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THE ROLE OF TOURISM IN THE ECONOMIC DEVELOPMENT OF SMALL ISLANDS:

A CASE-STUDY OF BERMUDA.

BY

J.C.YOUNG.

A thesis submitted for a Master of Arts Degree
from the Geography Department of the University
of Durham.

DURHAM.

1976

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ABSTRACT

Bermuda consists of a group of small islands with an area of some 21 square miles, a population of over 50,000, and a highly developed economy based on the tourist industry. This study is concerned with the nature and development of the tourist industry in Bermuda and the extent to which certain generalisations can be made as to the role of tourism in small island economies.

The Introduction examines some of the special features that are characteristic of small islands, the historic development of the tourist industry, its regional distribution, and its potential for promoting economic development.

The main body of the study is concerned with a case-study of Bermuda. In Chapter IV the development of the tourist industry this century is described, through the boom period of the 1960s to the present day. This is followed by a consideration of the role of the tourist industry in the Bermudian economy, the revenue that it generates, and the extent to which that revenue is retained within the economy. Economic alternatives to tourism are examined, especially the potential for International Businesses, which at present offer Bermuda an important 'second-string' to its economy. Traditional parameters such as number of visitors, seasonal distribution, and length of stay are used to describe the nature of tourist industry in Bermuda, and this section is concluded with a look at the tourist industry in 1974, a successful year for Bermuda when the industry in much of the world was experiencing a recession.

The final section provides an analysis of present-day problems and potentials with a consideration of the concept of 'saturation' as it relates to Bermuda. This leads on to a look at the way ahead for Bermuda in the next decade so that its economy can be developed in the best interests of the Bermudian population.

PREFACE

This study is the product of work carried out during four years spent teaching in Bermuda from 1972 to 1976. The aim has been to produce a thesis that predominantly geographic rather than economic in its focus, and for this reason consideration of the tourist multiplier in Bermuda has been limited, and greater attention given to the spatial concept of 'saturation' or 'critical mass'; the optimum number of tourists for a particular location.

Tourism - twentieth century nomadism - is a topic that lends itself well to geographic study, and is one that can benefit from the geographers' special skills. It lends itself particularly well to the holistic approach of the geographer, emphasizing the integration of physical and human resource potentials.

This study could not have been completed without the help and encouragement of many people. My supervisor, Dr. Floyd, had the difficult task of keeping in regular contact with me from a distance of over 3,000 miles, but was always ready to offer encouragement and advice. Throughout my four years in Bermuda many people from the Department of Tourism have provided me with information, ideas and constructive criticism. Thanks are also due to Miss Nancy Read for typing and correcting the original draft, and Mrs. Ruth Reed for typing the final manuscript. Finally, I am grateful to the staff of Warwick Academy for their support, and especially the students of Warwick Academy, who from September 1972 until July 1976 stimulated my interest in their country and made my stay in it a very happy one. To all these people and many others who have helped me with this study I am most grateful.

INTRODUCTION

The main body of this study is a description and analysis of the tourist industry in Bermuda: its development, its role in the economy, its physical, social and political impact on the island, and the future of the industry in the island. It is also intended that some consideration be given to small island economies in general, the role of tourism in such economies, and to what extent they exhibit special characteristics.

While many of the problems facing a country concerning its tourist industry will be similar regardless of the country or its size, certain characteristics seem specific, or at least more relevant, to small island economies. These include the foreign control or domination of the industry resulting in a high leakage from the economy and a low economic multiplier, since profits, wages for foreign workers and payment for imported capital goods result in a high percentage of tourist revenue being sent or spent abroad. Related to this is the likelihood of tourism developing a monopoly of the economy at the cost of other potential industries in a small island which is likely to have only limited natural resources. This may produce high seasonal unemployment characteristic of the tourist industry in general, and may also lead to political and social tension where the main industry is controlled and at least partly manned by foreigners. This is well illustrated in the Caribbean (although there are many other examples) where poverty, the different racial backgrounds of visitor and host, a political history of colonialism and foreign control of the industry have generated very serious problems for the tourist trade.

The domination of a tourist economy by international companies, with many of the benefits of the industry flowing out of the country, would seem likely in a small island - if not inevitable. Travel to and from the island is most likely to be by international airline, accommodation in large hotels is likely to be dominated by international chains of hotels, and the labour force in this traditionally international industry is likely to be largely foreign, particularly if the island is also underdeveloped. International cruise liners which visit tropical islands can be considered as mainly parasitic; visitors arriving in this way usually stay only a short time, they are accommodated on the ship, and can be fed and entertained on the ship. They can tour the island sight-seeing for the cost of a bus or taxi ride and may spend a small amount on souvenirs before returning to the ship. Apart from harbour dues the ship pays nothing to bring its passengers to the island.

The concept of a saturation point, or optimum number of tourists for any particular destination would seem to be a valid one when dealing with a small area, where it is readily apparent that too many visitors could create problems. Related to this, the opportunity for overall planning of the economy as a whole, and the role of tourism in that economy, would seem to be much greater. Other special characteristics might include the development of a unique character that is insular and rural, and particularly attractive to visitors from the industrialised and urbanised countries of the world that make up the most important source areas for tourist travel, and the proximity to sea: an ever important aspect of the tourist industry.

Anyone who attempts research on the topic of tourism, particularly when dealing with a developing country, is likely to come up against problems of incomplete data, or a lack of comparability of data within a country, or from one state to another. These limitations

are severe for the study which tries to be anything more than descriptive; and one has always to recognize the scope and limitations of the available data, and not to overestimate the uses to which it can be realistically put.

If we accept the definition laid down for the League of Nations in 1937, the term TOURIST applies to: "any person travelling for a period of 24 hours or more in a country other than that in which he normally resides".¹ This definition was taken to include persons travelling for pleasure, domestic reasons or health, travelling to meetings or for business purposes and cruise passengers even if they stay for less than 24 hours in one place. It was not intended to include people who arrive in a country to take up an occupation, people coming to establish residence in a country, young people travelling for schooling, travellers passing straight through a country without stopping there, or residents in a frontier zone where they live in one country and work in another.

These definitions are important in that they provide the basic formula for the compilation of travel statistics collected both nationally and internationally, and published annually since 1953 by the International Union of Official Travel Organizations (IUOTO).

The U.N. Conference on Travel and Tourism in Rome 1963 considered the terminology and recommended that the following definitions should be accepted: a VISITOR, "any person visiting a country other than that in which he has his usual place of residence, for any reason other

¹ OECD: Tourism Policy and International Tourism in OECD Member Countries 1975 (1975) Paris. p.7.

than following an occupation remunerated within the country visited". Within this there are TOURISTS, "temporary visitors staying at least 24 hours in the country visited and the purpose of whose journey can be classified under one of the following headings: (a) Leisure: (recreation, holiday, health, study, religion, sport); (b) Business: (family, friends, meeting, mission)". EXCURSIONISTS: "temporary visitors staying less than 24 hours in the country visited (including cruise passengers)".²

Nevertheless this terminology has yet to be universally accepted, and different ways of collecting and recording tourist data continue to make international comparisons difficult. Most countries are concerned primarily with inward traffic and few countries attempt to break down this traffic by purpose of visit. Some countries collect this data at their frontiers, using entry/departure cards which are dealt with by the Immigration Department. Other countries collect data from hotels (thus missing many visitors who, for example, stay with friends, or camp out) and the information is processed by the Police Department.

Furthermore, arrivals statistics do not effectively measure the real size of the market, which is altered by the number of countries each visitor goes to and his length of stay.

With these limitations all statistics should be treated carefully, and detailed international comparison will await all countries publishing comprehensive data, or until regular large-scale surveys are undertaken to produce data in a standardised form.

² OECD op. cit. p. 8.

PART I: THE WORLD CONTEXT

Chapter I: The Growth of Tourism

If one tends to think of tourism as a twentieth century phenomenon brought about by higher standards of living, faster transportation, and few national barriers, then we are reminded by G. Young³ that tourism has roots going back to the Old Testament, Ancient Greece and Ancient Rome, and hence should not be regarded as modern or ephemeral an industry as some people would suggest. However he does admit that it was only in the early twentieth century that the patterns of tourism were beginning to resemble the pattern that we know today; people with time and money go abroad, those with less time and money go to the seaside, and people with no money and no time stay at home.

Prior to the oil crisis in the autumn of 1973, international tourism was one of the fastest growing industries in the world and the largest single item in world trade; according to IUOTO, 181 million tourists spent \$19.9 billion in 1971, excluding payment for international transportation.⁴ Over the period 1950-66, international tourism receipts increased at an average of 12 per cent per annum, while world exports increased at 7½ per cent per annum. Thus tourism accounted for an increasing percentage of the total value of world exports and services, rising from 3.4 percent in 1950 to 6.3 percent in 1966.⁵

³ G. Young, Tourism, Blessing or Blight? (1973) London p. 9.

⁴ Peters, p. 21. International Tourism. IUOTO, London (1969).

⁵ IUOTO Economic Review of World Tourism, Geneva (1972) pp. 7-8.

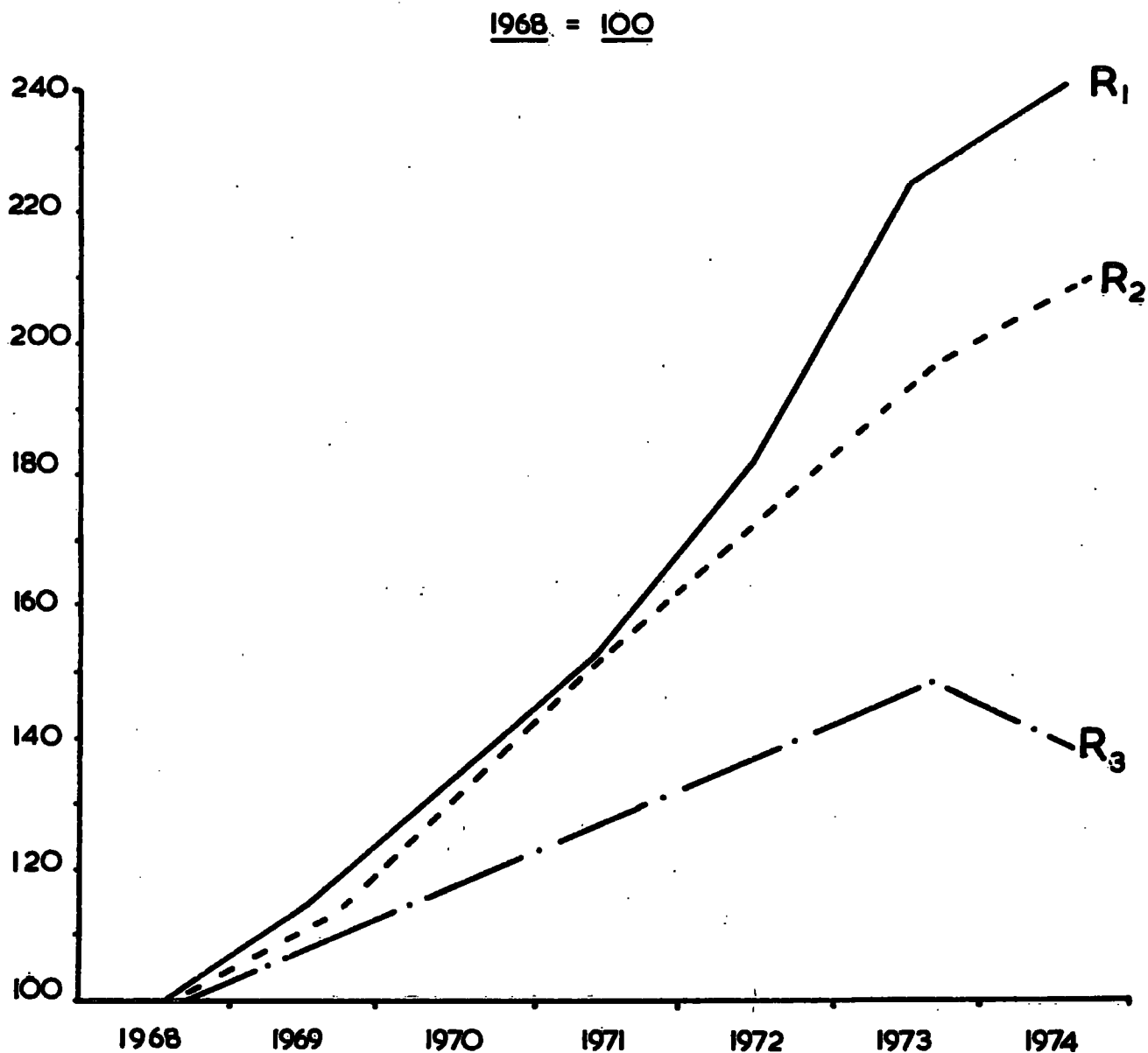
Since the oil crisis, the general international economic situation - the main features of which are high rates of inflation and slower growth - has brought an appreciable reduction in international tourist demand. The Organisation for Economic Co-operation and Development reported that "In the OECD Member countries taken as a whole the slower increase in international tourist traffic recorded during 1973 was followed by an actual decline in 1974."⁶

The fall in purchasing power due to inflation, measures of demand restraint taken by various Governments, the increase in unemployment, and uncertainty as to the future economic situation have led to a fall in private consumption, including tourism, which has been seriously affected by the substantial increase in prices of tourist services.

The decline in International Tourism has in most countries been offset by an increase in domestic tourism, while in Europe there has been an increase in domestic and inter-regional tourist movements of short duration, at weekends, on public holidays, and during the winter sports season. The International Union of Official Travel Organisation's (IUOTO) estimated at almost 209 million the world tourist arrivals during 1974, a decrease of 3 per cent compared with 1973, when an increase of 9 per cent was recorded. World receipts from international tourism during 1974 increased by only 5 per cent compared to 16 per cent in 1973, to a total of about U.S. \$29 billion. Figure 1 shows trends in International Tourist receipts in OECD member countries since 1968, and since member countries' total earnings from international tourism represented 90 per cent of the world total in 1974, this may be taken

⁶ OECD. Tourism Policy and International Tourism (1975) p. 17.

**FIGURE I. INTERNATIONAL TOURIST RECEIPTS
IN O.E.C.D. COUNTRIES**



R₁ — INDEX OF RECEIPTS IN CURRENT DOLLARS

R₂ - - - INDEX OF RECEIPTS IN DOLLARS AT 1968 EXCHANGE RATES

**R₃ - · - INDEX OF RECEIPTS IN REAL TERMS, CALCULATED BY
DEFLATING RECEIPTS IN CONSTANT DOLLARS BY THE
CONSUMER PRICE INDEX**

SOURCE: O.E.C.D. (1975) op cit. p.48.

as the general world picture. While receipts in current dollars, and at 1968 exchange rates, have risen, when measured in real terms there has been a decline since mid-1973. The early months of 1975 have shown that international tourism has been less influenced by the general economic situation and reflationary measures taken by many countries may lead to a general improvement in International tourism.

An analysis of place of origin and destination of international tourists quickly shows the regional imbalance which occurs through different parts of the world. Over 75 per cent of all international tourists originate from the twelve leading countries: U.S.A., West Germany, France, U.K., Canada, Belgium, the Netherlands, Italy, Switzerland, Sweden, Denmark and Austria, and 40 per cent come from the leading two: the U.S.A. and West Germany.

TABLE 1. Place of Origin of International Tourists

Region of Origin	Int. Visits generated 1967	%
Europe	88.2	67.4
N. America	37.2	28.6
Latin America and the Caribbean	1.1	0.7
Africa	1.2	0.9
Asia/Australia	2.1	1.6
Mid. East	1.2	0.8
Total	131.0 million	100 %

The spread of DESTINATION COUNTRIES is much wider than that of originating countries. The two most popular destination countries are Canada and Spain, and together they account for 25 per cent of the market. However, the continent of Europe remains by far the most important destination, with approximately three out of four international trips ending up there.

This concentration of the tourist industry in Europe and North America is illustrated by a consideration of tourist expenditure. Over 60 per cent of international tourist expenditure is spent in Europe and a further 16 per cent in North America.

Thus more than three-quarters of world tourism expenditures and 90 per cent of world tourist movements take place in the two major developed areas of the world, a fact which must bring into question the whole concept of tourism as an industry with great potential for developing countries.

TABLE 2. Regional Destination of Tourists 1971

Region of tourist destination	International Arrivals 1971 (m.)
Europe	136.3
N. American, Latin America and Caribbean	33.7
Africa	2.6
Asia/Australia	5.3
Middle East	3.4
Total	181.3

When considering tourism as an industry with potential for economic development, and for closing the gap between rich and poor countries, it is useful to look at the tourist industry in not just a regional framework, but also in the context of developed and developing countries. This is an approach used by Bryden,⁷ using the OECD definition of 'developing' countries where the information was available.

A consideration of the net balance of tourist receipts and expenditures between developed and developing regions gives very little indication that the industry is working in favour of developing countries. Bryden concludes that although the developed countries as a whole were in deficit to the tune of \$848.4 million in 1965, most, if not all, of this net flow of foreign exchange accrued to less developed countries in Europe and particularly Spain. Further, "Unless the statistics of expenditures used in the balance of payments statistics of developed countries are substantially in error (not to be ruled out) it seems likely that the developing countries outside Europe and the Mediterranean are, in aggregate, in significant deficit on their travel accounts, indicating a net flow of resources from the developing countries to the developed through the tourism market."⁸

⁷ J.M. Bryden, 'Tourism and Development. A Case Study of the Commonwealth Caribbean'. Cambridge 1973.

