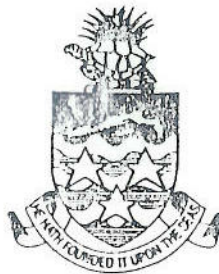


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CAYMAN ISLANDS

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OFFICE OF THE GOVERNOR  
GRAND CAYMAN  
CAYMAN ISLANDS

31 August 19 92

THE CAYMAN ISLANDS  
VALEDICTORY DESPATCH

THE GOVERNOR OF THE CAYMAN ISLANDS TO THE SECRETARY OF STATE FOR  
FOREIGN AND COMMONWEALTH AFFAIRS

SIR,

The format of valedictory despatches is established, for the Colonial Service and the Diplomatic Service, in their respective styles: to summarise the state of the country on the departure of the valedictorian, and what has happened during his period of service.

For five years, I have reported quarterly and annually, together with four times a year upon the Legislative Assembly. There is sufficient on record to assess the changing state of Cayman during my tenure, in particular the despatch for 1991.

This despatch can therefore follow a different course: my stewardship, on the authority of the Secretary of State, has been satisfactory, and I rest content that the Cayman Islands Government sought vigorously to have my term extended, by several written communications, and by a delegation to London to represent the matter to the Secretary of State himself. No matter that they were abruptly rebuffed; my cup is filled by the intended grant to my wife and myself of Caymanian Status, an honour bestowed thus only upon Mr Thomas Russell, Governor 1974-81 and Sir John Summerfield, Chief Justice 1977-87; an honour worth more than any proforma valedictory letter.

The United Kingdom Government stands to answer for its stewardship of the Cayman Islands, derived through the possession of Jamaica as a colony won by war with Spain, a Jamaica pillaged by British merchants and the West Indian lobby in the United Kingdom, through to its independence and economic decline, from which Cayman managed to detach itself in 1959 - a prescient and commonsensical act.

The attitude of the British Government was benevolent low-level intervention until the late 1970s, with CDWF and other loan and grant assistance. From the moment the Cayman Islands began evidently to make their own way - and by and large they had made their own way all along - the British Government cut them off from the aid system (which

to those who served in the Pacific and the Caribbean has always seemed disproportionately slanted towards Africa); and Cayman's reward for being frugal and later prosperous, is to be denied British financial aid, and indeed, close attention, until lately.

This would perhaps not matter much, had not in the "Bermuda" aviation agreements, the British Government largely ignored the interests of the Caribbean territories, in the greater interest to itself of the transatlantic routes. That decision has come home to roost in different parts of the Caribbean. It is now roosted firmly in Cayman and the British Government's failure to do enough in the negotiations with Washington, despite Cayman's urgent pleas, is a running sore which appears likely to worsen, may involve Cayman in economic and social disaster, and may result in financial liability for the United Kingdom.

Tourism is the more productive of the two legs of the economy of Cayman: the failure of CAL will lead to unreliable air communications links to the major market, USA; to social instability as hundreds of jobs are lost; and to political unrest that UKG has failed her loyal dependency. Notwithstanding this, the Cayman Islands Government commissioned and is now actively studying a 10 year tourism development consultancy report by Coopers and Lybrand.

The financial industry is the other leg of Cayman's success. Cayman has done a great deal to clean up the act, co-operating with the United States and UK agencies. As Cayman now sees it, the United States is more appreciative than the United Kingdom.

The latest policy approach from the UK is the "smack of firm and Good Government" - the Board of Management, which will smack those who need it and give them money, but for Cayman seems likely to attempt smacks but not to provide financial help.

Cayman is visited infrequently by FCO staff and Ministers, and by definition not by the ODA. They stay for short periods, they do not appear to listen, and they can seem patronising to an intelligent and effective Executive Council (by Caribbean standards). The impression is of birds of passage, not wishing to learn much, and anxious to pass on. The Governor is left to explain this to the Government and people.

This is part of the general malaise; Diplomatic Service Officers are not much concerned about Dependent Territories and do not wish to spend even three years in a career working in them, or for their interests at home. The responsible Departments are under-staffed and under-resourced and hence not generally attractive to career diplomats.


Since 1962, I have been involved in "Conferences" and the production of papers about the future of the Colonies, their management and the identification and career development of those to manage them. The arguments are rehearsed again and again, conclusions are reached, and little action follows. It has been a depressing

experience; and humbling because of one's training of decent standards and proper responsibility for these territories. The basic difference between a diplomat and a colonial servant is starkly clear: the former is trained to think of and advance the interests of the UK Government in relation to other nations; whereas the latter is trained to think of and to advance the interests of the nation which he administers on behalf of the Queen and the UK Government.

I am not alone in seeing it this way; academics, and students of Government, as well as the practitioners of Government in these territories, are increasingly aware of the shortcomings of the UK Government in this context.

Cayman, in my estimation, because of its basic commonsense, fortitude, and good fortune, will nevertheless survive - which is why my wife and I have chosen to settle here and share the future with these extraordinary people, who have made such a success from such unpromising resources.

I have the honour  
to be Sir,  
Your Obedient  
Servant



A J SCOTT  
GOVERNOR

August 1992

This despatch is copied to:

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