



# The Bermuda Society

November 2002

Newsletter - Issue 3

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## Message from The Chairman

One year on from the horrendous events of September 11th 2001 – Bermuda, which suffered as did many destinations, is looking at rising commercial and financial activity, particularly in insurance and banking and, most importantly, at a better year for the hospitality industry. Progress in telecommunications and development in e-commerce is keeping Bermuda at the forefront of competition in these areas.

The Bermuda Society continues to grow and so does its new biannual Newsletter, available now on the Society's website at [www.bermudasociety.com](http://www.bermudasociety.com). Continued support from both corporate and private members is greatly appreciated.

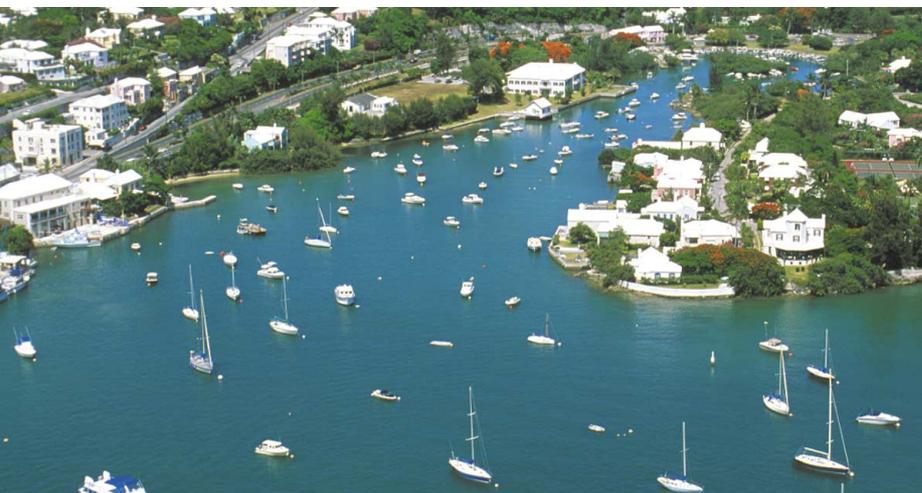
As reported elsewhere in this issue, the Society had the privilege of hosting the Premier, as well as a number of Governmental dignitaries, as guests at the recent Annual Dinner.

It is hoped to have a discussion during the autumn of this year in Bermuda between those interested in the promotion and further development of the Society, thus ensuring that it meets the needs of today's Bermuda and the people of Bermuda living in, doing business in and visiting the United Kingdom.

This will be followed by a conference during the spring of next year in London to take on board the discussions held in Bermuda; to review and, if necessary, redefine the Society's rôle as well as to identify matters which can usefully be dealt with through TBS.

It is with great sadness that we record of the death of The Hon. David H. Allen, JP, MP, Minister of Tourism, on 26th September.

We extend our sincere sympathy to his family and friends.



## H.E. Sir John Vereker KCB

On 11th April of this year Sir John Vereker KCB was sworn in as – by his own count - Bermuda's 87th Governor; or 63rd if you count only those appointed by the Monarch, i.e. since 1685 when that responsibility passed from the Bermuda Company. Clearly there is scope for some definitional uncertainty here.

There is, however, no such lack of precision about the man himself. Sir John is a tall man who can carry the cocked hat, high-collared ceremonial uniform of his office with an elegance not granted to many. But his precision is not restricted to sartorial matters.

Educated at Marlborough College and Keele University, he joined the Ministry of Overseas Development in 1967. After a stint in the World Bank he returned to the Ministry in 1972 becoming Private Secretary to three successive Ministers of Overseas Development. From 1980 to 1983 Sir John was in the Policy Unit in the Prime Minister's Office in 10 Downing Street working on public sector issues such as the privatization policy in its early stages.

In 1983 he was promoted to Under Secretary for Asia in the then Overseas Development Administration, becoming in 1986 Under Secretary for Development Policy and Principal Finance Officer. In 1988 he joined the Department of Education and Science as Deputy Secretary responsible for Higher Education and Science. Most recently before his appointment to Bermuda, Sir John was Permanent Secretary, Department for International Development. His knowledge and experience of global issues may be of particular value to Bermuda at a time of rapid globalisation in a shrinking world.