⁸ J.M. Bryden, *op. cit.*

TABLE 3. Net Balance of Travel Accounts by Region 1965

Region	Tourist Receipts \$ million	Tourist Expenditure ^a \$ million	Balance Surplus (+) Deficit (-) \$ million
<u>DEVELOPED</u>			
N. America	1,906.7	3,198.3	- 1,291.6
Europe	5,690.1	5,125.1	+ 565.0
Asia/Australia	178.5	276.5	- 98.0
S. Africa	49.0	72.8	- 23.8
Total	7,824.3 ^b	8,672.7	- 848.4
<u>DEVELOPING^c</u>			
Africa	82.1	55.6	+ 26.5
Asia	95.1	74.6	+ 20.5
S. and C. America	101.7	153.4	- 51.7
Commonwealth Caribbean ^d	12.5	14.5	- 2.0
Europe and Mediterranean	1,435.7	216.5	+ 1,219.2
Total	1,727.1	514.6	+ 1,212.5

^a Expenditure by residents in foreign travel

^b Sample for developed countries is fairly complete

^c Sample very incomplete

^d Trinidad only

Source: J.M. Bryden, *op. cit.* Table 4.7.

These figures would be further exaggerated if expenditure on transportation was included, since the majority of international transportation is undertaken by carriers based in the developed countries.

Chapter II: The importance of Tourism to Economic Development

"The economic gap between the richer and poorer countries appears to have widened over the past ten years. But to create new industries and to reform the rural, agricultural life in Asian, African and Latin American countries is a gigantic task. The relevance of tourism to this situation is that the income from the international tourist can bring the foreign exchange for investment in other industrial or extractive processes. There is widespread awareness of the potential benefits, but little has been done in practice to provide the means for expansion of tourist plant and equipment in most of the developing areas of the world."

Peters, *op. cit.* p. xv

"The supporters of tourism as the main industry for the Caribbean seem blind to the fact that in Cuba a decade ago, and in Jamaica at present, tourism was, and is responsible for social frictions with completely unforeseen consequences."

Financial Times, 19.11.72

It is perhaps a product of the lack of developed theory or any long tradition of research that, in the literature, it is possible to find extreme attitudes to the value of tourism in economic development, from extreme optimism that this is the industry to develop the Third World, to a bitter resentment of the tourist industry as a form of economic exploitation. The development of these extremes probably results from applying specialized experience to a general world picture.

To the optimist the tourist industry has many potential benefits to a developing country. They include:

- (a) A contribution to the balance of payments.
- (b) A dispersion of development
- (c) A contribution to general economic development
- (d) The generation of employment opportunities
- (e) Social benefits

The claims made under these headings need expanding, and then examining critically.

(a) A CONTRIBUTION TO THE BALANCE OF PAYMENTS

Only a limited number of countries have a positive balance of payments, and tourism as an important potential earner of hard currency is already very important in correcting balance of payments deficits in a number of countries, e.g. Spain, Greece, Mexico.

(b) DISPERSION OF DEVELOPMENT

Tourism by its nature tends to distribute development away from the industrial centres towards those regions in a country which have not been developed. On the other hand, industry normally would not be compatible with tourism development, thus emphasising the need to keep part of the country free for recreational purposes.

(c) GENERAL ECONOMIC DEVELOPMENT

The money spent by tourists becomes income in the hands of the local population, and is again re-spent or saved. The extent to which this money is continually re-spent within the economy - the 'multiplier effect' - is vital to the development of the country. If it is high, the expenditures by tourists can have a beneficial effect on all sectors of the economy, and lead to considerable diversification of industries and other economic activities.

(d) EMPLOYMENT

Tourism, it is claimed, is a service industry which is also characteristically labour intensive, and could have a significant effect on those countries with surplus labour. Demand for tourism services has been increasing rapidly and this will influence employment opportunities and consumer goods industries in developing countries.

(e) SOCIAL CONTACT

It is claimed that international travel has widened peoples' understanding of other parts of the world. Peters states, "International tourism has undoubtedly contributed to widening peoples' interest generally in world affairs and to a new understanding of 'foreigners and foreign tastes'".⁹

Further arguments for the establishment of a tourist industry can be found in the fact that it is a growth industry, growing faster than most other export industries and that demand for tourism has a high degree of elasticity.

The claims for the tourist industry need close, critical examination, and are severely questioned by George Young.¹⁰

(a) BALANCE OF PAYMENTS

Despite the claims for tourism as a major earner of foreign currency, the extent to which this is true will vary according to the

⁹ G. Peters, *op. cit.* p. 11-12.

¹⁰ G. Young, *op. cit.* pp. 132-168.

multiplier effect; if a great deal of the tourist expenditure either never reaches the country visited (fares to international airlines, cruise visits etc.) or 'leaks' out of the country in the form of payment for imports, profits for foreign companies, remittances by expatriates etc., then the net benefit to the visited country will not be great. Once again, the lack of data and analysis means that most destination countries have little idea of how much net foreign exchange is retained by the tourist industry. So while Peters¹¹ estimates immediate leakage of some ten per cent, leaving ninety per cent as income to persons within the country to be re-spent eventually, Young¹² quotes Mauritius where it is estimated that foreign exchange benefits from tourism amount to only ten per cent of total expenditure when deductions are made from takings of overseas airlines, foreign tour operators, imports of provisions and repatriation of profits by foreign hotel developers. While this may be an extreme example, Young also quotes a figure of 39 per cent for direct leakage for Jamaica's tourist industry, and claims "it is misguided to assume that tourism has a lower import content than other industries and therefore deserves preferential treatment"; and his statement that "Even Israel, which probably has one of the lowest import contents of any tourist destination, loses 25 per cent through imports"¹³ would appear to undermine Peters' more optimistic statements.

¹¹ Peters, *op. cit.* p. 240.

¹² G. Young, *op. cit.* pp. 151-2.

¹³ Government of Israel, Investors' Guide to Tourism, Tel Aviv (1968).

(b) A DISPERSION OF DEVELOPMENT

While it has been argued that tourism can be used as a tool for regional development, diverting at least some growth into non-industrial regions, this needs qualification. When looking at England we find 90 per cent of tourists spend some time in London, and 75 per cent never leave London. It must also be remembered that development in a previously remote area requires heavy infrastructural investment which is of little benefit to the local population which provides it.

(c) GENERAL ECONOMIC DEVELOPMENT

The contribution of the tourist industry to general economic development relates closely to the tourist multiplier and leakage effects, already considered, and the nature of employment generated, considered next. However, it is important to bear in mind that tourism is not automatically beneficial, particularly if its growth is brought about at the expense of other industries.

(d) EMPLOYMENT

Tourism is characteristically labour intensive, and this has been used as an argument that this is a good industry for developing countries. While accepting the industry as labour intensive, Young¹⁴ describes it further as "a service industry with a poor productivity record, below average earnings, low value added, a high staff turnover, and a large element of seasonal unemployment", and states that if labour is attracted into tourism from other sectors, economic growth may in fact be slowed down.

¹⁴ G. Young, *op. cit.* p. 145.

(e) SOCIAL CONTACT

Although the optimist argues that tourism generates international goodwill and understanding, there is certainly plenty of evidence to suggest that the reverse is true. The social problems which have often accompanied the growth of tourism are numerous. These include social friction arising from the importation of foreign workers and their families to man the lower paid jobs in the industry; the "confrontation" effect which can result from the better-off traveller giving orders to the less well-off native; the resentment of residents having to share their services with others; the effect of densities of living in the tourist cities; and the disappearance of local cultures and customs in the face of tourist development.

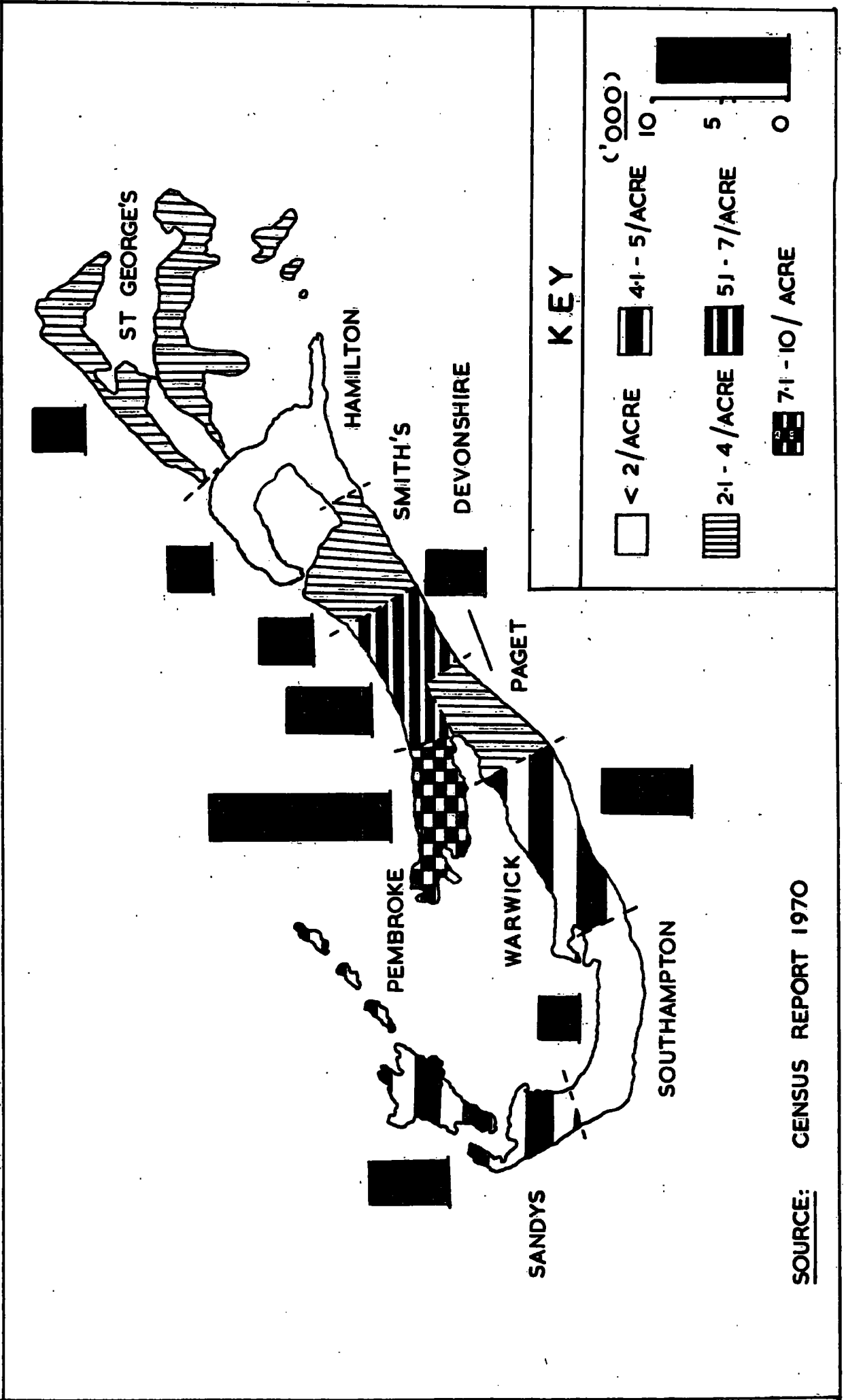
Whether one looks to the Caribbean, Spain or Eastern Europe, resentment can often be found, and this is a point to be considered later in relation to the question of a 'saturation level' of tourists; an optimum tourist population for any country.

A comparison of attitudes reflected in the studies by Peters and Young serves to illustrate the dangers of generalisation, and movement from the specific to the general. It is probably safe to conclude that tourism has not, and will not live up to the over-optimistic expectations of the early 1960s, particularly those of the Zinder¹⁵ and Checci¹⁶ reports, which exaggerated the benefits of tourism and over-estimated the multiplier effect. Perhaps a more guarded conclusion is that tourism does have a part to play in the economic development of many countries, so long as it is planned to meet the particular needs of the country, is co-ordinated into an overall national plan, and is not left to develop piecemeal in competition with other sectors of the economy.

¹⁵ Zinder and Associates, The Future of Tourism in the Eastern Caribbean. May 1969.

¹⁶ Checci & Co. A Plan for the growth of Tourism in the Commonwealth of the Bahama Islands. Washington D.C. 1969.

FIGURE 2. BERMUDA POPULATION DISTRIBUTION BY PARISH



PART II: A CASE-STUDY OF BERMUDA

Chapter III: Some Basic Facts

The Bermuda archipelago consists of some 150 islands with a total land area of only 21 square miles. The land surface consists of a long narrow main island, with smaller islands contiguous to it to the east and west, irregularly oblong in shape, and sheltering in its enclosed sounds numerous small islands, few of which are inhabited, and many of which are only a few acres in area. The seven largest islands are connected by bridges and a causeway to form the main land area of Bermuda; they contain virtually all of the population (Figure 2).

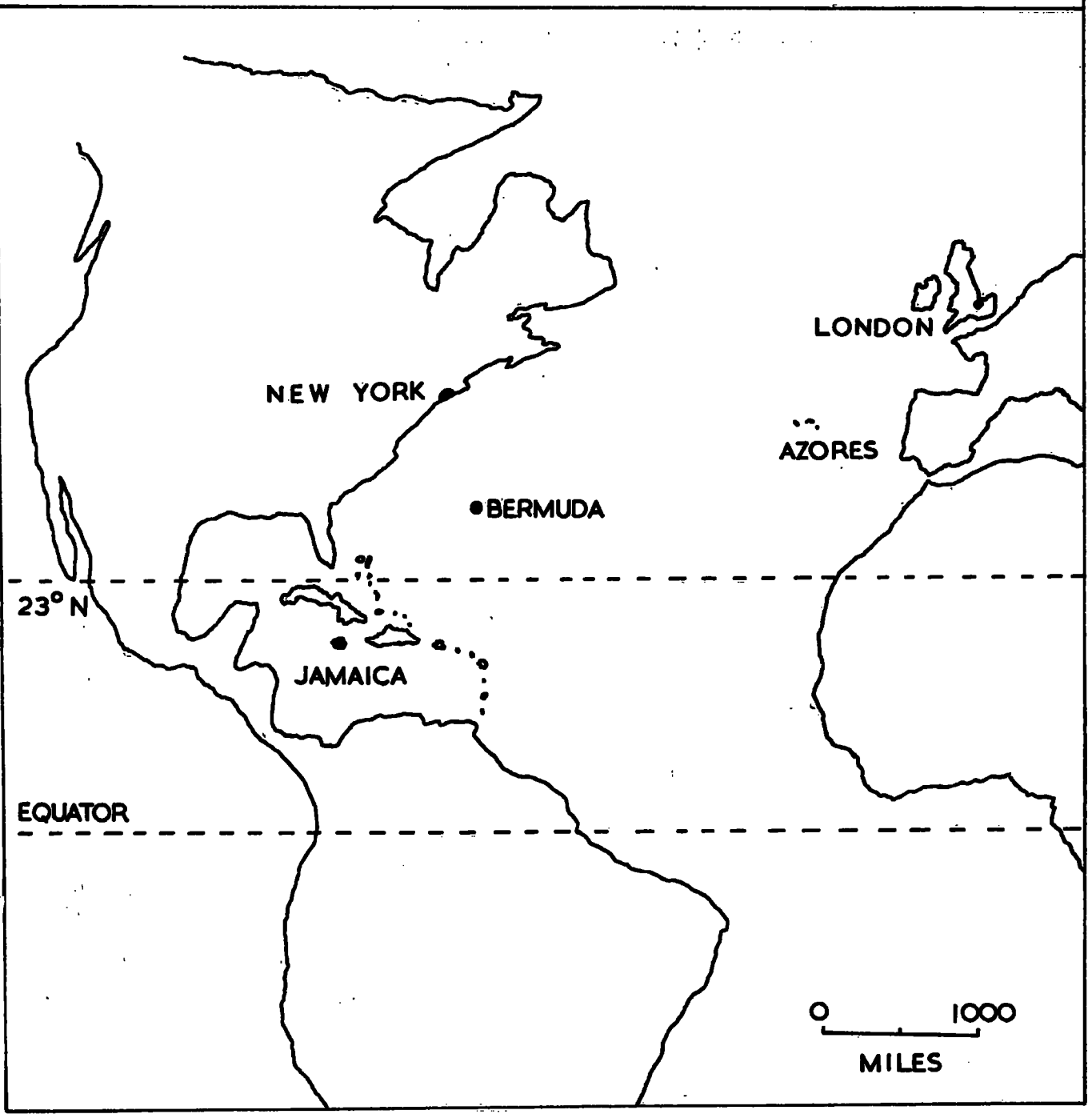
Situated at 32° N. 64° W., alone in the Atlantic some 568 miles from the nearest land mass: Cape Hatteras, U.S.A., and some 3,000 miles from Europe, Bermuda is complete in its physical isolation (Figure 3). Its origin lies in submarine volcanic activity over 100 million years ago, and while this volcanic core is everywhere covered by a thick capping of limestone, borings have reached basalt at depths of between 200 and 500' below mean sea level.¹ Around the volcanic core limestone deposits and coral reefs grew up to offer protection. With constant fluctuations in sea-level during the Ice Age, sand-dunes were built up on the land surface, and consolidated by the action of rainwater into aeolian limestone hills rising to 300', giving Bermuda its present hilly relief.

Thus present-day Bermuda consists of aeolian limestone hills, and marine limestone deposits raised above sea-level by Pleistocene

¹ W.M. Cox, 'Bermuda's Beginning' Liverpool (1959) p. 8.

FIGURE 3.

