



November 20, 2020

### **Government Loan Demonstrates Commitment**

Unprecedented times often call for unprecedented measures. The recent announcement by the Minister of Finance regarding the Government providing loans to former Fairmont Southampton employees once again demonstrates this Government's ability to be adaptable, innovative and progressive during these challenging economic times.

It is disappointing that Gencom, the owners of the landmark hotel, missed their payment deadline leaving over 700 workers not only unemployed but consequently without proper compensation. Whilst some may argue this matter should be left between the employer and employees, upon hearing of the unique circumstances this Government could not, in good conscience, stay silent and therefore felt a responsibility to act.

It would be unsettling for this Government to watch this matter drawn out through arbitration, legal proceedings and the like, for weeks and months while many of these employees have healthcare costs, families to feed, and other obligations to meet today. Therefore, just as we did with the Unemployment Benefit, amendments to the National Pension Scheme Act, and the purchase of the claims of local subcontractors at Morgan's Point this Government heard the call of Bermudians and swiftly introduced measures to assist them in their time of need.

Our recent campaign and election victory were centered on a promise to keep Bermudians at heart and that is exactly what we are doing.

Governing is about priorities and this Government will always put the people first. The workers at Fairmont Southampton did nothing wrong and are to be commended for their years of service and exemplary contribution to Bermuda's tourism product. They are honest, hardworking people who in the wake of being advised of their redundancy did not deserve to then have to ask, march, and protest to receive their just compensation.

In December 2019, like many Bermudians, I was pleased to hear of Gencom's acquisition of the Fairmont Southampton and their commitment to a significant investment in the property. I further understood the likelihood of redundancies given their plan to close the hotel to complete the renovations but what is concerning is how Gencom, a company that completed over \$7 billion of real estate transactions, had the financing to acquire the property and committed to invest into the property could fail to meet its obligation to the people.

It is critical the public understands the mentioned interest free loans were disbursed equal to amounts due to the employees and now having received the Government loans the employees are required to make repayments to the Government once sums are paid by Gencom. It is also

important to note that this Government will continue to exhaust its measures and take the necessary steps to ensure Gencom's current obligation to employees are given the appropriate priority.

Redundancies are extremely difficult for both the individuals and their families which is why I'm proud of how quickly the Government worked to ensure the Fairmont Southampton employees were paid as we are committed to protecting and upholding the rights of all the workers of Bermuda.

This Government has the challenge of maintaining fiscal prudence while ensuring our citizens do not go without. Our Premier has stated that under his watch, no one will go hungry. We realize that these loans, like all loans, come with inherent risks, but our Finance Minister has constructed a deal to ensure the Government is repaid; and if not, other remedies will be sought. At this time, however, it was the view of the Government that these workers be paid as they have largely been without any income since March of this year. A government must have financial responsibility as well as social responsibility, and I am confident we will achieve the balance required for the betterment of Bermuda.

Jache Adams  
Constituency 19 - Pembroke West  
Progressive Labour Party