



**United Bermuda Party's Reply to the Throne Speech**

**Delivered by Kim Swan, JP, MP**

**Leader**

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# Reply to the Throne Speech

by H. Kim Swan, JP, MP, Leader, United Bermuda Party

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**Mr. Speaker, Members of the House of Assembly,**

I open this Reply to the 2010 Throne Speech by offering, on behalf of my colleagues, sincere congratulations to the new Premier on her election to the Premiership of Bermuda. It is a great honour and we are sure she will carry her responsibilities forward with dignity, humility and grace.

Indeed, we want to extend our best wishes to the Premier and all her colleagues. Bermuda desperately needs a better performing government and the Premier's statements give hope that she understands the need to do a better job.

We were particularly pleased by the tone of the Throne Speech with its language of "common purpose" and "unity". These are elements at the centre of all successful societies and they should lie at the centre of this Government's plans and decisions. They also represent a break from the previous leader who, whether by temperament or calculation, simply did not foster unity or common purpose. It is no small coincidence that Bermuda paid a price for it, in terms of morale and performance.

The Throne Speech also set down markers for a higher degree of civility in our public discourse, with calls to "strive for harmony" and refrain from disagreement for the sake of disagreement.

**Mr. Speaker,**

These are worthy goals and we support them.

We suspect the statement about disagreeing for the sake of disagreeing was directed at us as the Official Opposition, and so I want to take a moment to be very clear about our role in this Honourable House and in another place.

**Mr. Speaker,**

It is our constitutional duty to scrutinize, question, challenge and test government plans and activities. It is our duty to hold government to account for its actions. It is our duty to expose misdeeds, highlight failures and speak for people who are under-represented or mistreated.

Our loyalty is to the people of Bermuda and it is through our work as the Official Opposition that we hope they will be better served by the government of the day.

**Mr. Speaker,**

There is continuing responsibility to maintain close watch on the government, never more so than when times are tough, when performance falters, when doubts arise or misconduct happens.

**Mr. Speaker,**

The PLP Government is embarked on a fresh start. It touts its new leadership team and its aspirations to bring about change and end business as usual. Bermuda surely needs change but we question whether this team can make it happen.

To start with, the Government is not new. A Premier has left and a new one is in. There has been a shuffle in the Cabinet and some new faces, but it amounts to one more changing of the guard, the fourth since 1998. It is populated largely by the same men and women who were on the Front Bench 12 years ago, let alone two weeks ago. As a party, they have been in charge for a generation and in that time Bermuda has gone from an upwardly mobile, confident, safe society to something less certain, less optimistic and certainly less safe.

Consider the following developments:

- Government debt for every newborn Bermudian is estimated to run this year to \$19,305; in 1998 that debt was \$3,326.
- Fewer Bermudians hold jobs today than did in 1998, despite growth in the island's economy.
- There are an estimated 3,000 Bermudians out of work today. In 2000, there was full employment.
- Air visitors from the United States – Bermuda's main tourism market – are down 40% from 2000.

- Violent crime – crimes against persons – is 100% greater than it was in 1998. So far this year there have been 193 firearm incidents leaving seven dead and another 25 injured.
- For the first time since the early 1970s, the total number of companies registered in Bermuda has declined.
- Finally, education reform remains stalled with no reported reduction in the 50% drop out rate of young black males.

**Mr. Speaker,**

Each of these statistics reflects key categories of island life that, taken together, indicate Bermuda has become weaker not stronger.

People sense the decline. Almost everyone I have spoken with believes Bermuda is heading in the wrong direction. The desire for change, for a better direction is real.

The big question for Bermudians will be whether this government led by the Premier can bring about the change Bermuda needs.

Will it shut down the dubious practices that caught the attention of two successive Auditor Generals? Will it make sure Bermuda remains a premier international financial centre? Will it bring life back to tourism? Will it finally reform Education? Will it lead by example and live within its means? Will it get a grip on runaway public debt? Will it stop the spin and trust in the truth?

**Mr. Speaker,**

These are questions all Bermudians must ask themselves in the days ahead.

For make no mistake, Bermuda needs to change course. To continue the way we're going only promises hard times and more decline.