He has been a Board Member of the British Council, the Institute of Development Studies and Voluntary Service Overseas. He is a Companion of the Institute of Management, and a Fellow of the Royal Society for the Arts, and holds an Honorary D.Litt from the University of Keele.

There can be little doubt a CV like this is indicative of a man with impressive qualities, as the honours bestowed upon him corroborate. He was awarded a CB in 1992 and became a KCB in the 1999 Queen's Birthday Honours List.

Bermuda's new Governor is a close and attentive listener to everything said to him. One gains the firm impression that anything voiced in his presence is mentally filed away for future reference in whatever problems may confront him in the exercise of his duties as Her Majesty's Representative in the Island.



With barely a month on the job, he commented, with some degree of surprise and bemusement, that Bermuda had proved to be a much larger island than he had thought it would be. This is partially due, he says, to its length and the time it takes to get from one end to the other; partially because there is so much variety crammed into its minute land area; and perhaps most significant of all, because Bermuda has three world class assets crammed into its diminutive area. He specifically mentioned St. George, Commissioner's House and the pink sand beaches. And he hadn't yet even bought his boat – a 25 foot Sea Ray, appropriately named "Knight Errant" by Lady Vereker.

Neither H.E. nor his wife, Lady Vereker, are likely to enter lightly into patronage of any and all charitable or worthy organisations purely as a matter of form. Rather, each in their own way will want to be assured that any entity seeking their patronage is well run and truly engaged in matters with whose aims they empathise. Lady Vereker's passions are the arts and the theatre, especially insofar as the latter can involve the young. Bermuda can surely look forward to a cultural shot in the arm from this quarter.

By the same token we can be very proud and grateful that Bermuda's new Governor and Commander-in-Chief has graciously agreed to become Patron of The Bermuda Society.

We are equally certain that all Bermuda will, in the fullness of time, be glad of and record for posterity Sir John's term of office. We already have a Pitts Bay; a Reid Street; and an Ord Road commemorating some of his predecessors : maybe in some time yet to come we shall stroll down a Vereker Way.

## The Bermuda Regiment

Bermuda's military endeavours may not have been the most extensive in the world but the men who served in either the Bermuda Militia Artillery or the Bermuda Volunteer Rifle Corps have a service record of which they and their descendants can be proud. Both the BMA and the BVRC sent Bermudians abroad to fight in both the Great War of 1914-18 and World War II. Indeed, it is believed that the BVRC contingent was, on its arrival in July 1915, the first colonial volunteer force to reach French soil in the earlier of those conflicts. During the Second World War a total of 100 of all ranks of the BVRC served with the Lincolnshire Regiment in northwest Europe and Burma. The Bermuda Regiment, formed in 1965 by the amalgamation of these two proud forbears, has maintained the traditions of its predecessors with spirit and colour.

It was in November 1965, under the command of Lieutenant Colonel Brownlow Tucker, that the regiment received its Colours at the hands of H.R.H. Princess



Margaret, who subsequently became the Regiment's Colonel-in-Chief.

The Regiment has been embodied on a number of occasions to help deal with civil unrest, labour strikes and hurricanes. Following an official review of Bermuda's defence capability, the Gilbert Report of 1978 led to the expansion of the Regiment to an established strength of 711 all ranks, up from its original 370.

This strength is derived from volunteers supplemented by conscription. The latter serve for three years and two months on the basis of an initial boot camp followed by weekly drill parades coupled with an annual two week training camp in either Jamaica or the United States.

The Regiment has been embodied on many other occasions to assist both in times of unrest and in times of national difficulty. They can be called out to assist in the event of an aircraft crash; a shipwreck; an oil spill; search and rescue; a major power failure; drug interdiction; or most particularly in the case of a hurricane strike. Who can forget, or fail to be everlastingly grateful for, the Regiment's Herculean efforts in the clear-up after hurricane Emily in 1987? It is not only in Bermuda that the Regiment has lent assistance in this way. Contingents of the Regiment were deployed to provide help to Montserrat after hurricanes there in 1986, and similarly to Jamaica in 1988 and the BVI in 1989.