BERMUDA'S LOCATION.



variations in sea-level, resting on a submarine volcanic core, and protected by coral reefs. The present land area is a relic of a larger area that now forms a shallow bank, roughly elliptical in form, some 32 miles long and 16 miles broad. The existing land mass lies along the southern edge of this ellipse, but there are several outlying reefs and rocks marking the wider arc of land, and extending out to North Rock, 10 miles beyond the north shore.² The Bermuda bank is mostly 6 to 7 fathoms in depth, together with fragments of old islands that now stand up simply as rocks awash.

Bermuda's isolation has enabled her to develop her own, unique character; a British colony, yet not British, closest to America, but not American, vaguely Caribbean, yet a thousand miles from the West Indies. Although the islands were known to exist in the sixteenth century, and were shown on certain maps of this period, the first recorded settlement followed the wrecking of the flag-ship of the British Virginia Company, the Sea Venture, in 1609. Destroyed on the reefs around Bermuda, the sailors came ashore, built two small ships: the Deliverance and Patience, and set sail for Virginia, returning the next year to settle the island.³

A chart of the growth of population since 1609 shows the relative success of the people to come to terms with their environment. Initial settlement saw the exploitation of the island's virgin resources, including vast flocks of seabirds, palmetto and cedar trees from the primeval forest, and fish from the surrounding waters. Early development

² The geology of Bermuda has been subjected to considerable research, leading to the revision of earlier theories. The best up-to-date account is found in, L.S. Land & F.T. MacKenzie (1970). A Field Guide to Bermuda Geology. Bermuda Biological Station Special Public'n. No. 4.

³ The most detailed account of the early history of Bermuda can be found in Bermuda Govt. Library Memorials of the Bermudas by J.H. Lefroy Vols. 1 & 2. Reprinted Jan. 1932.

was based on the attempts to grow tobacco, but the smallness of the land area, the pooriness of its limestone soils, and its distance from Europe, led to the failure of tobacco as a commercial crop. Throughout the eighteenth century, the population stabilised at between 6-8,000; based on the island's ability to feed and support its population from agriculture and fishing, along with a certain amount of shipbuilding, trading and piracy. The failure of the tobacco crop did not mean that the venture was without significance, for the year 1616 saw the introduction into Bermuda of the first slaves: Africans from the West Indies, brought in to work the tobacco fields, and laying the foundations for the present-day multi-racial society.

The record of the eighteenth century is one of struggle, hardship and privation, interspersed with adventure, excitement and short-lived wealth; hurricanes devastated crops, forests and buildings, yellow fever decimated the population and plant disease brought them close to starvation; wars between England and America continually disrupted trade. However, the wars did have their advantages, providing the opportunity for privateering on a very profitable scale, and advertising the speed of Bermudian ships and the excellence of their shipbuilders.

The nineteenth century saw the recognition of the island's strategic importance, located geographically so as to control the greater part of the Western Atlantic. In 1809 work started on the construction of an Imperial Dockyard at the western end of the island. This provided Britain with an important naval base, and Bermuda with an important source of employment and foreign currency, until British withdrawal in 1950.⁴

⁴ The Dockyard, abandoned by the British in 1950, had for many years lain derelict. Some of the buildings were used for light industry and a small freeport was established. More recently some of the buildings have been restored to form a Naval Museum, officially opened by Queen Elizabeth in 1975.

In 1940 Britain traded with America the right to build a base in Bermuda in return for American destroyers. Thus when British naval influence was reduced, it was replaced by American influence in the form of a U.S. Naval Base, and Kindley Air Force Base. Another American influence resulting from Bermuda's location is a N.A.S.A. satellite tracking station. Bermuda was chosen for this because of its location and its high frequency of cloud-free days. All of these installations have provided Bermuda with important sources of foreign exchange, but probably the most significant contribution of these developments has been the provision of a civil air terminal for the island. At the end of World War II the American Air Force turned over their runway to the civil authorities, and it is through this airport that the vast majority of Bermuda's visitors arrive today.

The growth of population generated by Bermuda's strategic importance has been carried on in the post-war era by the very rapid expansion of the tourist industry, and it is almost entirely due to that single industry that the civil population has now reached 53,000 (1970).⁵ With a population density of nearly 3,000 per square mile, and a per capita G.N.P. of \$4,200-\$4,550,⁶ this is one of the richest, most densely populated countries in the world.

The 1970 census shows that the resident population of 52,976 (an increase of 24% over the last decade) is made up of 59% Black and 41% White and Other residents. When only the Bermuda-born population is considered, the ratios are 76% Black and 24% White and Others.

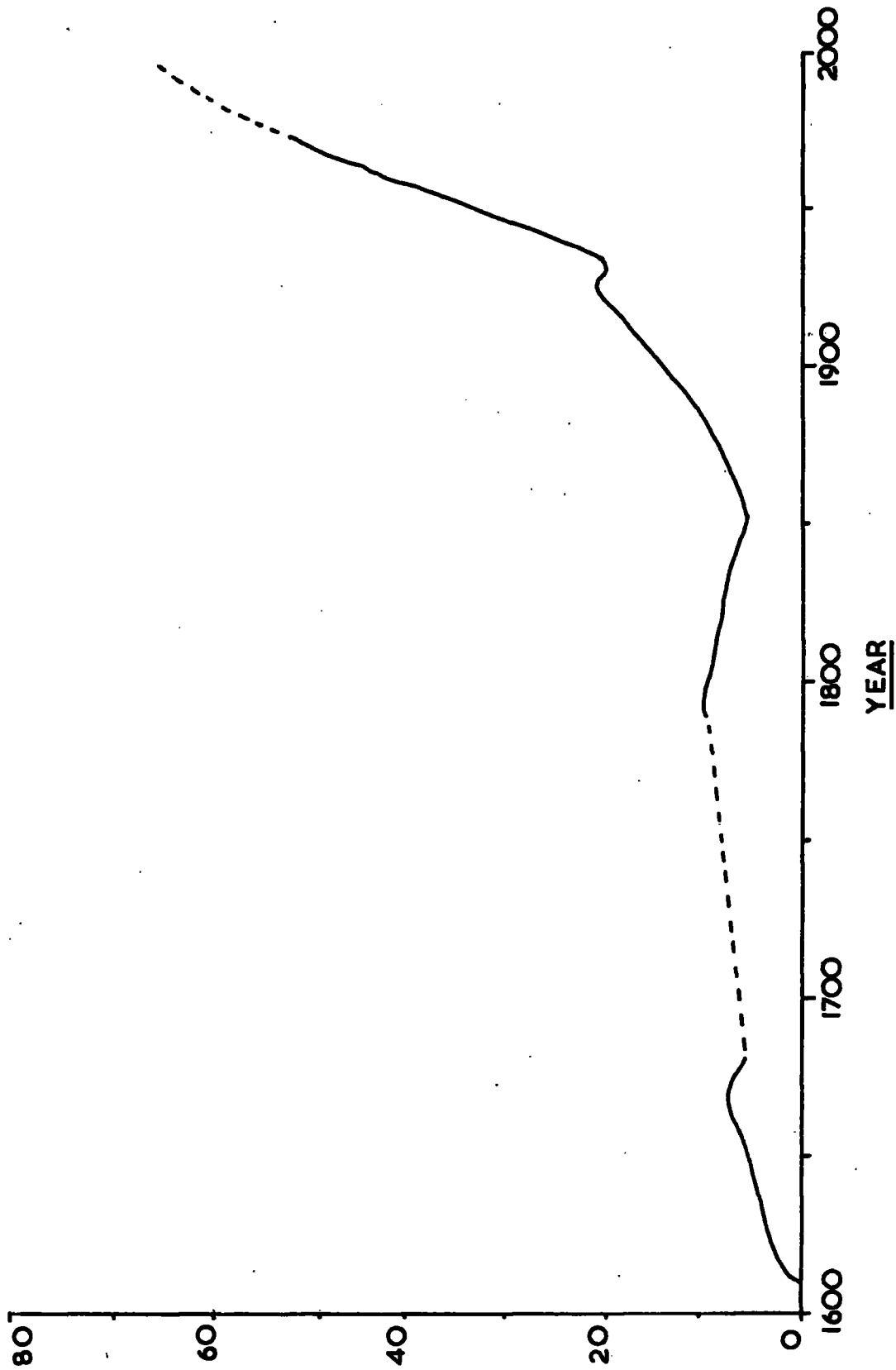
⁵ Bermuda Govt. (1973). Report of the Population Census 1970.

⁶ Cambridge Research Institute - The Contribution of International Business to the Economy of Bermuda - A summary 1972.

FIGURE 4. POPULATION GROWTH IN BERMUDA 1609 - 1970.

SOURCE: BERMUDA ARCHIVES.

POPULATION (000)



The foreign-born population which make up 14,496 of the population come mainly from the United Kingdom (36%), followed by Azores/Portugal (16%), U.S.A. (16%), and the Commonwealth Caribbean (11%). The percentage of the population not born in Bermuda has risen sharply in recent years, from 21% in 1960, to 28% in 1970, a product of the rapid growth in the tourist industry, where employment outstripped the ability of the island to supply the labour force (Figure 4).

Tourism in Bermuda represents a culmination of its history, and a development of its geographical and geological resources. Bermuda's natural resources of a sub-tropical climate, crystal-clear seas warmed by the Gulf Stream, sandy beaches protected from the Atlantic waves by coral reefs,⁷ and a wide variety of vegetation introduced into Bermuda from all over the world as a result of her maritime history, provide the basis for the tourist industry. The island's location, only 700 miles - or two hours' flying time - from the North-Eastern seaboard of the U.S.A. gives it as its tourist source area one of the densest, most wealthy concentrations of population in the world. Its historical development provides an environment which is in firm contrast to the one that the American tourist has left behind.

The rest of this study will be directed towards the way in which Bermuda has taken advantage of her resources through a consideration of the historical development of the tourist industry, its nature, its role in the economy as a whole, its potential for future development, and the problems that it has created and may yet face.

⁷ Located at latitude 32° N., Bermuda represents the furthest northern extension of coral reefs in the world. Normally confined to the tropics, coral reefs have developed around Bermuda due to the warming influence of the Gulf Stream.

Chapter IV: The Development of Tourism in Bermuda

The Early Twentieth Century

Tourism in Bermuda, while not exclusively confined to the twentieth century, has only contributed significantly to the island's economy in the last fifty years. Today it is by far the major source of income to the island.

Before the turn of the century it was the individual visitor, usually rich and seeking exclusiveness, who came to Bermuda during the winter months to get away from the North American winter. The masses had not yet begun to penetrate so far afield, and the large hotels were as yet unthought of.

Of its more famous visitors, Mark Twain came often, and described it as 'tranquil and contenting', Woodrow Wilson said it was 'one of the last refuges in the world where one could escape from the extravagant and sporting set'. Rudyard Kipling was fond of Bermuda, and later authors such as Eugene O'Neill and James Thurber used to come to Bermuda to read and write.

The inter-war years saw an improvement in shipping links with North America, and 1938 saw the beginnings of an air service between Bermuda and Long Island, run jointly by Pan Am and Imperial Airlines, using sea-planes. These developments encouraged more and more visitors to come to Bermuda, and tourism took a dominant position in the island's economy, as selling fruit and vegetables to North America became increasingly difficult. The 1930s saw increasingly high import barriers imposed by the U.S.A. and Canada, and the value of agricultural exports to Bermuda's economy declined from £192,000 in 1924 to less than £20,000 in 1938.⁸

⁸ Department of Agriculture, Annual Reports 1925 & 1939.

During this period more and more ships brought tourists to Bermuda and the summer season grew in popularity. Many yachts belonging to wealthy Americans could be seen at anchor in Hamilton Harbour, and large, foreign-owned hotels such as the Bermudiana Hotel, Mid-Ocean Club, and Castle Harbour Hotel were being constructed. Figures for this period are shown in Table 4 and Figure 5.

TABLE 4. The growth of tourism in Bermuda in the inter-war years

Year	Tourist Arrivals *
1920	12,000
1921	17,000
1922	24,500
1923	26,761
1924	25,653
1925	26,190
1926	27,214
1927	30,816
1928	36,391
1929	39,052
1930	43,094
1931	47,376
1932	45,190
1933	39,878
1934	45,647
1935	25,647

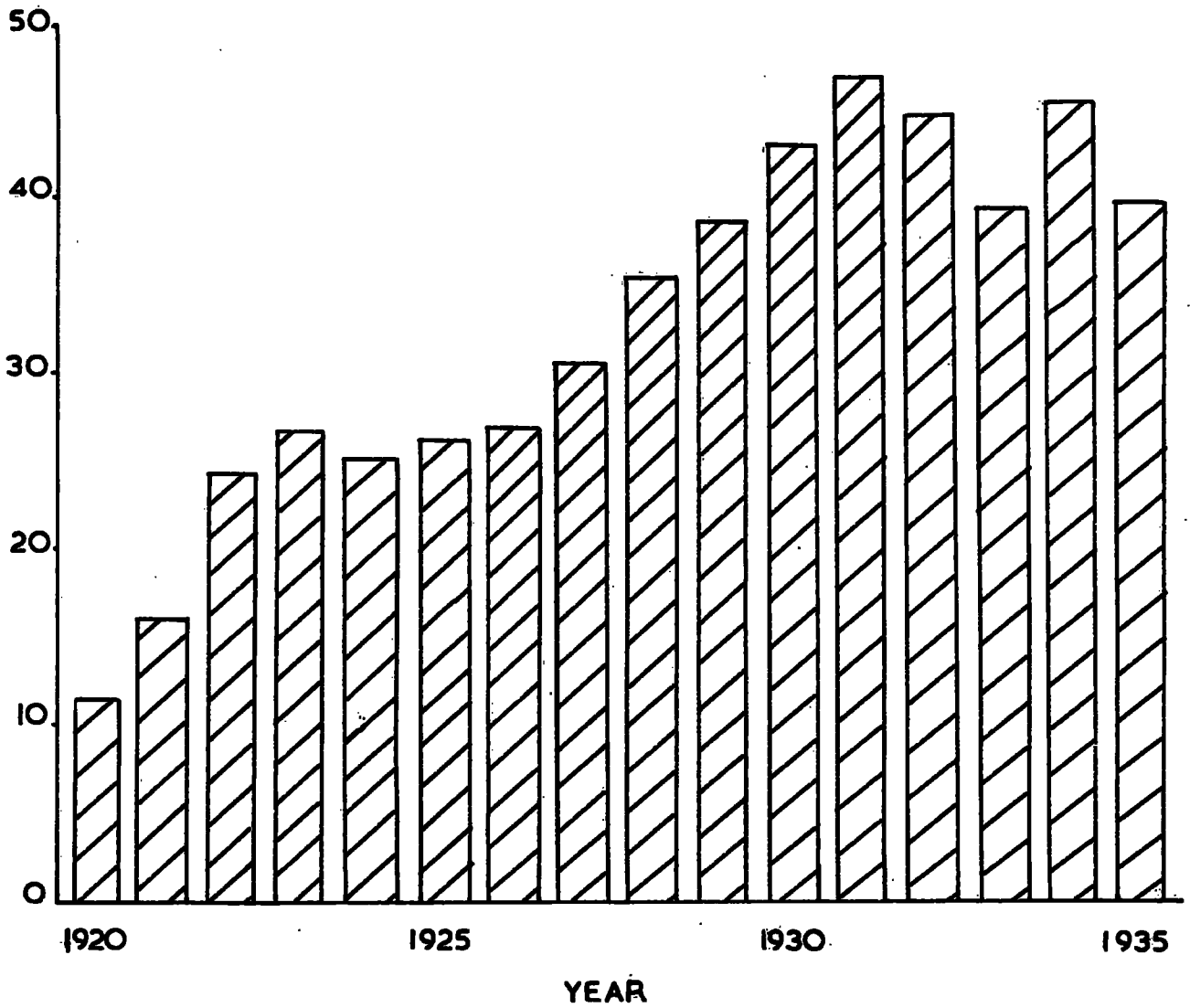
* Regular Visitors, excluding Cruise Visitors

Source: Colonial Reports 1920-1935

FIGURE 5.

TOURIST ARRIVALS 1920 - 1935.

TOURISTS (000)



SOURCE: DEPT. OF TOURISM ANNUAL REPORTS.

World War II saw a great appreciation of Bermuda's strategic significance, as a gateway to the North Atlantic, and it was referred to as the 'Gibraltar of the West'. As a result of the 1941 Churchill/Roosevelt 'Destroyers for Bases' deal, an American base was built in Bermuda bringing many thousands of American servicemen to the island with their families.

This may have given a boost to Bermuda's image in America, but more important to the future development of the tourist industry was the construction of an airport at the eastern end of the island by the American Air Force. In 1948, this was turned over to the island for civil aviation, opening up Bermuda to the potential of large-scale air travel to and from the island, and enabling her to share in the boom of postwar air travel without having to carry the heavy financial burden of building her own airfield.

The Postwar Growth in Tourism

After the dislocations of World War II, Bermuda got back into the tourist market, but it took a few years before pre-war figures were reached. In 1946 some 26,000 tourists came to the island, but by 1956 the total had passed 100,000, and from this figure the number of tourists visiting Bermuda has risen steadily at an average of around 8 per cent per annum, in line with world trends of increased wealth, increased leisure, and cheaper faster travel.