The new Premier and her team played integral roles in leading Bermuda to this point, whether through silence or complicity, indifference or weakness. All but a few were at the table in one capacity or another, at one time or another – some, like the Premier, from the start.

**Mr. Speaker,**

Bermuda pays \$40 million a year to service the national debt; that's more than \$100,000 a day to cover interest payments. With our debt now surely beyond \$1 billion, Bermuda has become a debtor nation.

The deficit the Government is running on current account is a primary concern. For the past two years, the Premier has allowed millions more to be spent than taken in. There is no starker example of Government living beyond its means than this – borrowing to pay for operating costs such as salaries. If the Government was a household, it would be the equivalent of the homeowner borrowing money to pay for electricity, groceries and the children's allowance.

The rise in debt occurred on the Premier's watch, after she was appointed Finance Minister in 2004. It is for her to explain her role in the spending binge that, for many families, has mortgaged their children's future and limited our own ability to respond to sudden economic shocks that can happen at any time.

Already we have seen evidence of the debt burden straining budgets, from Ag & Fish workers having to fight for overtime pay as they prepared for the Ag Show, to seniors who've had their pension benefits frozen, to teachers raising money to cover cancellation of a summer programme that helped children with learning disabilities.

Cutbacks and cancellations will become more frequent in the days ahead. This is the price all of us must pay for Government loosening the purse strings in recent years. As a community, **Mr. Speaker**, it will be the fiscal equivalent of the morning after.

In principle, we support the Premier's undertaking to run a leaner, less wasteful government. Governments should try to live within their means. This is doubly so for a jurisdiction whose economy relies so heavily on just one sector – international business.

We support the Premier's move to cut \$150 million in spending. We wait to see where these cuts will be made. Time will tell if she succeeds. As Finance Minister, she twice called for budget cutbacks only to be ignored by colleagues.

**Mr. Speaker,**

The Government has emphasized in the Throne Speech that it wants the public to measure its performance in the context of what it called a “post-recessionary climate.”

We have a problem with this statement on two counts.

First, we see it as strangely detached from local realities. Bermuda is not in a post-recessionary climate. On the contrary, Mr. Speaker, Bermuda is still in recession. The Government may not know it, but people do.

Imagine how that “post-recession” statement would be received by the estimated 2,000 Bermudians who used to work in construction.

Imagine how it would go over with the 700-plus clients of one employment agency, which routinely submits up to 30 applicants for one job.

Imagine how it would strike Bermuda’s retail industry, which is reeling from 16 straight months of declining sales.

**Mr. Speaker,**

Our second concern with the post-recession statement has to do with blame shifting. This was a practice of the last government and one we hoped to have seen the last of. But it was not to be.

In this instance, it is politically expedient for the Government to have people think their lost job or shrinking paycheque is the result of global recession and nothing else. The truth, **Mr. Speaker**, is far different.

Government’s own policies and actions have contributed and worsened recession’s impact, particularly job losses. For example, the Government allowed the construction sector to overheat and overbuild – a boom that was sustained by a steady stream of foreign construction workers.

We’re not sure why the Government opened the construction floodgates, creating a massive surplus of jobs that went to outside workers. It could have controlled the pace and intensity of construction through immigration and planning controls, but it didn’t. The boom has ended and construction is now at a near standstill. Workers

who could still be working today if the industry had been better governed are out of luck.

Another example lies in Government behaviour and policies that have needlessly cast a shadow over international business. This is a disturbing development given international business's preeminent role in powering the economy, generating 2/3 of the Bermuda's total economic output.

Despite this, Government needlessly antagonized and disappointed the international sector. This made no sense to us.

The outsourcing of back office functions and the redomiciling of corporate headquarters to other jurisdictions – at the cost of jobs for our people – are signs that Bermuda's bloom is fading.

**Mr. Speaker,**

We have appealed to the Government to recognize and work with international business as a partner who has an extraordinarily vital role to play in Bermuda's current and future success.

On that point, **Mr. Speaker**, we are very encouraged by the new Premier's commitment to extend the tax protection regime for international business to 2035. This is a positive step and she can expect our support for it.

There is more we can do to fix our fiscal and economic situation.