In November last year, in recognition of its close affiliation with the British Army, the Corps Warrant was presented to the Regiment by General Sir Michael Walker, the Chief of the General Staff. A further 2001 highlight was the development of a close association with the Royal Gibraltar Regiment which resulted in exchanges of personnel between the two regiments during military exercises.



Perhaps to an outsider the Regiment is best known for its Band and Corps of Drums which performs with such smart precision at so many events on the Island, ranging from the Peppercorn Ceremony in St. George, the Opening of Parliament and many charitable events to the summertime weekly Beating Retreat ceremonies on Front Street. As recently reported in the Royal Gazette, the Regimental band has been accorded the honour of an invitation to the prestigious Edinburgh Military Tattoo in 2003. Home Affairs Minister, Terry Lister, announcing the acceptance of the invitation, urged Bermudians to attend the Tattoo to cheer on both the band and an accompanying troupe of Gombey dancers (of whom more on another occasion) to whom an invitation was also extended. Bermuda's participation will cost in the region of \$350,000, of which Government is expected to contribute \$150,000. Regimental Band-master Major Barrett Dill will chair a committee to oversee the arrangements, including fundraising. This will undoubtedly give those who hold Bermuda dear in their hearts an opportunity to contribute to a wonderful showcase for the Island.

*Based on an excellent briefing prepared by Eric Kohn TD*

## The Bermuda Stock Exchange (BSX)

Established in 1971, the Bermuda Stock Exchange (BSX) is today the world's leading offshore, fully electronic, securities market, offering a full range of listing and trading opportunities for international and domestic issuers of equity; debt; depository receipts; insurance securitization and derivative warrants. As at June 30, 2002 the BSX Index stood at 2729.17. Total share value exceeded US\$213 billion and share volumes were in excess of 7 billion.

Of these totals the Domestic Market accounted for \$43.5 million and \$1.4 million respectively. There are currently 350 listed issuers, representing a total market capitalization of over \$100 billion.

In November 2001 the BSX introduced the "Bermuda Securities Depository" (BSD), the Island's national securities depository.

The move was a natural progression for the Exchange, which, as a full member of the World Federation of Exchanges, is committed to meeting and exceeding international securities market standards. Similar to CREST in the UK, DTCC and CDS in the US and Canada, BSD will offer a centralised book-entry clearing, settlement and depository service.

Once the BSD service has been firmly established as Bermuda's national securities depository the BSX will seek links with other international depositories to facilitate cross-border settlement.

At the close of 2001 William Woods, who held the

position of Chief Executive Officer at the Exchange for six-and-a-half years, stepped down and Bermudian, Greg Wojciechowski, assumed the role of President and Chief Executive Officer on 2 January 2002.

Under new leadership, the Exchange continues to develop its sound business model, enhanced by strong marketing initiatives, which will result in continued steady growth in its core business.

## International Business Week 2002

The Local Awareness Programme of the Bermuda International Business Association was created in 1997 with the objective of developing the community in Bermuda to be encouraging of and participants in the growing International Business sector. With a marketing campaign, career guidance and IB presentations in schools, and numerous community events, the LAP has become an integral factor in the increase in Bermudians' understanding of the industry.

Every year during the third week of September, BIBA hosts International Business Week – a week dedicated to the promotion of International Business with great events, programmes and contests for the entire community. Last year's theme, *Recognising Opportunities, Defining Success*, was shelved after the horrific events of September 11th. We did, however, continue with one aspect of IB Week, the Public Forum, which now focused on the likely impact of this terrorist atrocity on Bermuda's economy. After all, our two main sectors, International Business and Tourism, are so heavily dependent on the rest of the world, and everyone was looking for answers.

The panel to lead the discussion consisted of an impressive group of representatives from Bermuda's business community – individuals with expertise in Insurance, Accounting, Hospitality, Investments, Banking, E-Commerce, and Retail. And although emotions ran high, the information parlayed calmed our worries – we knew that Bermuda would come through this disaster, and go on.

And 'go on' we did. This past year has seen many new things for Bermudians and our International Business industry. So as IB Week 2002 approached, the Local Awareness Committee again got started with the preparations. We all felt that the theme from IB Week 2001 had been a good one – one that would foster discussion and debate. It was unanimously agreed that we would revisit it again this year.