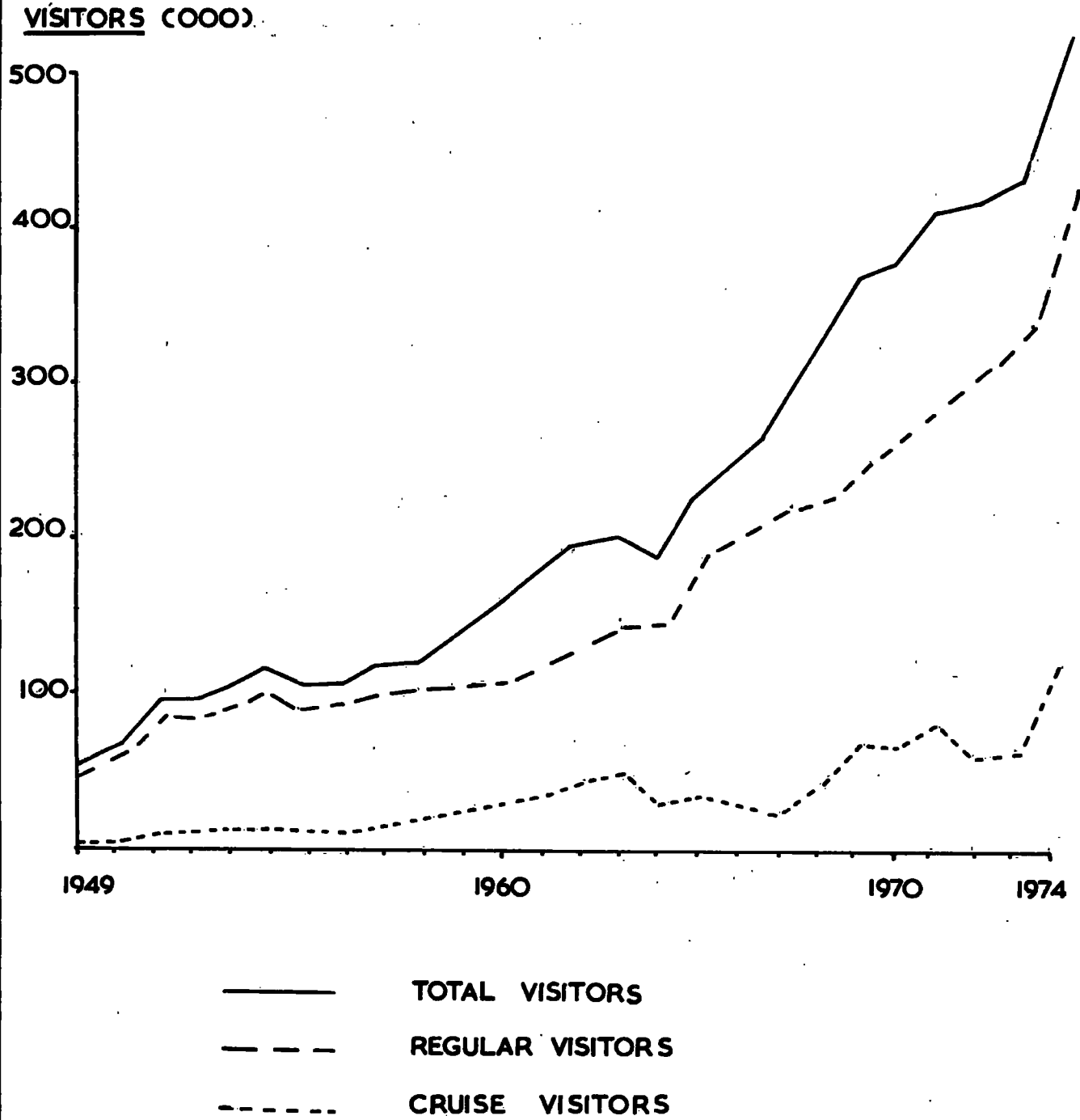
TABLE 5. The Increase in Tourist Arrivals to Bermuda 1956-1974

Year	Regular Visitors	Cruise Visitors	Total
1956	95,911	13,835	109,746
1957	102,569	18,415	120,984
1958	108,438	22,382	130,820
1959	109,515	32,815	142,330
1960	111,287	40,119	151,406
1961	123,651	46,971	170,622
1962	133,271	59,531	192,802
1963	142,543	62,538	205,081
1964	145,109	43,885	188,994
1965	187,265	50,517	237,782
1966	210,598	46,174	256,772
1967	237,163	44,004	281,167
1968	267,442	63,937	331,379
1969	280,987	89,933	370,920
1970	302,776	86,138	388,914
1971	319,310	93,637	412,947
1972	339,782	81,168	420,950
1973	385,241	82,015	467,256
1974	421,221	110,347	531,568

Source: Selected Tourism Statistics of Bermuda, 1976
Department of Tourism, Bermuda

Figure 6 and Table 5 indicate the increase in tourist arrivals from 1956-74, distinguishing between Regular and Cruise Visitors - a distinction which has considerable importance for the economic impact of the tourist industry, and which is considered in more detail in Chapter 6.

FIGURE 6. BERMUDA TOURIST ARRIVALS 1949 - 1974.



SOURCE: DEPARTMENT OF TOURISM
ANNUAL STATISTICS

The growth in the total number of tourist visitors to Bermuda, from 109,746 in 1956 to 467,256 in 1973, represents an increase of some 325 per cent in 17 years. Only in one year during this period: 1964 was an overall increase over the previous year not shown. According to the Director of Bermuda's Trade Development Board this was accounted for by 'unsettled world conditions, elections in the United States, and extremely heavy travel to Europe'.⁹ It was soon compensated for in the following year.

Since Regular Tourists provide the backbone of the tourist economy, the growth of these tourists is of fundamental importance. No year since 1956 has experienced a decline in the numbers of Regular Tourists, and while annual increases have fluctuated from less than two per cent to over 25 per cent, the average increase over the period has been around 8.5 per cent.

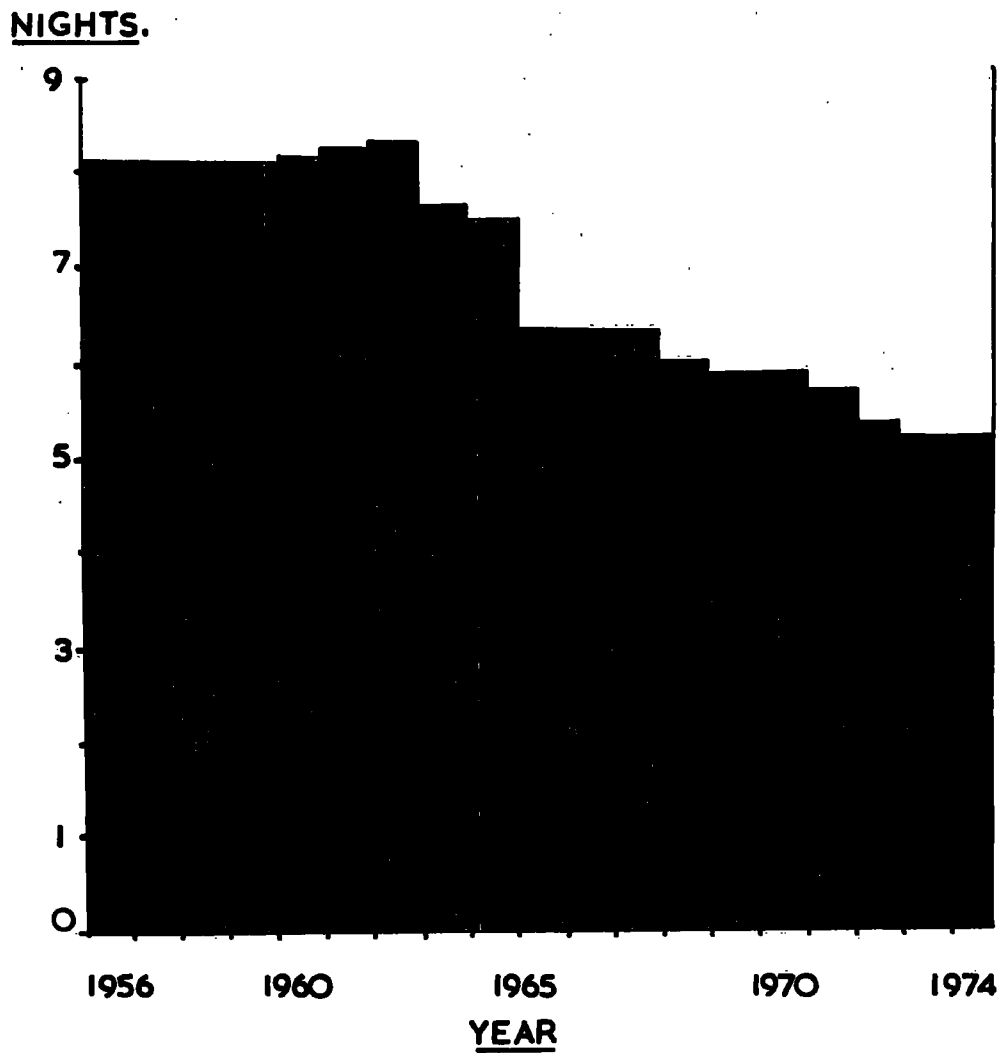
Examination of the figures in Table 5 shows a period of most rapid growth in the late 1960s when, between 1965 and 1969, annual increases averaged 14.4 per cent. The early years of the 1970s saw a slower rate of increase, at around 6 per cent per annum, but the figures for 1973 and 1974 indicate a possible new growth phase.

The numbers of tourists who come to Bermuda aboard the Cruise liners have risen from 13,835 in 1956 to 110,347 in 1974. While in the 1960s the growth of cruise visitors outstripped the increase in regular arrivals, their numbers in recent years have been limited by government action, since their contribution to the economy is much less than the regular visitors (Chapter 6).

Future developments are likely to see Cruise Ships subject to increasing restrictions if the number of Regular Tourists continues to rise, being pushed more and more into the off peak seasons, and times when regular trade is light.

⁹ W.J. Williams, Annual Report 1964, Bermuda Trade Development Board

FIGURE 7. AVERAGE LENGTH OF STAY OF TOURISTS.



SOURCE : DEPT. OF TOURISM.

One of the consistent trends of the late 1960s has been a decrease in the length of stay of visitors to Bermuda. While the average figure in 1963 was 8.3 nights, it had fallen to 5.3 nights a decade later (Figure 7). Explanations for this may be found in changing habits in American tourists, or in the changing type of visits being made to Bermuda, especially at times such as Labour Day and Thanksgiving. Whatever the reasons for this decline, it needs to be taken into consideration if growth rates over the last decade are not to be misleading.

Table 6 compounds the number of Regular Visitors with their Average Length of Stay to give a figure for the change in the number of Tourists/Nights spent in Bermuda annually. Since there has been a consistent decline in the Average Length of Stay, the rate of increase in Tourist/Nights is obviously less than the increase in regular tourist arrivals. However, only in 1963 was there a decline in Tourist/Nights, while the overall increase from 1956-73 has been around 5.4 per cent per annum.

TABLE 6. Increase in Tourist Days spent in Bermuda

Year	Regular Total	% Change	Average Stay*	Tourist Nights	% Change
1956	95,911	-	8.0	767,000	-
1957	102,569	+ 6.9	8.0	820,600	+ 7.0
1958	108,438	+ 5.4	8.0	867,500	+ 5.7
1959	109,516	+ 1.0	8.0	876,100	+ 1.0
1960	111,287	+ 1.6	8.1	901,400	+ 2.9
1961	123,657	+ 11.1	8.2	1,014,000	+ 11.9
1962	133,271	+ 7.7	8.3	1,107,000	+ 9.2
1963	142,543	+ 7.0	7.6	1,080,000	- 2.4
1964	145,109	+ 1.7	7.5	1,088,000	+ 0.8
1965	187,265	+ 29.0	6.2	1,161,000	+ 0.7
1966	210,598	+ 12.4	6.2	1,305,000	+ 12.4
1967	237,163	+ 12.6	6.2	1,471,000	+ 12.7
1968	267,442	+ 12.8	6.0	1,604,000	+ 5.6
1969	280,987	+ 5.1	5.9	1,658,000	+ 3.4
1970	302,776	+ 7.8	5.9	1,786,000	+ 7.7
1971	319,310	+ 5.5	5.7	1,820,000	+ 1.9
1972	339,782	+ 6.4	5.4	1,864,823	+ 2.5
1973	385,241	+ 13.4	5.3	2,042,000	+ 9.5
1974	421,221	+ 9.3	5.3	2,232,471	+ 9.3

* Figures up until 1964 are based on sample studies, after that year on exact nights. Figures for Year Total and Tourist Nights come from Bermuda Tourist Board Annual Reports 1956-74.

A further important parameter of growth has been the increase in accommodation shown in Table 7, showing an increase of over 100% since the 1956 figure of 3,780 beds, reaching 8,992 in 1973. When

this figure is compared with the increase in tourist nights, also shown in Table 7; it is found that the number of beds has lagged slightly behind the increase in tourist nights, suggesting a corresponding increase in average occupancy rates. These figures are shown graphically in Figure 8.

TABLE 7. Increase in Accommodation, compared to the Increase in Tourist nights

Year	Tourist Nights (000s)	Growth since 1956 (1956 = 100)	Beds	Growth since 1956 (1956 = 100)
1956	767	100	3,780	100
1957	821	107	3,807	101
1958	868	113	3,833	102
1959	876	114	3,856	117
1960	901	117	4,440	122
1961	1,014	132	4,633	123
1962	1,107	144	4,822	128
1963	1,080	140	4,520	120
1964	1,088	142	4,874	129
1965	1,161	151	5,140	136
1966	1,305	170	5,360	142
1967	1,471	191	5,672	150
1968	1,604	209	6,175	164
1969	1,658	216	6,245	165
1970	1,786	233	6,939	187
1971	1,820	243	7,832	207
1972	1,865	249	8,556	227
1973	2,042	266	8,992	238
1974	2,232	291	-	-

At present, the government has imposed a moratorium on any new hotel construction until 1978; since it is likely that building restriction will be extended beyond this date, additional accommodation will come from the expansion of existing hotels. This will probably produce some check on the increase in available accommodation, leading to higher occupancy rates.

TABLE 8. Revenue from Tourism

Year	Value (Foreign Exchange Estimates \$m)
1960	30.6
1965	38.5
1966	40.5
1967	51.0
1968	62.7
1969	65.0
1970	78.2
1971	97.4
1972	109.0
1973	111.1

Source: Bermuda Exchange Control

Since tourism is by far the most important source of foreign exchange in Bermuda and the basis for Bermuda's high standard of living, the actual value of tourism to the island is of major significance, and the key parameter to recent growth. Table 8 shows estimates of the value of tourism to the economy made by the Bermuda Exchange Control Authority.

While the parameters of the development of the industry in Bermuda considered in this chapter are those traditionally used to indicate the progress of the tourist industry: Numbers, Length of Stay, Regular and Cruise visitors, Numbers of Beds, Occupancy Rates and Revenue, other parameters might also be considered of equal significance: the loss of open space, an increase in pollution, the increase of non-Bermudian workers in the work force, the growth of a drug problem in Bermuda, etc.¹⁰ However, the purpose of this chapter has been merely to chart the economic growth of the tourist industry in the last twenty years, and consideration of the implications of this growth is left to a later section (Chapter 7).

¹⁰ Dr F. Cottingham has set out to prove a correlation between the growth of tourism and the increase in divorces in Hawaii.
New York Times 9.8.1970.

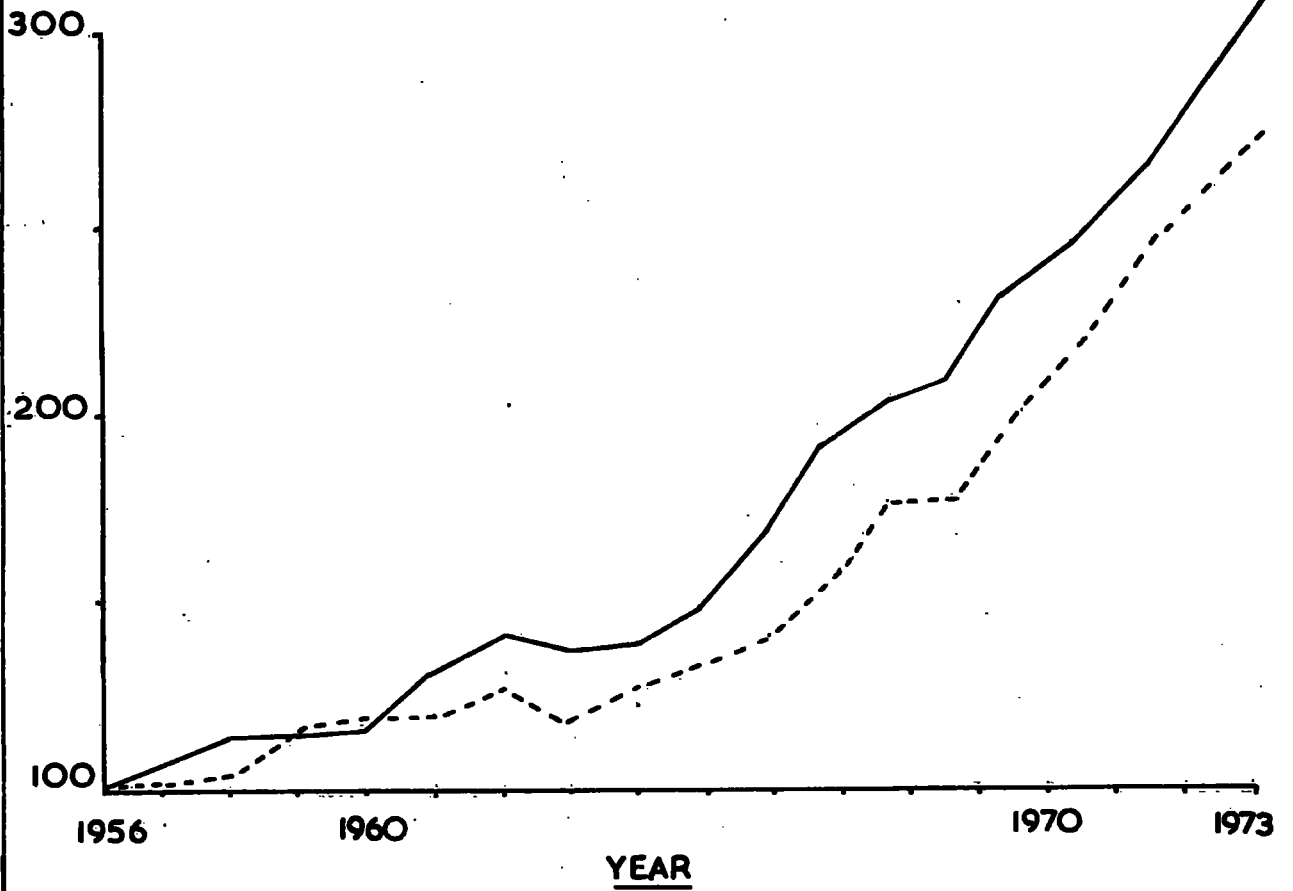
Chapter V: The Role of Tourism in Bermuda's Economy

A fundamental characteristic of Bermuda's economy is that, since the decline of agricultural exports in the 1930s due to trade restrictions in the United States, the economy has been dominated (almost exclusively) by the tourist industry. Today, the island obtains a significant revenue from exempted companies: international firms who establish themselves in Bermuda to take advantage of its low level of taxation, and a small amount from the American Bases on the island. But it remains an economy dominated by the tourist industry.