**Mr. Speaker,**

We would impose a hiring freeze on the civil service to cap spending and encourage early retirement to effect savings. We would cut consultants. While the Government grew the civil service by 1,000 people, it also hired unprecedented numbers of consultants. This year we were budgeted to spend nearly \$100 million on consultants. This is an astounding amount on its own, even more so given that we have the largest government in our history. Decisive, rational action in this area can save millions of dollars.

**Mr. Speaker,**

We would waive term limits for job categories that historically receive 100% work permit approvals. That would be an excellent step to getting the Government-international business relationship on more solid footing.

Finally, **Mr. Speaker,** We would explore tax relief for the lowest income earners. The need to restore Government's fiscal health cannot blind us to one of the basic purposes of modern government – to help those who through no fault of their own need help. We know many have been struggling through the recession to put decent food on the table each night and it behooves us to extend a helping hand to the less fortunate among us.

**Mr. Speaker,**

The United Bermuda Party has long urged the adoption of good governance measures to ensure accountability and transparency in all aspects of government business. Unfortunately, successive PLP governments have largely ignored our recommendations. I say unfortunately because the careless spending that has now beggared Government's ability to help people could have been avoided.

We therefore welcome the Government's commitment to whistleblower legislation and the provision of independent counsels for the both the Auditor General and the Ombudsman.

But **Mr. Speaker,**

We would go much further to providing more transparent, more responsive and more accountable government. Our programme includes:

- Integrity in Public Office legislation to define corrupt practices and set minimum standards for disclosure of financial dealings by parliamentarians
- Anti-corruption legislation
- A Contractor General to ensure proper and fair handling of government contracts
- A Code of Conduct for all parliamentary members, and
- A stronger role for the Legislature's Public Accounts committee

It is long past time for Bermuda to get serious about implementing higher standards of governance. Much good can come of it.

**Mr. Speaker,**

We are sure the Premier is committed to cleaning up her Government's way of doing business, but we have some concerns whether she knows how to do it.

Her decision to form a Procurement, Contracts and Project Management Office has been widely praised as a step in the right direction. We think the praise reflects the public's desire do something - anything - to put the stench of past practices behind us.

But there is something fundamentally wrong in the set-up of the office. We cannot move to a system of governance where the credibility of an office hangs on the character of the office holder. But this is exactly what the Premier has done by appointing herself to head up the Procurement Office.

Our system of governance should not have to depend on the honesty of its ministers. The system should stand on its own. Rules of oversight, accountability and transparency must prevail over the individual.

That the Premier has taken this action speaks volumes about the apparent damage done to the integrity of the civil service.

**Mr. Speaker,**

The fault lies not with the civil service but with ministers who meddled and micro-managed. It is our view that the systems in place are fine; it's the politicians who have messed them up. We say to the Government: "Leave things alone. Let the system work. Stop interfering. Apply existing rules and make people responsible."

**Mr. Speaker,**

Much of what we said so far is about leadership, setting the right example, adhering to best practices, living by sound values.

If the Government is embarking on a programme of austerity, we think it is essential to lead by example. Don't repeat the mistake of this year's Budget where the Premier imposed \$100 million in new taxes on the community but did virtually nothing to rein in the spending of her colleagues.

We believe that if the government wants the public to accept tough measures you've got to send clear messages that the same rules apply to them too. In this regard, cutbacks in the perks now enjoyed by ministers would foster in the community the spirit of shared effort and sacrifice; the sense that 'We are all in this together.'

**Mr. Speaker,**

Much has been said, much is known about our terrible crime problem. I believe the community understands that gun violence poses a mortal threat to our way of life, and yet the threat continues to spread.

This week's gunfire in Pembroke with children playing nearby and the holdup of a teenage girl with her friends are signs of the deepening crisis. Police statistics provide a startling measure of the near viral growth of gun violence.

In 2007, there were 10 firearms incidents, in 2008 there were 37, in 2009 87. So far this year there have been 193 incidents. These figures tell us the perpetrators feel free to carry and fire their guns even as Police expand their presence. The figures also say they have no fear and that Police have not found a way to stop the shooting.

**Mr. Speaker,**

The formation of a Ministry of National Security may bring sharper government focus to the crime problem, particularly to the material needs and standards of the Police Services.