In the months prior to any activity planning, however, the committee had discussed the possibility of a new initiative: a programme for Primary School students. The Local Programme had been taking the International Business message into both Senior and Middle Schools for a while, and was finding that perhaps earlier contact





with Bermuda's youth would yield better results. Of course, this proposed new programme would be targeting children aged 5-10, and the main challenge was obvious. How, in the world, do you explain the concept of International Business to a 6-year-old?

With that 'obstacle' in mind, we had figured that a great time to launch the programme would be IB Week, so the 'when' was figured out. But the 'how' was still a mystery.

We didn't want to underestimate what these students were able to learn. For many years, the Bermuda Electric Light Company (BELCO) has been taking a message to Primary School Students about the dangers of flying kites near power lines, and our young kids now possess an understanding of the inner workings of electricity.

Could not the same be accomplished with a basic overview of International Business? The goals were simply to build on what these students were learning in Social Studies – basic economic information, and common careers. And so, 'Reba and Bobby Biba' were conceived.

They are the two characters, in the new International Business Colouring Book, who teach Bermuda's youngest students about the industry. With captivating pictures, the simple text is able to explain what an International Business is, how it works with Hospitality, why these companies are good for Bermuda, and many other concepts. The book was launched on Tuesday, September 17 at almost all of Bermuda's 24 Primary Schools by a number of volunteers from the business community. We walked from classroom to classroom, telling students about the colouring book, handing them out and frankly, having lots of fun!

In addition to the Primary School Programme, we organised tours for Primary Six students (aged 10/11) of International Companies, Banks and Hotels. For the first time ever, these students were able to see the inside of the new ACE, XL, Centre, and Bermuda Commercial Bank facilities. Other corporate participants included the Bank of Bermuda, the Bank of NT Butterfield, and the Fairmont hotel properties. A great time was had by all of the students, and apparently the principals and teachers who attended were just as excited!

These were just two of the events held as a part of International Business Week 2002. Other events included a scavenger hunt leading participants to companies including Ernst & Young, Appleby, Spurling & Kempe, and the Ministry of Telecommunications & E-Commerce; and an afternoon of Career Guidance with participants from the Human Resources community reviewing resumes, having mock interviews, and dispensing career advice.

IB Week 2002 was indeed a success, and with the launch of our new programmes, we are continuing this momentum throughout the upcoming year to reinforce the message of the Local Awareness Programme: International Business... it IS your business.

## Society Events

Annual Dinner for Members and Guests  
26th September 2002



**From left to right:** Ian Davidson, MP, Chairman of the All-Party Britain-Bermuda Parliamentary Group in the UK; Charles Vaughan-Johnson, Chairman of the Bermuda Society; The Hon. Jennifer M. Smith, JP, DHumL, MP, Premier of Bermuda; Henry C. V. Keeling, Chief Executive of XL Re Ltd.

Also present, though not pictured, were The Deputy Premier and Minister of Finance, Eugene Cox; the Attorney General, Dame Lois Browne-Evans and the Government Leader in the Senate, Senator Lt-Col David Burch.





The Bermuda Society's 16th Annual Dinner for Members and Guests was held at the Merchant Taylor's Hall in the heart of London's financial district. The Premier was the keynote speaker. In her speech, she highlighted the achievements of her Government in maintaining Bermuda's economic standing by reviving the tourism sector and continuing the policies that contributed to a thriving international business sector; in creating a foundation that would ensure the educational success of all Bermuda's young people; and in modernising the administration and institutions of Government so as to better serve the public.

In addition to the Society's Chairman, Mr Charles Vaughan-Johnson, the other speakers were Ian Davidson MP, who responded on behalf of the Guests and Henry C. V. Keeling, who gave the Toast to Bermuda.

The members and guests present included key figures and policy makers from the international business sector, banking and financial services, insurance, air transportation, tourism, management consulting, public relations, and the law and accounting professions.

