STATEMENT TO LEGISLATIVE ASSEMBLY

Response to Chamber of Commerce

By Premier Hon. Alden McLaughlin, MBE, JP, MLA

19 June, 2015

Madam Speaker, this past Friday the Chamber of Commerce Council issued a public statement concerning Finance Committee's decision to not spend Government's money on an entity whose reckless and highly inaccurate third June, 2015, editorial castigated the entire country, called each and every one of us corrupt and in so doing jeopardised our economy.

The Chamber Council also noted its concern regarding what it termed local and global implications of the editorial and the response of the Government as well as the wider community. Members of the Chamber Council noted that the actions of the newspaper and Government are causing negative overseas media coverage.

Madam Speaker, I sincerely appreciate the Chamber Council finally weighing in on this issue. I also note that besides acknowledging the views of the Finance Committee, the Council has taken note of the wider community's response; that the editorial and the actions of David Legge after supposedly fleeing Cayman have not been positive.

I am disappointed though that the Chamber response fell short of condemning the Compass's offending editorial "Corruption: An Insidious Creeping Crime." It is David Legge's direct actions, histrionics and fabrications that have directly caused the international media stories that give the Chamber Council and me concern. Yet I do not see the Chamber publicly stating its concern for his actions.

Not content with the damage he had done by publishing the editorial in the first place, Mr. Legge, that fearless defender of freedom of the press, falsely claimed to have been given police protection by the Governor, and departed these shores with his wife in tow because of 'fears for their personal safety'. He then

spent the following week doing the international media circuit seeking to damage the reputation of Cayman further by giving interviews to anyone who would listen to him suggesting that not only was Cayman a place that was corrupt to its core, but that it was also inhabited by a violent people who would have done him real harm had he not ‘fled’.

I am certain that the Chamber Council must see, and they must be concerned by, the Compass’ almost daily attacks on our Financial Services Industry when it creates inferences regarding FIFA and the Cayman Islands Monetary Authority that have no real basis in fact and serve no purpose other than to sell newspapers and possibly serve some other undetermined agenda. This gives Government and me much concern.

Madam Speaker, in private some on the Council have told me that the Compass editorial of June third was dastardly and had potential to damage our reputation, as were the actions of the publisher when he supposedly fled Grand Cayman to the

safety of Florida and then went about systematically making wild claims to the overseas media. I believe they may also privately wonder what Mr. Legge is really up to.

But with all due respect to the good people on the Chamber Council for whom I have the greatest respect and regard, I would suggest that if they wish to live up to the Chamber's vision and mission statements then they cannot sit on the side lines but must speak out even when the private sector gets it wrong, including the press. Madam Speaker we, who the people of this country elected to govern, cannot and will not sit on the side lines. The people of Cayman can be assured that I as Premier and this Government will stand up and defend Cayman, our people, and our business community. If this means that we must face even sharper barbs and more strident condemnation from the Compass editorial board and its attempts to involve the international media in a battle against us, then so be it.

I want to reassure the Chamber, the Country, and indeed all media that this Government will never be one to censor the press. I repeat what I said in my statement on June fifth - *"A free press is important to a free society and I will defend at all times the need for a free press. But I will not sit by and say nothing when the Compass takes that freedom for granted and is as reckless, disingenuous and irresponsible as was its editorial on Wednesday."*

I also noted *"it goes without saying that the Government of the day is to expect scrutiny, criticism and challenge from the press. In fact it is the media's job to take us on. But the editorial in question was not about the government. And it was not about me. It was about the people of Cayman. It called us by name".*

So Madam Speaker I will say again that while I will always fight for a free media, any media house that will fight against my Country unjustly to sell newspapers or to swell the ego and the coffers of a publisher while harming Cayman's reputation is

not one that in my view should be subsidised in part by public funds.

Madam Speaker the Society of Professional Journalists, the oldest organisation representing ethical journalism in the United States, recognises a number of broad principles that should be applied to journalism, namely to (a) “seek truth and report it”; (b) “minimise harm”; (c) “act independently”; and (d) “be accountable and transparent”.

Ethical journalism, the society says, should be accurate and fair. Journalists should be honest and courageous in gathering, reporting, and interpreting information – but always be accurate and not oversimplify in promoting or summarising a story. Journalists, it says, should avoid stereotyping and must examine the ways that their values and experiences may shape their reporting. At all times journalists should aim to be balanced. Ethical journalism balances the public’s need for information against any potential harm that could be

caused. The pursuit of the news is not a license for arrogance or undue intrusiveness.

If only the Compass' editorial board and David Legge would aspire to such high principles.

Madam Speaker, this Finance Committee has called for a ban on advertising with a publication that is systematically seeking to inflict serious if not fatal damage to the reputation of these Islands and its people. Mr. Legge's message is Cayman is a corrupt and violent place inhabited by incompetent and immoral people. That message continues to be hammered home by Mr. Legge and his publication at every opportunity. The most recent pronouncement by the Compass that the Cayman Islands is "culturally steeped" in corruption was really the final straw. But the practice of denigrating the country and its people has been the *modus operandi* of David Legge for many years and can be traced back to earlier publications of his such as the *Grand Caymanian* magazine. Over the past 2 years since he bought the Compass the attacks on Cayman

and its people have escalated many fold. Indeed there are many in the wider community that believe the publisher cares very little for these Islands and our people. His recent actions are proving them right. Indeed, the Compass is now running an online poll, the integrity of which appears to be doubtful, which seeks to determine what participants think of the degree of corruption in Cayman. I urge the people of these Islands to weigh in on that poll and send a resounding message to Mr. Legge and his Editorial Board.