We support the formation of a second Police Support Unit and the Community Action Teams, however we feel more work needs to be done to achieve a sustained presence in communities.

**Mr. Speaker,**

The public safety initiatives outlined in the Throne Speech are worthwhile but we would be more comfortable knowing they are part of a larger strategy that integrates all aspects of policing. And so we recommend the Government ask for a formal Service Review. It is long overdue and will reassure Bermuda that Police strategies, force levels, equipment and budgets are appropriate for the challenges they and the community face.

Likewise, **Mr. Speaker,**

We support and will contribute to the work of the Joint Select Committee on crime. Bipartisan work on such a crucial community challenge is terribly important for finding broad-based solutions. We would only add that the committee should be provided with whatever resources it needs.

**Mr. Speaker,**

We are sure everyone understands the serious threat posed by gang warfare and gun violence. We are encouraged that Police have become more effective this year, despite the statistical evidence, and that government, however late, has taken some positive steps. But tougher sentences and more effective policing alone will not get the job done.

Without a comprehensive plan that brings to bear the moral strength of the community on the issues of guns, gangs and drugs, what is going on around us will continue.

As a result, **Mr. Speaker,** we believe the first priority is to stop the shooting. It is for this reason we continue to push Operation Ceasefire, a US-based programme that has had dramatic impact on gang violence in the most troubled US cities.

Its results have been startling: In Cincinnati in 2007, after Operation Ceasefire's first meetings with gangs, homicides fell 24%; in 2008 they were down 50%. In 1990s Boston, Operation Ceasefire was associated with near 2/3 drop in youth homicide.

**Mr. Speaker,**

Operation Ceasefire brings to bear the strong arm of the police on gangs while offering their members an out through the ongoing, compassionate support of the community.

This carrot-and-stick approach begins with explicit police warnings that violence will no longer be tolerated and coming down hard with every legal lever whenever violence occurs. This means disrupting gang lives with immediate and intense enforcement actions - serving warrants, mounting prosecutions, disrupting street-level drug markets, and strict enforcement of conditions for probationers and parolees.

The flip side of the plan is that if gang members want to step away from the violent lifestyle, the Ceasefire working group helps them with services and opportunities to make it happen. Bermuda has all the elements to stop the shootings but they need to be marshaled and harmonized to succeed. That is not yet happening.

**Mr. Speaker,**

We urge the Government to consider Operation Ceasefire as a remedy that can work for Bermuda. As a wise man once said, ‘Nothing ventured, nothing gained.’

**Mr. Speaker,**

In last year’s Reply we summed up the PLP government’s education reform efforts as too slow, too little and too late for many students and their parents. Mr. Speaker, one year later, not much has changed, except the minister – again.

In the last three and a half years, leadership of the reform process has suffered from remarkable inconsistency at every senior level, not just ministers – the positions of permanent secretary, education commissioner and even the chair of the Board of Education have changed.

While the new Premier may suggest that the nine PLP Education Ministers over the last 12 years have shared a “common purpose,” the results to date are an indictment of their effectiveness in achieving their goals.

We do not believe that the PLP is uncommitted. What is lacking here is not commitment, but lack of effective leadership and the willingness to take difficult political decisions to reform a broken system that resists change.

Because the Throne Speech devotes so little space to Education, we are left with more questions than answers. Does the government still support the Hopkins Report recommendations? Where do they stand on their strategic plan, the “Blueprint for Reform in Education”, which was rolled out last spring? And what about the recommendations in Professor Mincy’s Report which featured prominently in last year’s Throne Speech regarding the education of young black males?

What are the Government’s real intentions regarding primary school consolidation? Last January, Minister James denied the reason behind primary school consolidation was financial.

Two weeks ago Minister James confirmed the need to consolidate schools for financial reasons.

Now Minister Smith has indicated her opposition.

**Mr. Speaker,**

What are parents and teachers supposed to think? The Ministry seems to lurch from crisis to crisis and substantive progress gets left behind.

And there may be yet another crisis in the making if the \$150 million reduction in government spending promised by the Premier is real and is prorated across all ministries, then the Education Minister will be looking for almost \$19 million in cuts from the Education budget. Where will they come from?