### Lecture Meetings and Annual Lunch

The programme for Lecture Meetings at Guildhall in the City of London during 2002 has included and anticipates the following:

- ❖ Recently retired Governor, Mr J. Thorold Masefield, CMG delivered an upbeat assessment of Bermuda's prospects in the 21st Century;
- ❖ Mr Alan Huckle, Head of the Overseas Territories Department at the FCO and guest speaker at the Annual Lunch, lectured on Overseas Territories: A New Sense of Partnership;
- ❖ Dr. Brian Archer spoke on Bermuda's Changing Economy;
- ❖ The Hon. M.D. Renee Webb, JP, DHumL, MP, Minister of Telecommunications and E-Commerce addressed members and their guests on the subject of E-Business Developments in Bermuda; and
- ❖ Dr. Edward Harris, MBE, FSA, Director of the Bermuda Maritime Museum gave a presentation on the restoration and development of the Commissioner's House at Dockyard in the presence of HRH Prince Michael of Kent, KCVO, who is an Honorary Member of the Bermuda Society and Patron of the BMM.

A fuller report on the first of the above-mentioned talks may be found below and the remainder are to be seen on the Society's website: [www.bermudasociety.com](http://www.bermudasociety.com)

### Meetings and Receptions:

- ❖ In November – Reception for Bermudian students and others living and working in the UK
- ❖ Discussions/Meetings/Receptions to be held for Ministers, prominent Bermudian business people and others visiting London

### Change and Continuity in Modern Bermuda

On 2nd May the recently retired Governor of Bermuda, Thorold Masefield, gave an upbeat assessment of Bermuda's prospects at the start of the 21st Century. He was talking to a well-attended lunchtime meeting of The Bermuda Society held at the Guildhall with Simon Keswick of Matheson's in the Chair.

Looking back at Bermuda's development in the Twentieth Century, the former Governor characterized Bermuda as having been both lucky and resourceful – "adept at adapting", as he put it. Bermuda had managed to avoid much of the worst of the Depression as a result of timely investment and growth in tourism. The establishment of American Bases during the Second World War had helped to keep the economy on an even keel. And, even when the American, British and Canadian Bases did close, the controlled growth of the international financial services sector had ensured an expanding economy. Even the horror of 11th September in the USA had led to new investment in Bermuda from major insurance interests.

Thanks to its geographical remoteness and careful governance, Bermuda had been able to avoid some of the problems that too easily beset small islands in the region: illegal immigration, the transit of illicit drugs, and the laundering of dirty money. The ex-Commander in Chief went on to praise the contribution of key elements in Bermuda's public life, starting with the excellence of the Bermuda Regiment and the modernization of the Police Service. Both had recently undergone reviews, reforms and revitalization. The Civil Service had also benefited from an extensive Review, and close attention had been paid to the structure and organization of the Judiciary and the Prison Service. The abolition of capital punishment and judicial corporal punishment had further boosted Bermuda's Human Rights provisions, together with the announced intention to set up an Ombudsman.

Among the issues that Bermuda faced, and was successfully dealing with, was the series of international initiatives to crack down worldwide on financial crimes, money laundering, tax havens and unfair competition in financial services, with a special focus on small islands. The prospects for tourism seemed better than for some time, with extensive private sector investment in refurbishing existing hotels and in building new ones: the private sector and their financial backers must believe that this would be money well spent with every prospect



of a good return. St. George's World Heritage Status was also welcome news.

The problem of cleaning up the former US Bases had been tackled, with the Americans contributing towards the cost of replacing or repairing Longbird Bridge. Much internal political heat had been generated by the issue of constitutional change in the provision for parliamentary constituencies. However, a Boundaries Commission had been appointed and had got down to work, with its Report expected in the summer.

Relations with the UK had intensified following the publication of the British Government's White Paper on the Overseas Territories (with its emphasis on partnership and modernization). The UK offer of full British citizenship was about to be implemented and should help to cement old ties and foster new ones, especially by facilitating educational and work opportunities for the younger generation. The FCO had designated a Minister with specific responsibilities for the Overseas Territories. Annual meetings of Governors at the Foreign Office were matched by annual meetings of Chief Ministers and Bermuda's Premier. Assistance was on offer to help develop environmental programmes and to update Human Rights provisions and Constitutions.

