making the decisions as opposed to the elected leaders, the society in the fullness of time will respond to an Autocrat whether he be from the left, right or centre. The prime job of the Autocrat becomes the maintenance of law and order in all of its shades of enforcement.

To sum up, a plentiful and affluent society can bring on itself innumerable real and imagined social problems, that some person or group of people wish to have corrected, usually at the expense of someone else, thus creating a series of triangular conflicts confusing the society and its prospects for the future.

To avoid this, I refer you to what Lord Thomas Macaulay said, "Our rulers will best promote the improvement of the people by confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price level, industry and intelligence their natural reward, idleness and folly their natural punishment, by diminishing the price of law, by maintaining peace, by defending property and by observing strict economy in every department of the state. Let government do this and the people will assuredly do the rest."

This is not so shocking – think of your own life cycle: gestation, growth, maturity, decline and death.

Bermuda's visitor business is in its final stages of maturity.

Why be surprised? Business, like life, works to a cycle – the trick in business is to recognise where you are and change, go back to gestation and growth with a new business outlook – movement in a new direction helps you to find new “cheese”! – here lies the success of Bermuda.

For the past fifty years from 1950, Bermuda and Bermudians have grasped, created, gestated and grown such a variety of new businesses. Our success is there for all to participate and take your part, and role, to be creative for the next 50 years. E-business, E-commerce, Information sharing, and the host of related money making ideas are the latest business ventures in the gestation and growth phase.

International Business is in the growth phase approaching maturity.

The Hospitality Industry is in the late maturity, perhaps early decline phase – the industry itself needs to work out the profitable route back to gestation, then seek growth.

This route and path will at best maintain our greatly reduced profitability on which to rebuild, seek new innovative paths to a renewed successful Bermuda Hospitality Industry.

The VIP initiatives are emerging, the hotel initiatives are emerging, the Industrial Relations initiatives are emerging, the supply side initiatives are emerging, but in spite of a lot of very good work, our country has been placed at risk by the refusal, absolute refusal, to accept the truth about our declining hospitality industry.

The business houses themselves need to speak out, take all initiatives into their own hands and deliver a renewed, gestating, growing hospitality industry – this can be done – this is possible – this is an attractive industry – this can be achieved in harmony with the growing e-Business, the growing International Business, and the backbone of Bermuda, our own 1800 small businesses.

"There is no such thing as sustainable development?"

June 2000

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W I T H T H E C O M P L I M E N T S O F

ROYAL GAZETTE
MONDAY JUNE 19, 2000

J. Christopher Astwood, OBE, JP
CHAIRMAN

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77 FRONT STREET, HAMILTON, P.O. BOX HM 113, HAMILTON HM AX, BERMUDA TEL: (441) 292-2246 FAX: (441) 295-5129

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