This situation is crucial to any consideration of the present-day role of tourism in Bermuda, as well as to the future of the island's economy. Where tourism forms just a small part of a country's income, then the country may well have to face the question: 'Do the advantages of the industry outweigh the disadvantages?' This is illustrated by the small Caribbean island of St Lucia, traditionally dependent on its banana crop, worth £2.5m in 1969. The advent of a tourist boom has produced a flight of labour from the land as workers seek work in the new hotels, leaving the land under-utilized and inducing a marked fall in productivity in the farming sector. Since most of the food served to the tourists is imported and most of the profits of the hotels - exempt of tax - go out of the country, St Lucia may well wonder what sort of blessing the tourist boom has been. However, Bermuda with its dense population and high level of affluence, dependent almost solely on the tourist revenue, is in no position to consider whether or not it needs the tourist industry; it has no available alternative in the present situation. All that Bermuda can do is to decide how it can best benefit from the tourist potential that it possesses.

FIGURE 8 INCREASE IN ACCOMMODATION & TOURIST NIGHTS

1956 = 100



— TOURIST NIGHTS
- - - ACCOMMODATION.

The figures shown in Table 9 and the graphs in Figures 9 and 10 re-emphasize the role of tourism as the mainstay of the Bermudian economy. In the rest of this chapter two further points will be examined. First, to what extent does the tourist revenue stay in the economy to benefit Bermuda, and to what extent is it 'leaked' out of the economy, in such ways as paying for imports for the tourist, and as profits sent overseas? Secondly, to what extent would it be possible to reduce the dependence on tourism by developing other activities such as farming, fishing and International Business?

TABLE 9. Estimates for Exports and Imports of Goods and Services for Bermuda 1971

Exports	Value (\$m)	Imports	Value (\$m)
Local Exports	0.9	Import of Goods	108.5
Value-added on re-exports	11.4	Freight on Imports	23.3
Tourist receipts	117.0	Insurance on Imports	4.0
International Company expenditure in Bermuda	23.6	Tourist Agency Commission and Dept of Tourism expenditure abroad	5.1
Income on external Accounts	4.5	Income earned in Bermuda and distributed to non-residents	4.2
Miscellaneous	1.5	Miscellaneous	3.0
Total:	167.4	Total:	158.4

Source: Cambridge Research Institute: *op. cit.* p. 10.

The Multiplier Effect

While tourist expenditure in a country may be high, and appears impressive in that country's balance of payments figure, it is often the case that very little of this revenue actually stays in that

FIGURE 9. BERMUDA'S TRADE 1971.

SOURCE: CAMBRIDGE RESEARCH UNIT *op. cit* p.10.

(1) EXPORTS.

\$ 167.1 m.

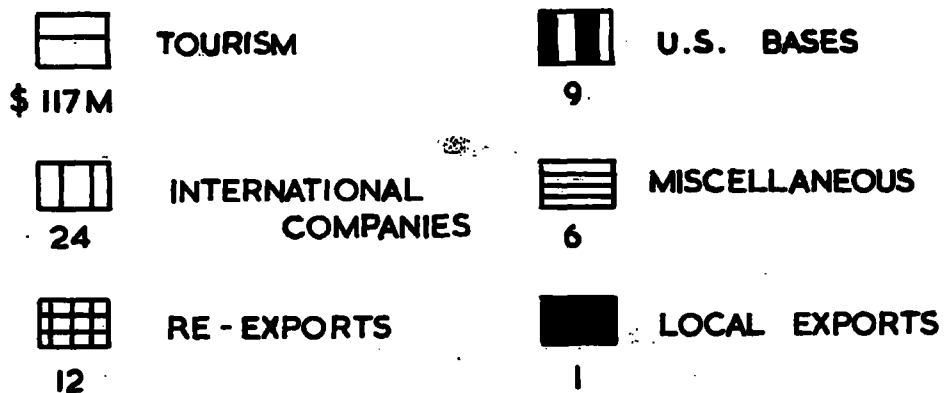
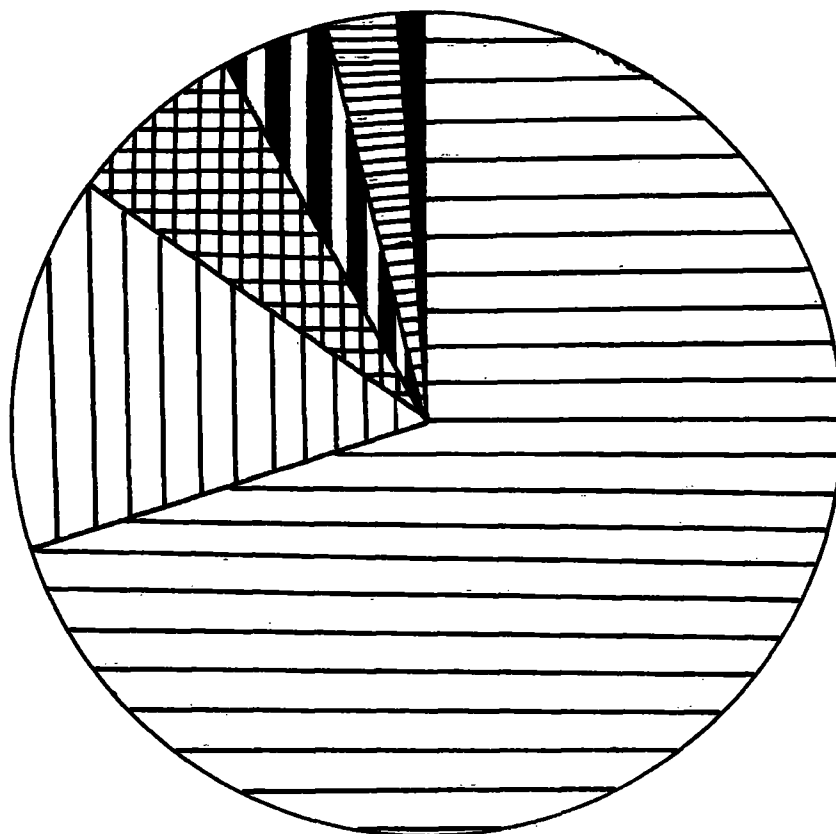
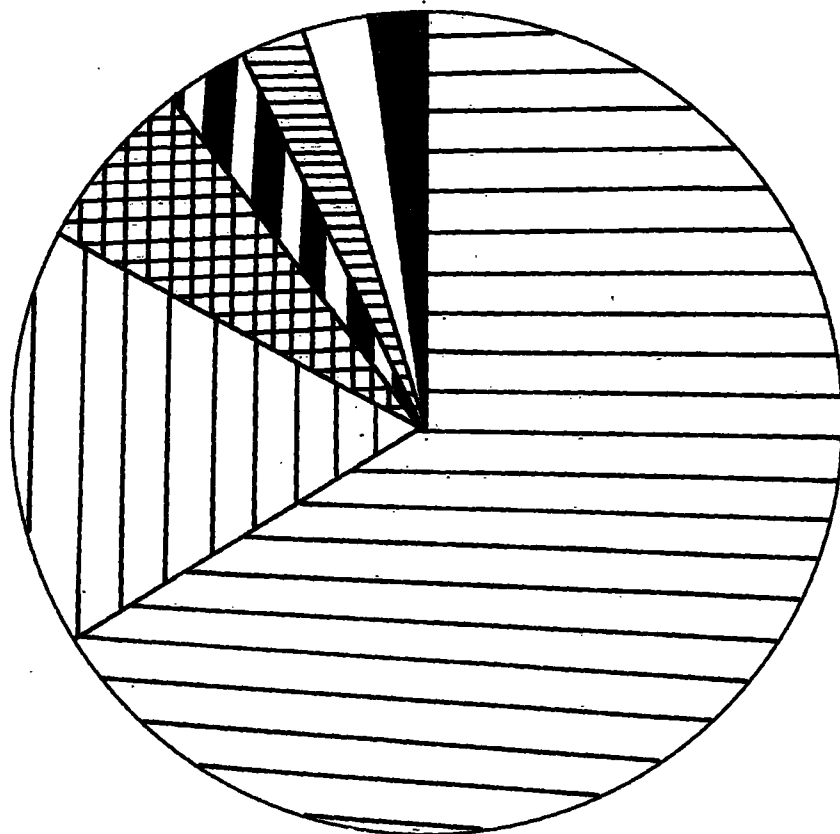



FIGURE 10. BERMUDA'S TRADE 1971.

(2) IMPORTS.

\$ 158.4 m.





 IMPORT OF GOODS
\$ 109M

 FREIGHT
23

 TRAVEL
10

 MISCELLANEOUS
3

 DEPT. OF TOURISM
5

 INCOME DISTRIBUTED
TO NON-BERMUDIANS
ABROAD.
4

 INSURANCE ON IMPORTS
4

country to benefit its people. Much of it may be sent out of the country in the form of payment for food for the tourists, profits made by international hotels, money sent home by expatriate workers, etc. Because of this it is necessary to attempt to calculate how much of the tourist revenue of a country actually remains in that country's economy, and to do this various Multiplier models have been devised. Some calculations are shown below in Table 10, but, when dealing with such figures, considerable caution is required. Even when they can be shown to be methodologically sound, they are usually based on data which is far from complete, and even when these figures are merely taken as approximations, some have been shown to be misleading.

TABLE 10. Estimates of Uncorrected 'Tourist Multipliers':
Various Countries and Regions

Country or Region	Tourist Multiplier
Pacific and Far East ^a	3.2 to 4.3
New Hampshire ^b	1.6 to 1.7
Hawaii ^c	0.9 to 1.3
Greece ^d	1.2 to 1.4
Pakistan ^e	3.3
Ireland ^f	2.7
Lebanon ^g	1.2 to 1.4
Caribbean A. ^h	2.3
Caribbean B. ⁱ	0.58 to 0.88

Notes:

- a Checci & Co. (1961)
- b Economic impact of Recreation, Vacation and Travel on New Hampshire 1962
- c Craig P.G. Future growth of Hawaiian Tourism 1963
- d Suits D.B. An Econometrical Model of Greek Economy 1964
- e Master Plan for the Development of Tourism in Pakistan 1965
- f Study of the Economics of Tourism in Ireland 1966
- g Gorra P. Nouvelle étude prospective sur l'apport du tourisme au développement économique du Liban 1967
- h Zinder H. and Assoc. The future of tourism in the Eastern Caribbean. May 1969
- i Bryden. Tourism and Development 1973

Sources: Except for the Caribbean, Peters *op. cit.* Table 80. Chapter 9. p. 240. For Caribbean sources, as stated above.

The figures above show a considerable range in value of the tourist multiplier and Bryden, commenting on these figures, states:

'without careful study of each individual estimate it is not possible to be certain of the extent to which this variation is due to faulty methods and/or inadequate data rather than genuine structural differences.' ¹

The Zinder Report for the Eastern Caribbean has been criticised as using faulty methodology by Bryden and Faber (1971) and Levitt and Gulati (1970), while Checci's multiplier is criticised by Mitchell (1968B). It is with this in mind - that the concept of a tourist multiplier, although theoretically clear and valuable, is in reality elusive, and many estimates have been shown to be misleading - that consideration is given to a tourist multiplier calculated for Bermuda.

A breakdown of 'first round income of tourist expenditure' shown in Table 11 below indicates the average daily expenditure of tourists in Bermuda, from which is deducted the estimated amount which is taken directly in foreign expenditure, leaving a figure of the amount left available for a second round effect. The figures show that an estimated 70% of the original tourist expenditure is available for circulation in the economy.

TABLE 11. Estimate of First Round Income of Tourist Expenditures

	Original Expenditure by tourists (Ave/day)	Less foreign Expenditure	1st round Income
Room	15	1	14
Food and Lunch	18	9	9
Entertainment	8	1.5	7
Merchandise and Purchased	8.50	3.5	5
Total:	50	15.0	35.0

Source: Cambridge Research Institute. *op. cit.*

¹ J.M. Bryden, *op. cit.* p.

Thus, of the original expenditure of \$50 a day by tourists, \$35, or 70% is available for circulation in the economy.

Once the first round incomes have been calculated, subsequent rounds of expenditure and incomes were estimated. Leakages taking place in the income flow were estimated as follows:

(1) For every expenditure, 81% ends up in the hands of an individual in Bermuda available for spending or saving. (Personal Disposable Income for Bermuda equals \$182m divided by G.N.P. of \$225m.)

(2) Of personal disposable income, 77% ends up as personal consumption expenditure. (Personal Consumption Expenditures of \$140m divided by Personal Disposable Incomes of \$182m.)

(3) Of Personal Consumption expenditure, 70% is spent on imported goods and services, while the balance represents expenditure on Bermudian goods and services. To arrive at this average propensity to import, imports as a percentage of the G.N.P. have been used, although the Institute admits: 'it is only a rough estimate, and a questionable practice at best.'

(4) Combining these factors we see that the second round spending generated in Bermuda by \$1 of expenditure of average character is about \$0.20. ($\$1.00 \times 0.81 \times 0.77 \times 0.30$.) This means that 80% of the first round expenditure represents leakage to imports, savings, retained earnings by business, personal taxes etc.

(5) To determine the multiplier to apply to first round income, the following procedure was adopted:

\$1.00	(first round)	
\$0.20	(second round)	
\$0.04	(third round.	0.2×0.2)
\$0.008	(fourth round.	$0.2 \times 0.2 \times 0.2$)
\$1.25		

This general multiplier is then used to calculate the full contribution of tourism to Bermuda's economy.

(6) Total Tourist Expenditure \$117m

Less foreign Purchases 30% \$ 35m

Equals First Round Income: \$82.0m

Total contribution equals $\$82.0m \times 1.25 = \$102m$

Thus, by dividing the total contribution of tourism by total expenditure, a multiplier of 0.87 is obtained; for every dollar spent in Bermuda by a tourist provides 0.87c in real income to Bermuda. While neither the methodology nor the data used is above criticism, this does represent a first attempt to arrive at a tourist multiplier and should be considered 'of the right order'.

Agriculture

In any consideration of raising the tourist multiplier, or reducing Bermuda's dependence on tourism, the possibility of expanding its agricultural base to cut down on imported foods deserves some attention.

In Bermuda today, agricultural land use is continually losing out to other competitive uses. This fact is clearly shown in the figures in Table 12 shown below, indicating the decline in land available for commercial agriculture since 1921.

TABLE 12. Acreage of Arable Land in Bermuda

1921	1931	1941	1951	1961	1970
3,012	2,087	1,500	1,009	800	553

Source: Department of Agriculture Annual Reports

These figures indicate a decline of 82% since 1921 and, with present rates of loss running at around 25 acres a year, a continuance of this trend will see the destruction of all remaining arable land in 20 years, and an end to all conventional commercial crop production in the island.

The inability of agriculture to compete with other possible land uses is clearly illustrated by a comparison of the financial returns from land in agricultural use compared to the capital worth of the land, shown below in Table 13.

TABLE 13. The Net Return from an Acre of Potatoes expressed as a percentage of the Land Value

Year	Net Return	Land Value/Acre	% Return
1939	\$225	\$1,500	15.0
1958	\$474	\$9,000	5.3
1971	\$541	\$30,000	1.8

Source: Department of Agriculture: Annual Reports

These figures indicate clearly the decline in competitive power of agriculture, and this is the primary cause for the loss of arable land to development schemes. Only a very few landowners can afford to discount the true worth of this arable land in making it available to farmers at a nominal rent of around \$100 per annum per acre, when 7% interest on the real worth would bring in around 20 times this figure. Those landowners who do retain and lease their arable land do so out of respect and feeling for agriculture rather than for economic reasons. If arable land is to be protected, the government must consider some form of subsidy to the property owner, a step the government has been unready to take in the past.