Bermuda's relations with the United States were on a sound footing, particularly in view of the resolution of issues connected with the closure of the American Bases. International offshore financial services and the possibility of unfair competitive advantage posed potential problems, but these had been successfully managed in both the bilateral and multilateral contexts. New North American investment was coming into both the tourism sector and financial services. Good professional relationships between the uniformed services, especially the Coast Guard, the Army, Customs and the Police provided invaluable co-operation to the mutual benefit of the USA and Bermuda.

The development of closer relationships with the Caribbean had been criticized at home, but was a natural extension of family and historical relationships that complemented Bermuda's other international ties. So long as Bermuda remained an Overseas Territory the Island could not attain full membership of CARICOM, and final legal appeals would go to the Privy Council.

Community life on the Island was vibrant and diverse. Inevitably some mourned the passing of old times, but sport was actively played and enthusiastically supported, especially the Centenary Cup Match. Music, singing (both solo and choral), dance and theatre were performed to the highest standards by growing numbers of enthusiastic performers to the pleasure of ever larger audiences. The Churches were as active in the community as they were well attended for Sunday Services.

In short, as Bermuda entered the 21st Century, the Island's population was a viable, successful and soundly-based unit, large enough to make its way in the world, but canny enough to recognize the need for friends and help from outside in order to stay one move ahead in the new century, as Bermuda had in the past, with its success in being adept at adapting.

## HERITAGE CORNER

*The Masefield Collection of African Artifacts, continued. Some 14 pieces of this Collection are on display in the Bermuda College Library lobby at College Rise, Paget.*

In this issue of the Newsletter, Jennifer Masefield discusses the Household Items forming an integral part of the Masefield Collection.

### Household Items

The three clay pots we included in the Collection come from villages bordering the clay swamplands of Central Nigeria near the capital, Abuja. These remarkably well-



shaped pots were made by forming the base of the new pot over the base of a broken pot. The base is eased off the old pot, turned over, and then built up by hand - molded by eye and feel into the desired shape. These pots can all be used for cooking or storage.

Along with winnowing baskets for preparing grain and a mortar for crushing it, there are two wooden dishes for serving food and a beautifully decorated gourd spoon in the Collection. The taller woven grass baskets in the Collection are drinking vessels. You soak them in water for an hour or two then you can pour in beer which will keep the grasses swollen and tight.

A very personal item in this group of ordinary artifacts is a simple stool which has been lovingly cut from one piece of wood, taken from a tree trunk, to form an extremely comfortable seat which I used to carry with me from group to group when chatting to guests after formal dinner parties.



A splendid, beautifully worked leather hat and an old bead necklace formerly used as coinage form a decorative addendum to the household artifacts in the Collection.



In the next issue of the Newsletter Jennifer Masefield will discuss the Musical Instrument and Decorative items forming the final part of this impressive Collection.

#### PRESTIGE HOLIDAYS

Offer tailor-made travel arrangements to Bermuda for TBS members at very advantageous prices. For details on this excellent service, please contact John Dixon, Managing Director, on 01425 484003 or visit our website [www.bermudasociety.com](http://www.bermudasociety.com)

#### SPONSORED MEMBERSHIP

This category of membership enables existing members of the Society to give a year's membership to a recommended client or contact. Details can be obtained from the Secretary or by visiting our website at [www.bermudasociety.com](http://www.bermudasociety.com)

#### The Bermuda Society

is most grateful to

#### The Bank of Bermuda Limited

for their continued support in sponsoring the production of this Newsletter

#### The Bermuda Society

The Bermuda Society was formed in 1987 with a view to forging close links between Bermuda and Britain in the areas of finance, commerce and economics. The Society has strong ties with both Houses of the British Parliament and the Commonwealth Parliamentary Association, with figures in the City of London, in tourism, air transportation, the professions, insurance, reinsurance and banking as well as other opinion formers who have Bermuda's interests and good name at heart.

The Society has become a focal point for those interested in Bermuda. Lunchtime and dinner meetings addressed by interesting guest speakers take place throughout the year.

For more information on the Society and details of application for membership please contact:

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#### Minimum Annual Fees

##### Corporate Membership

£250 / \$390

##### Private Joint Membership (couples)

£35 / \$55

##### Private Individual Membership

£25 / \$40