Long before the Hopkins Report, the United Bermuda Party, along with educators, parents and many of our political colleagues across the aisle, called for comprehensive education reform. Among other things, the United Bermuda Party platforms in particular recognized the need for expanded preschools, an integrated technical curriculum, a focus on quality of teaching, a serious commitment to professional development, improved school discipline and a longer school day to provide more time for sports, music, arts and remedial support

It's tragic that the PLP Government has made so little progress in education in more than a decade. The commitment seems to be there. Everyone agrees that reform is essential. But the PLP government just can't seem to make it happen. It's time for real change. Our children deserve no less.

**Mr. Speaker,**

We recognize that a Throne Speech is a strategy document that does not necessarily provide the details behind how its proposals and plans might work.

This speech is no exception. In light of that, we want to comment on some items we support in principle. The commitment to "overhaul immigration laws" is welcome. We agree that their "uncertainty, subjectivity and ambiguity" merits reform. Constantly shifting policy and procedure confuses, discourages and frustrates the public. The guidelines need to be simplified, standardized and reduced to writing. In addition, we look forward to an explanation for

how one minister can be in charge of work permits and another in charge of immigration.

We agree health care must be affordable. This is one of the most daunting challenges facing Bermuda and its people today.

We support the extensions east and west of the Economic Empowerment Zone, an idea first put forward for northeast Hamilton by the United Bermuda Party in 2002, and would only ask the Minister for an audit report on the success of the northeast Hamilton zone.

We support in principle an Equal Pay Act.

We support initiatives that preserve, protect and enhance our environment, a resource of immeasurable value to the people of Bermuda. In this regard, we would support research projects at the Bermuda Institute of Ocean Sciences, the largest employer east of the airport and a fine example of an educational institution successfully operating in St. George's.

Finally, we support the intention to develop community-based programmes that help young people and their families succeed. Unfortunately there is no specific proposal in the Speech on which we can comment. Here are some ideas for Government to consider:

- Strengthen community centres to make them more relevant to more children.
- Work with school counselors to strengthen after-school programmes and with parents to encourage their children's enrollment in them.
- Work with the Department of Youth & Sport, sporting clubs and church organizations to further develop youth programmes that meet the specific needs of their communities.

**Mr. Speaker,**

Peer pressure on young people today is enormous. Often they are challenged to take the wrong

path over the right path. We think there is room to build upon and expand existing values-based programmes such as the Duke of Edinburgh Awards, the Bermuda Sloop Foundation, Raleigh International and others. Support for these programmes would not cost too much. It would be money well spent – an investment in the future.

**Mr. Speaker,**

The Throne Speech surprisingly concluded with a quotation by Oliver Wendell Homes who said: “The great thing in this world is not so much where we stand as in what direction we are moving.”

I say surprising because Bermuda’s direction today does not reflect well on the Government. It captures all that has and is going wrong – gun violence, runaway debt, education paralysis, political disappointment and leadership failures.

There is no doubt in our mind that Bermuda is heading in the wrong direction. We know we are not alone in thinking this. We hear it on the streets and in the clubs, we hear it from constituents and at town hall meetings, we see it in statistics and read it in the press.

**Mr. Speaker,**

We are encouraged by this broad awareness because it brings pressure to change. For change we must. Our future is on the line.

**Mr. Speaker,**

We are here today to work for change. We are here to get Bermuda back on track, to get it working again. We are prepared to reach out to the Premier and her colleagues to work together as Bermudians for Bermuda.

As for the Government, we urge them to consider our basic approach to the challenges before us:

Be prudent in your financial planning, open yourselves to the sunshine of public scrutiny, speak truthfully, bury self interest, listen to the people, crack down hard on law-breakers but give them a chance for redemption; uphold rules and best practices, for a society that does not follow rules that build trust and cooperation endangers itself.

**Mr. Speaker,**

We live in a special place. All of us know it. So when we see our island heading in the wrong direction, we must act to change what caused it to lose its way.

I am confident we can make this island right again. Our problems are solvable. We are a good, smart people. We know how to survive and prosper. Bermuda wants change. The time is now.