Although we talk of agriculture and horticulture as being in competition with tourism, it is also important to realize the extent to which they are complementary, and this goes beyond the power of agriculture to produce a limited supply of food for the tourist industry. The charm and beauty which the small, neatly cultivated fields and citrus and banana groves lend to the landscape is of great value to the tourist industry, particularly as it caters to a tourist who is escaping from the pressures of the urbanised megalopolis of eastern North America. It is this, as much as anything else, which makes the continuation of agriculture and horticulture in the national interest.

However, it is difficult to foresee any overall expansion in agriculture to reduce the dependence of the economy on the tourist industry and imported food supplies. Once again, it is important to recognize the limitations imposed by the size of the island, and its high population density which distinguishes it from other larger islands, such as those in the Caribbean where tourism is a strictly regional phenomenon and contributes much less to the overall economy. An additional factor to be taken into consideration is the fact that it is virtually impossible to get Bermudians to work on the land, and labour is provided almost exclusively by immigrant workers from the Azores.

Thus the degree to which agriculture offers a way of broadening the base of the economy of Bermuda is virtually zero, and all that can be looked at in conclusion is to what extent the decline in agriculture can, or should be, halted, and which aspects of the industry are not incompatible with urbanization and the development of the tourist industry.

Table 14 indicates the importance of locally produced fruit, vegetables, eggs and milk in relation to overall consumption of fresh produce, and Dr W Hughes of the Department of Agriculture concludes:

'If the remaining arable land can be conserved this level of production could be sustained, and probably increased by as much as 50% during the next thirty years, utilizing high yielding varieties, chemical weed control practices, irrigation, and specialized intensive farming practices such as hydroponic production.'

A Survey of the Agricultural Industry in Bermuda 1971. Department of Agriculture

TABLE 14. Importance of locally produced fruit, vegetables, eggs and milk in relation to overall consumption of fresh produce *

Item	Estimated Annual Consumption	Annual Local Production	Local Produce as percentage of Total Consumption
Bananas **	1,200,000lbs	1,200,000lbs	100
Beans (String)	109,000 "	70,000 "	64
Cabbage	611,780 "	210,000 "	34
Carrots **	408,000 "	408,000 "	100
Cauliflower	80,600 "	42,000 "	52
Cucumber	2,652 bu	160 bu	6
Grapefruit	72,720 doz	54,000 doz	74
Lemons	196,560 "	27,000 "	14
Lettuce	54,548 "	3,000 "	5
Onions	8,424 bu	2,400 bu	28
Oranges	301,080 doz	47,520 doz	16
Potatoes, Irish	100,000 bu	43,000 bu	43
Potatoes, Sweet **	87,500 lbs	87,500 lbs	100
Tomatoes	547,472 "	120,000 "	22
Eggs (Shell)	1,313,415 doz	1,236,375 doz	94
Milk (Fresh)	479,694 US Gals	479,694 US Gals	100

* Fruit and vegetables based upon 1969 figures; eggs and milk upon 1970 figures

** On permanent embargo for plant quarantine purposes - no imports allowed. Bananas were removed from this list October 1970.

Arable land in Bermuda in the spring of 1971 amounted to some 553 acres, of which some 300 were under vegetables, 83 under bananas, and 143 under citrus. The maintenance of this level is dependent on a national policy on agriculture, which gives priority to the conservation of rural areas, and is prepared to pay some form of compensation to landowners who rent their land for agricultural use. As has already been stated, it would be impossible to farm profitably in Bermuda if rents reflecting the real estate worth of the land were charged.

Vegetables

Vegetable production in small patches of land is an agricultural land use not incompatible with urbanisation, but it has still declined by some 23% in the period 1961/71, and its value in 1970 was \$680,000. An increase in efficiency, the use of small tractors, and the consideration of hydroponic production could at least reduce the impact of continual pressure on land for urban and tourist development.

Fruit

The growing of fruit has been an area of agriculture that has seen growth in recent years while other sub-sectors have been experiencing considerable difficulties. Suited to cultivation on small isolated lots of land, banana production totalled 1,245,000 lbs in 1970 but was still insufficient to meet the demand in winter months. Production could be improved by the introduction of new strains of banana. Citrus production has developed rapidly since 1945, being concerned mainly with the growing of grapefruit, oranges, lemons and limes.

Horticulture

Horticulture is another sub-section of agriculture which lends itself to the conditions found in Bermuda, where land is available only in small units, and agriculture faces competition from other uses. The urban population offers a ready market for the produce, and the scenic component of fields of flowers to the tourist industry is extremely important. It is an area that has developed considerably in the last decade, and today there are two large commercial nurseries in Bermuda in addition to the Government nursery.

Dairying

Dairy production went through a period of rapid growth in the 1960s, but in the later 1960s and more recently this has been followed by a significant decline. The number of cattle in Bermuda declined by 60% between 1965 and 1971, and the continuance of a major dairy industry in Bermuda depends on a Development Plan protecting the few remaining areas of large rural land. Without this protection the long-term future for a land-use that is basically incompatible with urbanisation is uncertain.

Poultry

This is the most important aspect of agriculture in Bermuda, catering to almost 90% of the local demand for shell eggs, and a form of agriculture that is compatible with increased urbanisation. The survey of the different sectors of the agriculture industry in Bermuda shown above is intended to indicate those areas where some development is possible and where development is unlikely, given the pre-eminent position of tourism in the island's economy.

Fishing

The fishing industry in Bermuda in 1973 was responsible for the catching of 1,034,596 lbs of fish and 33,136 lbs of lobster with a value of approximately \$1.25 million. By comparison this is approximately half the value of the locally produced agricultural products of all kinds during the same period. A detailed breakdown of the Bermuda catch is shown in Appendix A.

The industry in Bermuda is not a sophisticated one. Some 250 registered commercial fishing vessels catch fish using traps, nets, hooks and lines, and no attempt has been made to adopt more sophisticated methods used elsewhere, such as the use of seine nets or the long line. The industry is based on those fish which are traditionally attractive to the Bermudian people: the Grouper, Rockfish and Hind, and little use is made of such fish as Mackerel or Tuna, since neither the local population nor the tourists are attracted to this dark meat, and the facilities for treating and canning it do not exist.

Compared with the revenue and employment generated by tourism or international businesses, the importance of the fishing industry is obviously strictly limited. However, the fishing industry in Bermuda is worth over \$1 million a year and as such is not unimportant. In addition, with fish imports running at some \$2 million a year, expansion of the industry offers an opportunity for import substitution and cutting down foreign exchange expenditure.

A major problem in the planning of any expansion of the industry is a lack of information concerning the size and nature of the fisheries around Bermuda. Much has been made of the possibilities of developing an offshore fishing industry, and expanding the existing industry, but this is based on speculation as to the state of Bermuda's fisheries, since the amount of scientific data available is strictly limited..

The Fisheries Act of 1972 first gave the Government the right to require certain statistical returns from the fishermen, and since then a great deal of data has been required, only some of which has been processed, the rest awaiting a further government grant for computer programming. This data, along with detailed life studies of the fish in Bermuda's waters, will provide the basis for any scientific expansion of the industry, and this must be the first priority if any proper development of the industry is to take place. This is the conclusion reached by J.C. Arnell¹ when he states:

'any improvements in fishing methods must be directly related to sound management practices; otherwise fishermen will have efficient gear, but few fish to catch.'

Until this programme of research is put into effect any statement on the potential of the industry to expand is purely speculative. However, even the most ambitious of plans - including the construction of a canning and freezing plant on the island - although making a contribution through import substitution, and maybe offering the tourist a more Bermudian menu, would do little to reduce the pre-eminent position of tourism in the economy of Bermuda.

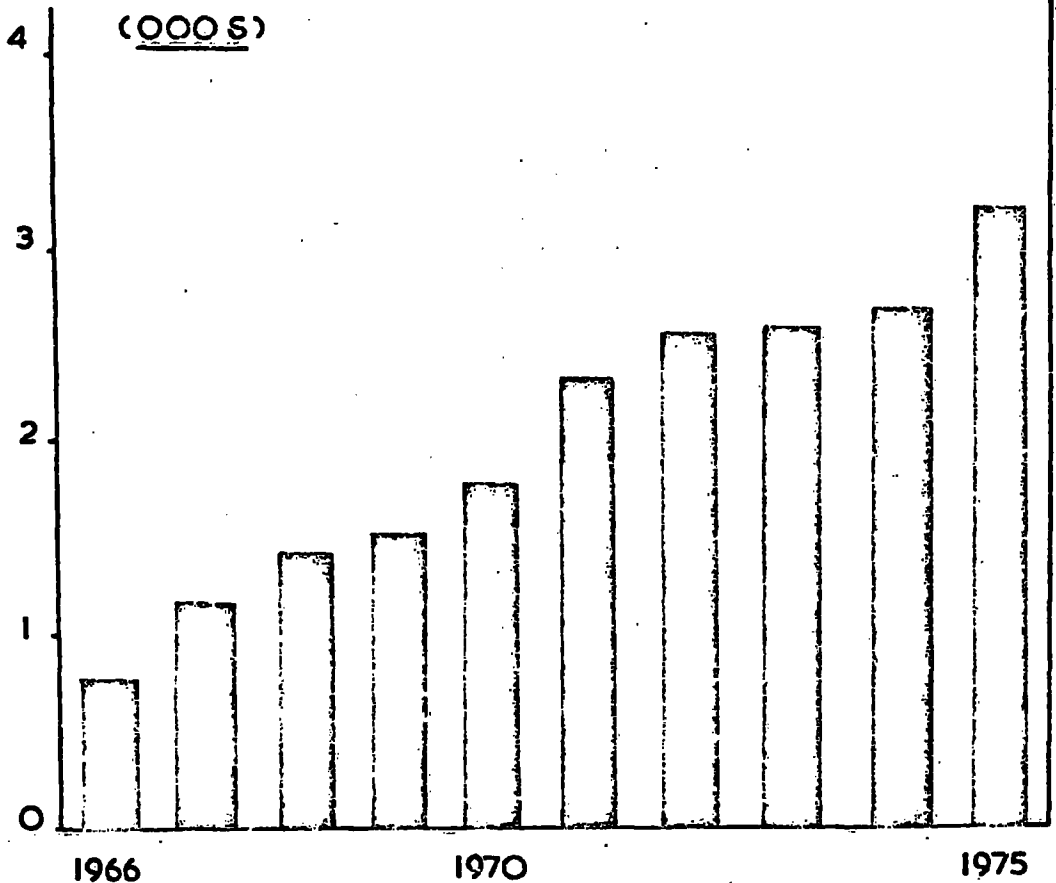
International Business

Little can be expected in the way of development of Bermuda's secondary sector of the economy, bearing in mind the fact that Bermuda is so small, lacks industrial raw materials, has very high wage rates, and very little unemployment. The island's commercial potential is, however, more significant.

¹ J.C. Arnell, 'A Report on the Fishing Industry in Bermuda' unpublished report 1973.

FIGURE II. INTERNATIONAL BUSINESS IN BERMUDA.

No. OF COMPANIES.



SOURCE: THE ROYAL GAZETTE 10-12-75

Bermuda's 'second-string' industry, International Business, continues to develop, generating an estimated \$43 million or 13% of the total G.N.P. In 1975 there were over 3,000 exempted companies incorporated in Bermuda, but only about 160 maintain offices in the country; these vary from large buildings such as the American International Offices and the Bacardi International Buildings to small shared offices in Hamilton. While the main reason for the establishment of exempted companies in Bermuda is to take advantage of the island's minimal tax facilities, Bermuda does offer other attractions. The main attractions can be summarised as follows:

'In the main these would represent international companies with world-wide sources of income who seek to consolidate that foreign income in one centre and legitimately avoid heavy taxation to which they would be subjected to in many countries.'

Mid-Ocean News, 15.11.75 p. 1.

In this, Bermuda is in competition with other locations, but it is important to emphasise that Bermuda has other important economic attractions, including excellent communications and the availability of local expertise in the field of insurance, lawyers, accountants and bankers.

While many exempted companies have no staff in Bermuda, as a whole they employ 700-800 people, of whom some two-thirds are Bermudian, and in addition generate business for at least another 600 in the fields of insurance, law, accounting and banking. As with tourism, Bermuda is careful to attract only highly reputable business and all firms are carefully screened.

The future may see some continued attraction of desirable international businesses, and an increase in the numbers of Bermudians employed by international firms, as they become more highly skilled,

and the use of expatriates becomes more difficult and expensive.

A survey in the local press in November 1975 concluded:

The outlook still looks encouraging for the International Business community despite the recessionary climate throughout the world. But it would be reasonable not to expect the growth of previous years. As taxation burdens rise overseas, so there will still be many attractions to operating out of Bermuda.

However, there have been recent hints that America and EEC authorities are keeping a watchful eye on developments in the tax haven field. Bermuda's policy of encouraging only top quality companies to incorporate here should enable the local business to survive even a difficult year.

Mid-Ocean News, 15.11.75 p. 1.

This chapter, in considering the role of tourism in the Bermudian economy, has attempted to bring out the following points:

(1) Bermuda is very heavily dependent on tourism for its high standards of living. (2) the tourist multiplier is low, due to the small nature of the island and the need to import most of her food and manufactured goods. (3) the opportunities for import substitution are limited. (4) while International Companies offer an important 'second string' to the island's economy, the potential for diversifying the economy is also limited. This in itself need not be serious; the island is merely concentrating on the activity in which it has greatest relative advantage, and making best use of its natural resources. It does, however, bring up the question how the tourist industry in Bermuda can be best developed to the benefit of the country, and this is the question examined in later stages of this study.

Chapter VI: The Nature of Bermuda's Tourist Market

Seasonal Distribution

When Bermuda first established herself as an important tourist centre it was as a winter resort, offering the wealthy a retreat from the harsh winters of North America. However, since the end of World War II, as the industry has grown, it has developed a marked summer seasonal peak, and one of the major problems of the industry has been to extend the season into December, January and February, preventing a seasonal slump and seasonal unemployment, in an economy that offers virtually no alternative employment.

Figures 12 and 13, with Table 15, show the way in which seasonal distribution has changed this century - both in absolute numbers and in terms of monthly percentages - and the graph showing seasonal variation from the mean clearly demonstrates the seasonal reversal that has taken place.

The figures for Table 15, for selected years since 1908, are intended to show how:

- (1) the tourist season has been extended and spread out over much more of the year, and
- (2) the tourist peak has shown an almost complete reversal as the summer has become the peak period and the winter has become the slack period.

TABLE 15: Monthly Tourist Arrivals 1908-1970

	1908	1918	1928	1938	1949	1958	1970
Jan	556	121	2,888	2,314	2,477	3,278	12,598
Feb	1,036	170	4,322	3,835	5,064	5,648	18,619
Mar	1,012	129	4,664	6,126	6,655	12,282	35,265
Apr	322	118	4,293	6,809	7,784	18,063	41,752
May	97	139	976	3,125	5,244	13,327	46,663
Jun	148	58	1,478	4,015	5,808	16,949	48,550
Jul	229	101	2,548	5,554	5,721	13,072	54,646
Aug	182	55	2,914	6,429	5,758	14,924	62,815
Sep	292	100	2,735	5,215	3,999	8,352	42,466
Oct	505	89	3,078	4,147	4,137	9,853	38,629
Nov	523	110	1,596	1,972	2,949	7,781	25,925
Dec	516	155	2,803	3,184	2,857	7,292	18,754
Totals:	5,418	1,345	34,295	52,725	58,453	130,821	446,109

Source: The Bermuda Trade Development Board Annual Reports 1908-1970

While Table 15 gives the actual figures for the monthly arrivals for the selected years, in Figures 12 and 13 the statistics used are the figures for the monthly percentage of the total visitors for that year. Figure 12 shows the percentage of the total visitors for each year arriving each month, and Figure 13 shows the variation from the mean: the extent to which each month trails or exceeds the monthly average of 8.3% of the year's total. By using percentages the great increase in arrivals is not taken into account.

The figures shown in Table 16 show the degree of success that the industry has had in expanding the summer season into the Fall and Spring. Today, the season stretches from March to November and

the figures show two distinct peaks, one at the end of the summer in August when Bermuda's climate is at its warmest and most Americans take their vacations, and a second early in the year in April and May when the Department of Tourism mounts a major drive to attract college students in a series of special 'College Weeks'. These figures are shown visually in Figure 14.