The Compass and its supporters in the international media have sought to frame this confrontation by the Legislative Assembly and the Compass as a freedom of the press issue. It is not. The Compass, as any other media house in Cayman, is free to publish whatever it wishes subject only to the laws with respect to defamation. And they do. Look at today's editorial. So the issue is not about freedom of the press.

On the other hand the Cayman Islands government and the private sector spend millions and millions of dollars every year

promoting the Cayman Islands as a good place to live, work, play and invest. We spend millions more defending Cayman's reputation internationally and seeking to dispel the image of Cayman as shady tax haven where tax cheats and money launderers abound. It is a never ending battle we fight. We have done everything that has been required of us and more to ensure that we meet the highest international standards with respect to regulation of our financial services industry, anti-money laundering legislation, transparency and cooperation with respect to tax information exchange. Yet as developments this week demonstrate, we still get unfairly blacklisted.

We have enough enemies abroad. We do not need enemies within our midst seeking to undermine the entire basis of our economy and society by claiming that we are "culturally steeped" in corruption.

The decision of Finance Committee not to continue to advertise with the Compass is a vote not to continue to subsidise a campaign aimed at destroying the economy of the

Cayman Islands and the livelihood of its people. It is a simple as that. The Compass is free to continue to print whatever it wishes. It just will not be subsidised by the taxpayers of this country who Mr. Legge claims are all corrupt.

As such the Government will stand by the commitment to the ban.

But should David Legge and the Compass Editorial Board have a change of heart and publicly apologise to the people of the Cayman Islands for the editorial which accused the entire country of being corrupt and for his subsequent actions and statements, the Government's position may change. Such an apology must be in a form acceptable to the Government and must appear on the Compass front page as well as on its editorial page and receive the same degree of international coverage as did Mr. Legge's flight from these Islands.

Until then, the ban will remain in place and this Government will ensure that going forward Government advertising will be fairly distributed to other media houses, many of which have

complained for years about the Compass receiving the bulk of Government business. This will help to ensure that these Islands will not be held ransom by a single major publication with a publisher whose ambition and ego seemingly make him believe he is omnipotent. I encourage the Chamber Council to reach out to the publisher and to say to him what they will not say publicly – that he was wrong and to advise him and his editorial board to apologise to the Country.

Madam Speaker I have received another letter from the Chamber President, presumably on behalf of his Council, noting their support for my message of zero tolerance to any form of illicit activity in the Cayman Islands. I thank them for that confirmation.

In his letter the Chamber President also states that government must ensure that regulatory and law enforcement agencies and departments such as the Cayman Islands Monetary Authority and the Royal Cayman Islands Police Service should be *“directed to this matter so that we can*

demonstrate to the world that we have the ability and desire to cooperate with international agencies involved with these investigations".

I will point out for the benefit of the Chamber president, his Council and the media that despite CIMA and the RCIPS being required under law to act independently of Government, my statement of June third regarding the FIFA investigation included the following comment:

"We can confirm that local law enforcement agencies are cooperating with international investigating authorities but it would not be appropriate for the Government of the Cayman Islands to pass comment on the on-going investigations in this jurisdiction or elsewhere. Those are matters for the relevant investigating authorities and, ultimately, the courts. Justice requires that investigations into allegations of criminal offending, and any subsequent prosecutions, are conducted with scrupulous care. We are confident that justice will, in the end, be served".

I also said *"We are also satisfied that the Cayman Islands Monetary Authority is taking all appropriate action in respect of the stated involvement of Fidelity Bank and Trust in this matter and that the bank is also fully cooperating with the relevant authorities. The Cayman Islands has a reputation for engagement and achievement of very robust global standards in relation to the regulation of domestic and cross border financial transactions. Our excellent ratings from assessments by the Global Forum and the FATF certainly demonstrate this. The Government of the Cayman Islands takes a zero tolerance approach to anyone carrying out illicit activities through the Cayman Islands. We do not intend to compromise the hard work we have done over the past couple of decades and the good rating and reputation we have earned. Finally, we have a long history of cooperating with global, and in particular, US authorities and there is no doubt that we have and will continue to fully assist in the investigation and ultimate conclusion of these matters".*

I hope that by repeating this again today that the Chamber and all in the news media, including the Cayman Compass, will be satisfied. But Madam Speaker I know that you understand, as does everyone in this Government, that we will vociferously fight against corruption in all forms. The Peoples Progressive Movement, more than any other political entity, has done much to bring about laws to help protect our Islands from the ill effects of corruption. As such I am not sure why the Chamber, Compass or any other group would assume that we or the relevant authorities are ignoring the FIFA issue. That assumption is very, very wrong.

The Chamber and the Compass should know that frank conversations with all relevant entities have happened and given my statement they should be willing to accept what I said at face value. If they have a question then they can call me. They all have my telephone number. But the Chamber, the Compass and others must recognise that while they believe they have responsibility for the public good it is me as Premier, my Ministers and Councillors, the Speaker and the other

members of the Honourable Legislative Assembly that carry the burden of political leadership and that we are not always free to say whatever comes to mind or indeed all that we may wish to say simply because we must consider the wider public good at all times. I go to sleep every night appreciating that upon our shoulders lies much responsibility. I know that you and all within these Chambers understand that we must act cautiously and take great care about what is said or, maybe more importantly what is not said, not only because there are active criminal investigations under way but also because little is accomplished or changed by reckless statements that can cause definite harm. This applies to Government as well as the press.

I thank you for this opportunity to address the concerns of the Chamber Council and to put forward the views of Government. I hope that as we move forward the publisher of the Compass will reconsider his approach and perhaps listen to the views of the wider community as to his stewardship of the Compass; listen to them and apologise to them. And I hope that

the Chamber will help me deliver that message to the Compass.

Thank you

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