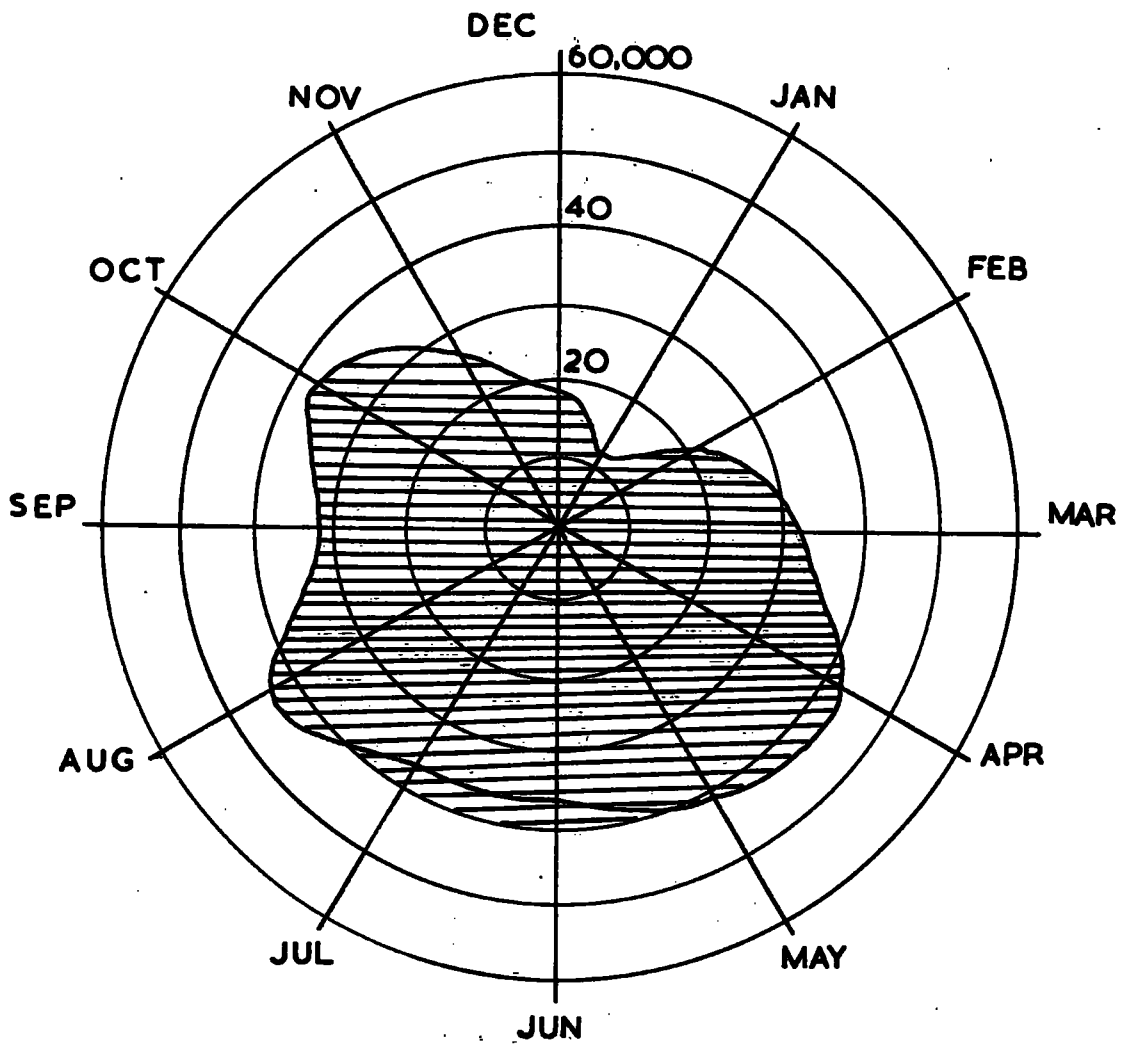
TABLE 16. The Seasonal Distribution of Bermuda's Tourist Arrivals (1974)

Month	Regular Tourist Arrivals
Jan	12,110
Feb	22,647
Mar	40,047
Apr	45,254
May	49,153
Jun	42,201
Jul	40,213
Aug	47,403
Sep	35,775
Oct	39,590
Nov	29,561
Dec	17,267
Total:	421,221

Source: Selected Statistics on Bermuda's Tourist Industry 1971-1975

When Cruise visitors are considered in addition to regular visitors, the pattern of a winter 'off-season' is accentuated, for while in the summer two or three ships a week may visit Bermuda, in the winter months there are virtually no visits at all, as the liners alter their

**FIGURE 14. BERMUDA'S TOURIST ARRIVALS 1973
SEASONAL DISTRIBUTION**



destinations to the warmer Caribbean climates to the south. The contribution of cruise visitors to the economy is much less than that of regular visitors, and so the government restricts the number of cruise ships allowed in Bermuda waters at any one time. In this situation, where more ships want to come to Bermuda than can be accepted, the Department has met with some success in resisting cruise passengers during peak periods and encouraging them in off-peak periods. However, Bermuda lacks the climate to compete all the year round with the Caribbean for the winter cruise business.

A further critical parameter of seasonal variations in the tourist industry is that of occupancy rates within the island's hotels. Figures for 1973 are shown below in Table 17.

TABLE 17: Hotel Bed Occupancy (1973)

Month	Occupancy Rate (%)	Month	Occupancy Rate (%)
Jan	24.0	Jul	78.8
Feb	47.9	Aug	89.4
Mar	63.4	Sep	72.3
Apr	86.2	Oct	77.1
May	86.4	Nov	58.7
Jun	75.5	Dec	38.5

Yearly Average : 66.3

Source: The Department of Tourism Annual Report 1974.

The figures of monthly occupancy rates shown in Table 17 obviously parallel the pattern shown by Regular Tourist arrivals in Table 16, since they are obtained by combining number of visitors with length of stay; they emphasize the problem of the months of December,

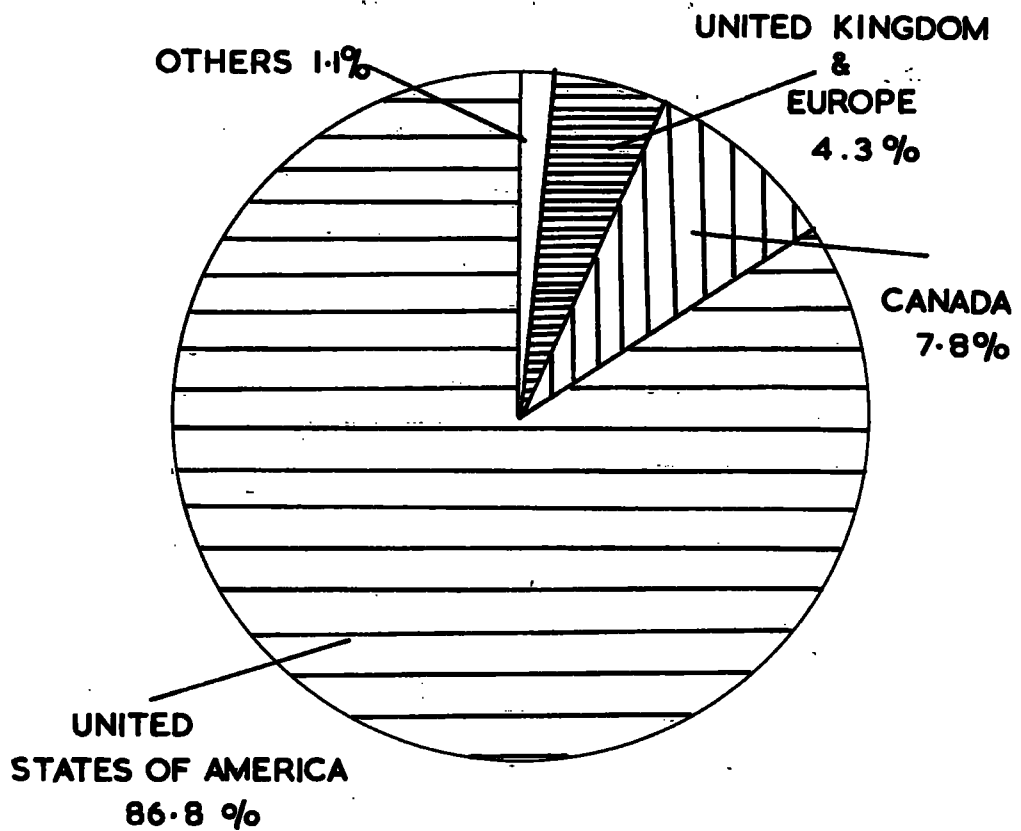
January and February, when occupancy rates drop below 50%. While this 'off-season' is a comparatively short one, it is very significant when it is borne in mind that tourism is by far the most important industry in the island's economy, that there is virtually no other source of winter employment, and Bermuda has no system of social security or unemployment benefit. Many hotels choose to close down and carry out renovations during the winter season rather than maintain their high running costs with only a small occupancy rate. For these months, unemployment rises considerably, although figures are hard to obtain; people do not register as unemployed as there is no hope of finding other employment and no unemployment pay to collect.

The Place of Origin of Bermuda's Tourists

Bermuda's geographical location has to a large extent dictated the place of origin of its tourists, and from this point of view there can be few more favourable locations in the world; only two hours' flying time from the north-east seaboard of North America, one of the densest and most affluent concentrations of population in the world. Thus when location is taken with Bermuda's historical and political links with Britain, the place of origin of Bermuda's tourists shown below in Figure 15 shows no real surprises. While the numbers of tourists coming to Bermuda in recent years have obviously changed, these percentages have shown only minor variation.

FIGURE 15.

**THE PLACE OF ORIGIN OF
BERMUDA'S VISITORS IN 1975.**



**SOURCE: BERMUDA DEPARTMENT
OF TOURISM.**

The American Market

Table 18 shows the state of origin of Bermuda's visitors, by air, from the U.S.A., for 1973. Each State is represented,

TABLE 18. Origin of Visitors by Air, United States, 1973

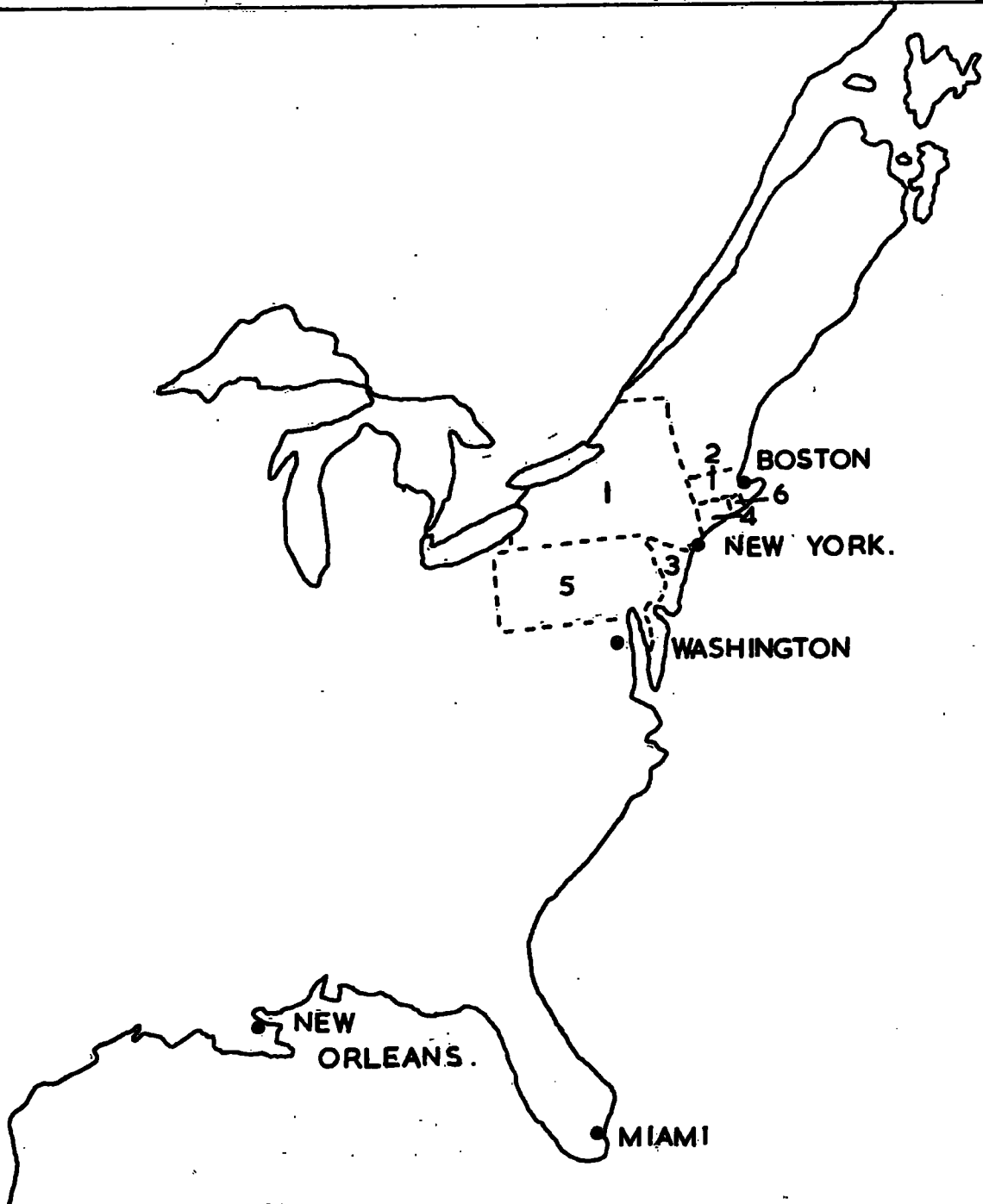
Alabama	1,288	0.39%	Montana	98	0.03
Alaska	43	0.01	Nebraska	195	0.06
Arizona	328	0.10	Nevada	76	0.02
Arkansas	166	0.05	New Hampshire	4,714	1.41
California	3,530	1.06	New Jersey	47,629	14.24
Colorado	692	0.21	New Mexico	134	0.04
Connecticut	26,346	7.88	New York	82,260	24.60
Delaware	1,514	0.45	North Carolina	2,114	0.63
District of Columbia	2,099	0.63	North Dakota	36	0.01
Florida	3,414	1.02	Ohio	6,526	1.95
Georgia	1,655	0.49	Oklahoma	427	0.13
Hawaii	83	0.02	Oregon	330	0.10
Idaho	120	0.04	Pennsylvania	26,026	7.78
Illinois	5,513	1.65	Rhode Island	7,907	2.36
Indiana	1,478	0.44	South Carolina	697	0.21
Iowa	369	0.11	South Dakota	30	0.01
Kansas	539	0.16	Tennessee	816	0.24
Kentucky	607	0.18	Texas	2,255	0.67
Louisiana	498	0.15	Utah	177	0.05
Maine	3,774	1.13	Vermont	1,338	0.40
Maryland	11,006	3.29	Virginia	6,393	1.91
Massachusetts	69,801	20.88	Washington	671	0.20
Michigan	4,010	1.20	West Virginia	597	0.18
Minnesota	829	0.25	Wisconsin	1,179	0.35
Mississippi	174	0.05	Wyoming	38	0.01
Missouri	1,897	0.57			
Montana	98	0.03			

Total: 334,436

Source: Dept of Tourism Annual Report 1974

FIGURE 16.

THE AMERICAN MARKET.



KEY

<u>No.</u>	<u>STATE</u>	<u>BERMUDA VISITORS</u>	<u>% U.S.A</u>
1.	NEW YORK	82,260	25
2.	MASSACHUSETTS	69,801	21
3.	NEW JERSEY	47,629	14
4.	CONNECTICUT	26,346	8
5.	PENNSYLVANIA	26,026	8
6.	RHODE ISLAND	7,907	2

ranging from 30 visitors from South Dakota and 43 from Alaska, to 82,260 from New York State and 69,801 from Massachusetts. When this is mapped (Figure 16), the importance of the north-eastern seaboard is readily apparent: the six states of New York, Massachusetts, Connecticut, New Jersey, Pennsylvania and Rhode Island making up over 80% of Bermuda's visitors.

Figure 17 compares the differing seasonal peaks of the New England States - two peaks in April and October - and the Middle Atlantic States with an August peak.

The Canadian Market

There are three main market areas in Canada for Bermudian visitors: Ontario, Quebec and the Atlantic provinces, with direct air services from the gateways of Toronto, Montreal and Halifax. The seasonal distribution of Canadian visitors is shown in Figure 18, and the province of origin in Table 19. In the past five years, the number of Canadian visitors has grown at a slower rate than the overall growth of visitors to Bermuda.

The European Market

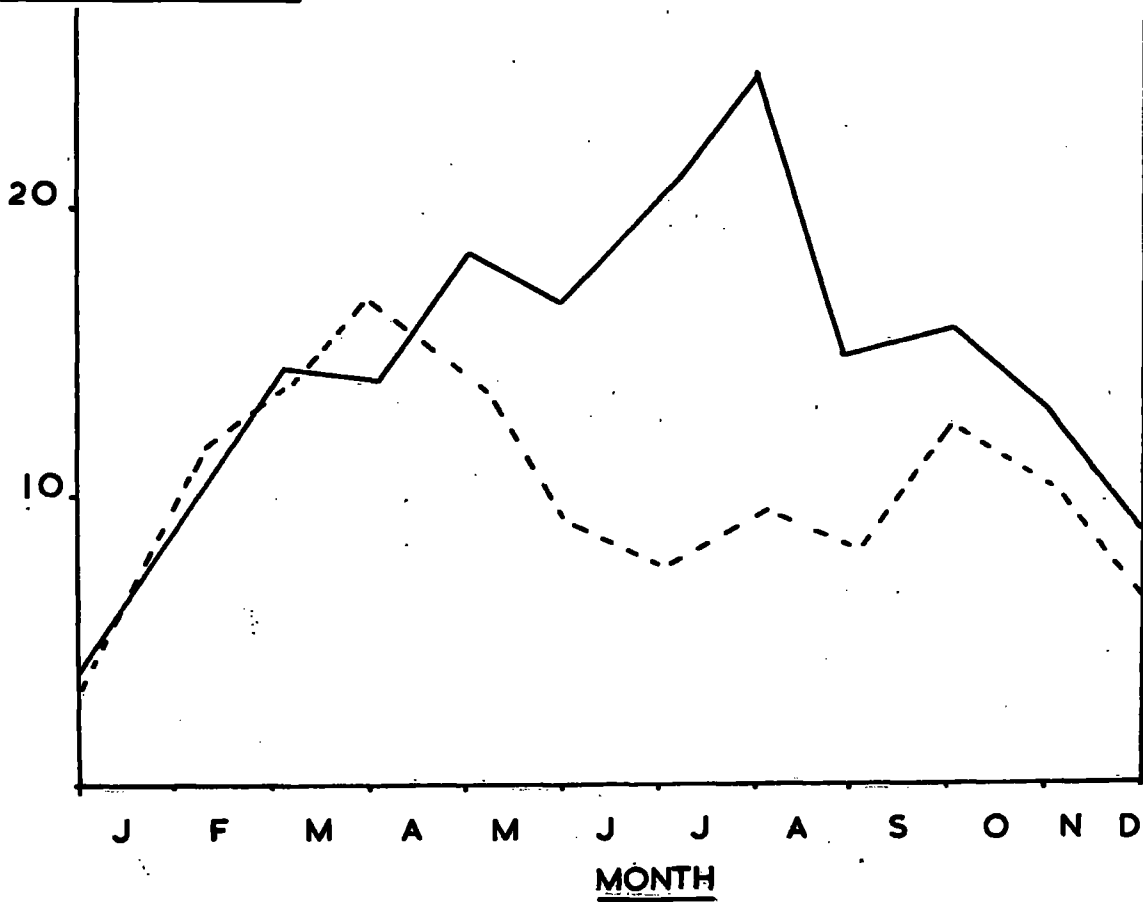
In the period 1971 to 1975 the number of tourists visiting Bermuda from the United Kingdom rose from 9,196 to 13,050, the most significant increase being in 1975 when numbers increased by 15.8% over the preceding year.

However, despite Bermuda's historical and political ties with Britain, the number of tourists coming to Bermuda from the United Kingdom is small, making up less than 3% of the total tourist arrivals.

FIGURE 17. VISITORS FROM U.S.A. BY MONTH, 1975.

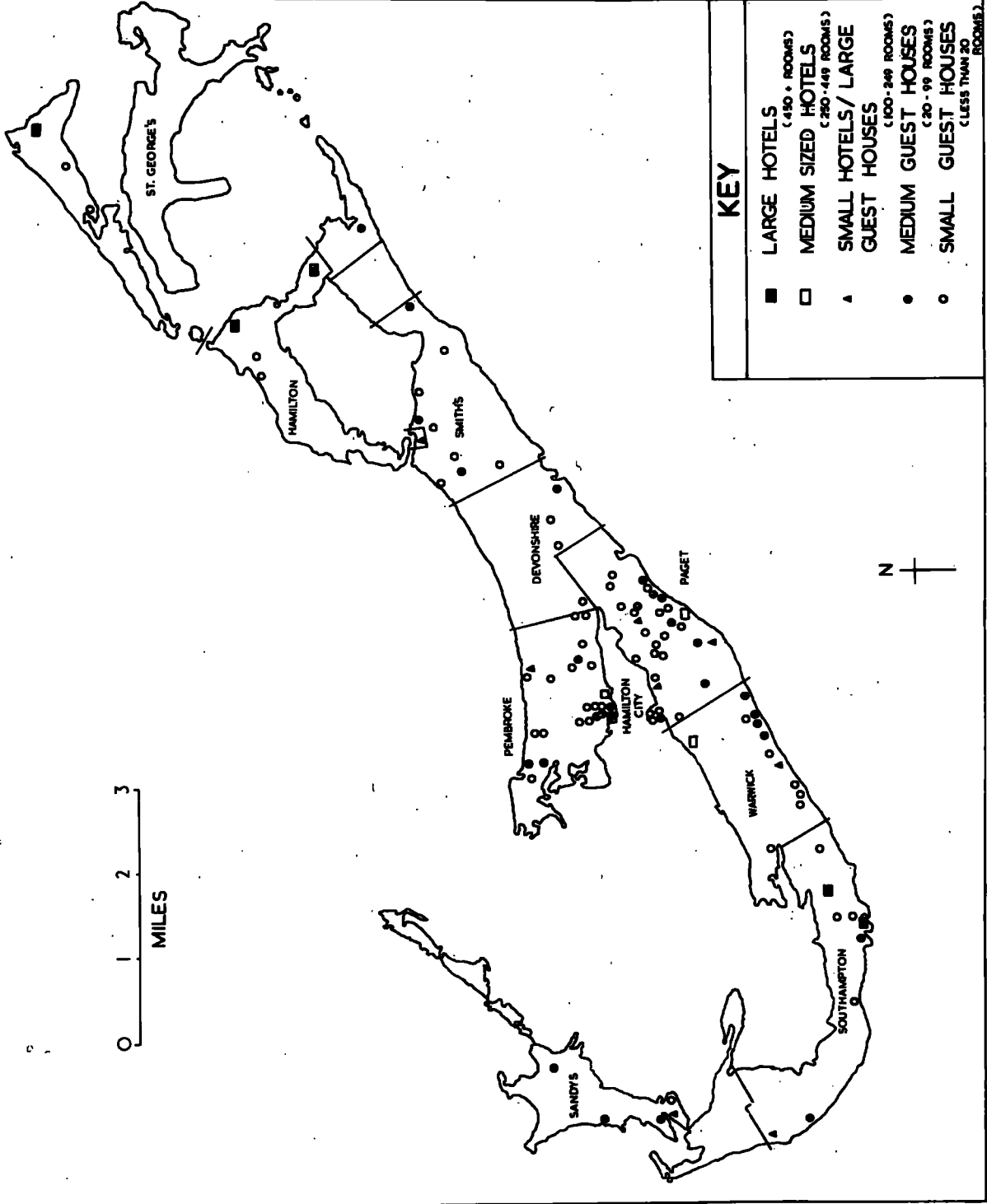
— MID-ATLANTIC STATES
- - - NEW ENGLAND STATES

ARRIVALS (OOO.)



SOURCE DEPARTMENT OF TOURISM 1976
op. cit.

FIGURE 20 TOURIST ACCOMMODATION AND DISTRIBUTION



KEY

■	LARGE HOTELS (450+ ROOMS)
□	MEDIUM SIZED HOTELS (250-449 ROOMS)
▲	SMALL HOTELS/LARGE GUEST HOUSES (100-249 ROOMS)
●	MEDIUM GUEST HOUSES (20-99 ROOMS)
○	SMALL GUEST HOUSES (LESS THAN 20 ROOMS)

In addition to their small numbers, their significance to the Bermudian economy is further reduced by the fact that, due to the numerous ties that exist between the two countries, a much higher percentage of British visitors stay in private accommodation, staying with friends or relatives. They thus spend much less money in the island than the American or Canadian visitors.

Business with mainland Europe has increased by approximately 5% per annum in the last five years, but little effort is made to attract visitors from continental Europe as there are no direct air services, no advertising campaigns are mounted there, and no brochures are printed in foreign languages.

TABLE 19. Origin of Visitors by Air, Canada 1973

Alberta	551	1.81%
British Columbia	834	2.74
Manitoba	334	1.10
New Brunswick	895	2.93
Newfoundland	387	1.27
Nova Scotia	2,397	7.86
Ontario	17,856	58.57
Prince Edward Island	103	0.34
Quebec	6,996	22.94
Saskatchewan	134	0.44
Total for Canada:	30,487	100.00%

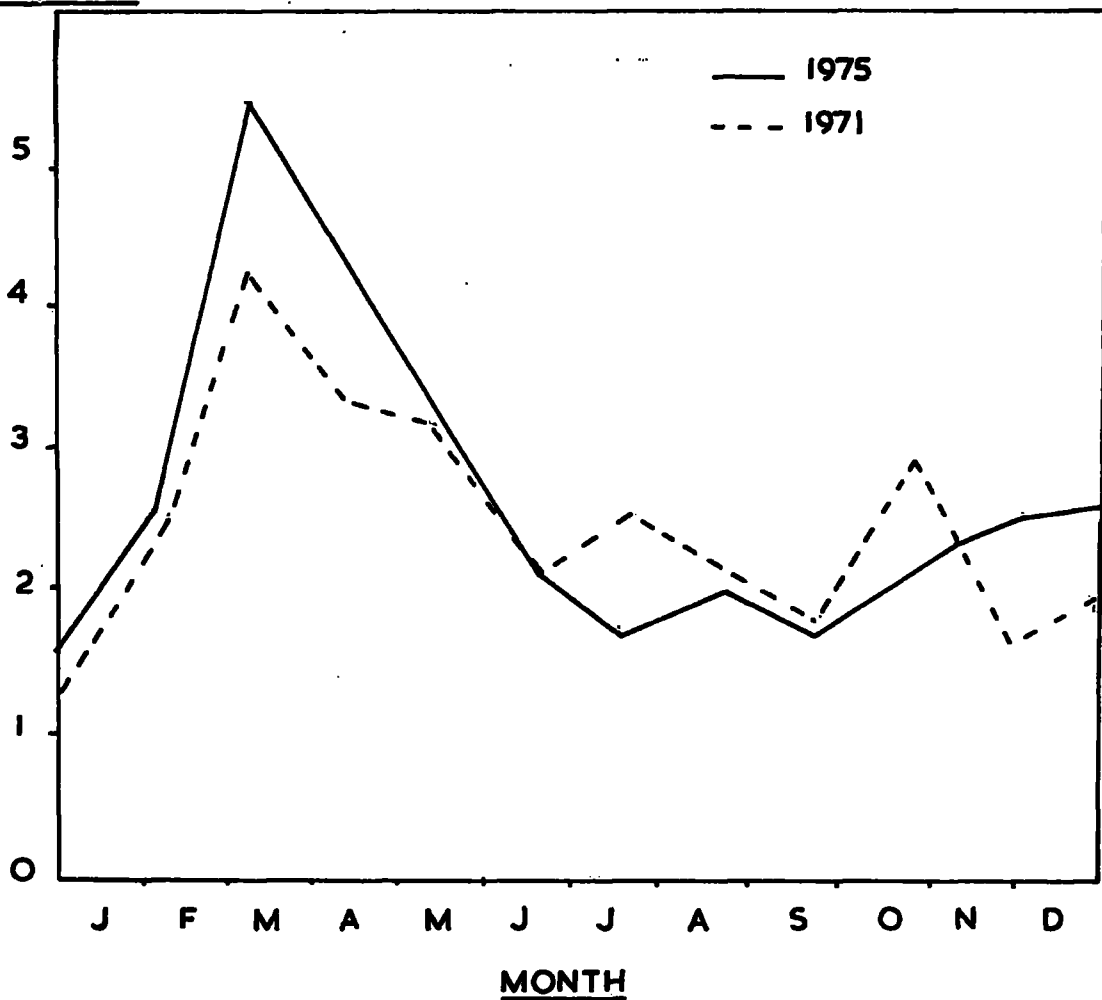
Location

Figure 19 shows all the tourist accommodation available in Bermuda, ranging from the largest: the Southampton Princess, with rooms for 1,200 guests, to the smallest guest houses. Figure 20 shows total accommodation facilities and hotels on a private basis.

FIGURE 18

CANADIAN VISITORS TO BERMUDA

VISITORS (000)



SOURCE: SELECTED TOURIST STATISTICS op. cit.

While it is important to bear in mind the limitations of any locational analysis in an island only 21 square miles in area, certain patterns of distribution are evident:

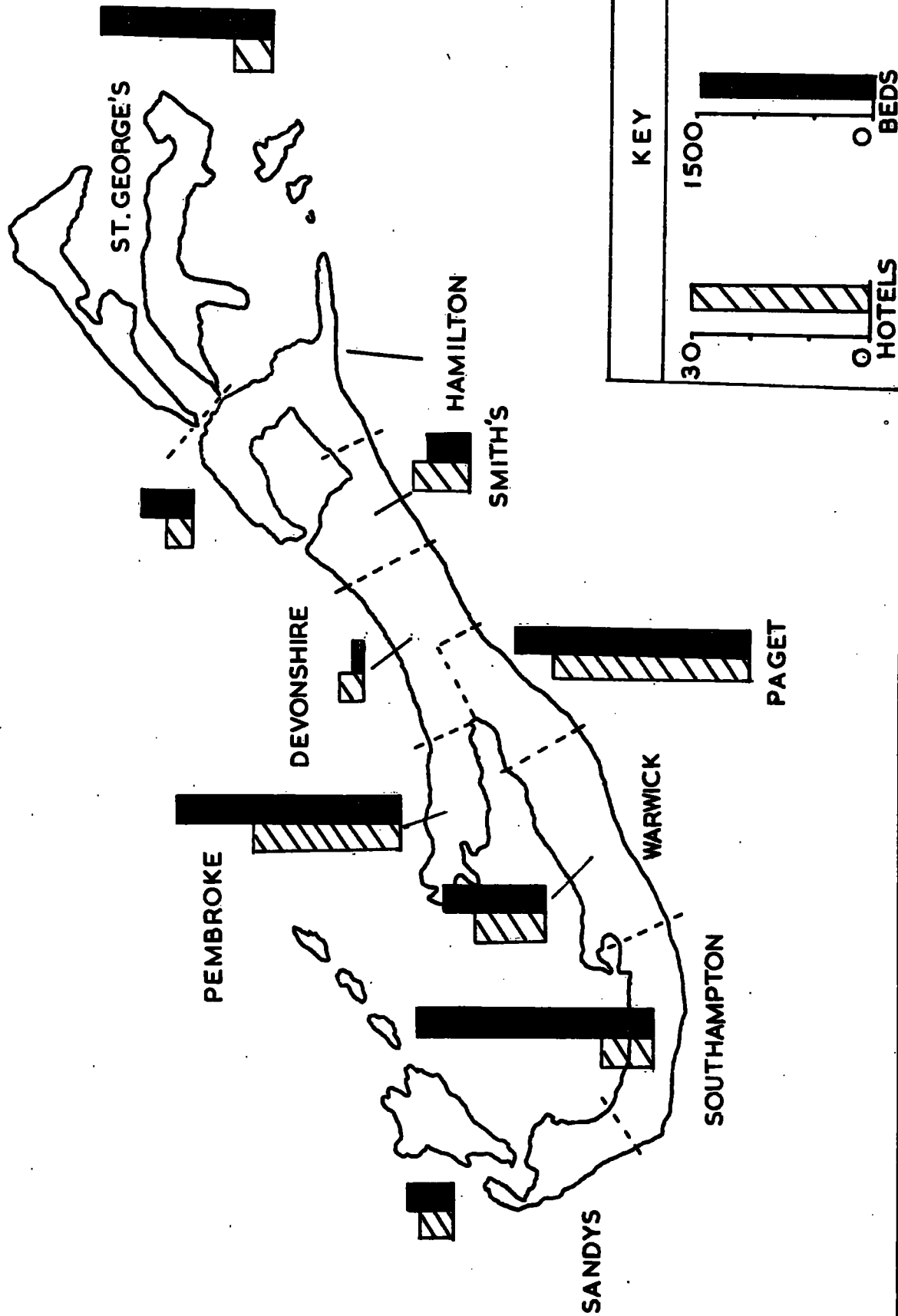
- (1) The footloose nature of the large hotels.
- (2) The pull of the South Shore. The attraction to this area, where the best, sandiest beaches are found, is universal. It is an attraction for all types of accommodation regardless of size.
- (3) The importance of centrality. Centrality, or closeness to the city of Hamilton, is an important locational factor for the small types of accommodation.
- (4) The pull of the Old Town of St George and the Airport.
- (5) Minor concentrations of accommodation around Flatts Village.

The location of the large hotels shows that they have very different locational factors than the smaller hotels. With their own shops, night-clubs, golf courses, tennis courts, pools, etc. they are much more self-contained and less dependent on Hamilton to provide them. More important, the physical availability of land and the price of land are the key factors, and this is reflected in the 'footloose' nature of their location.

The pull of the South Shore is well illustrated on the map in the parishes of Southampton, Warwick and Paget. These parishes possess the best beaches, protected by coral reefs, and they provide an ideal site for hotels and guest houses of all types, from the largest, the Southampton Princess (1,200), to the smallest. In Warwick, the only accommodation not within one-quarter of a mile of the South Shore is the small White Heron Hotel and the Belmont Golf and Country Club which has its own beach club on the South Shore.

FIGURE 20

TOURIST ACCOMMODATION - BY PARISHES.



The importance of centrality is indicated by a series of circles, centred on Hamilton. The heavy concentration of accommodation close to the main city is readily apparent. This pull is most marked for the small guest house which does not need large amounts of land but which has few facilities of its own. In this case guests are dependent on Hamilton for their entertainment and their shopping. In the case of the really large hotel, closeness to Hamilton is less attractive and less essential.

The combination of the pull of Hamilton and the pull of the South Shore is focused in Paget parish where there are more hotels and guest houses than in any other parish. The small average size of the establishments in Paget also reflects the importance of centrality to the smaller types of accommodation.

The old town of St Geroges, the capital up until the nineteenth century, has some locational pull as the second largest town on the island and a quiet, historical town, but it suffers from being remote from Hamilton. While the distance of 13 miles may not seem great, it becomes considerable when the speed limit on the island is 20 m.p.h. and the only form of private transport available to the tourist is a 50cc auxiliary cycle. Ill-suited to tourists out in evening dress, the only other alternative to the cycle is a taxi.

The airport has little significance in an island where nowhere is more than one hour's drive from the airport. In this situation the disadvantage of noise is greater than any convenience factor. The only other cluster of accommodation is in Flatts village which has the attraction of a quiet community not too far from Hamilton.

Chapter VII: The Tourist Industry in Bermuda in 1974

The year 1974 was a troubled one for the tourist industry world-wide: a product of world-wide recession brought about by the increase in oil prices which started in the fall of 1973 and had its full effect in 1974 when - for the first time since World War II - international tourist traffic in most O.E.C.D. countries showed a distinct fall compared with the previous year (Figure 21). In this year also the total number of residents travelling overseas from the U.S.A. fell by some 7%. Yet 1974 was one of Bermuda's most successful years, with the total number of visitors to Bermuda passing the half million mark for the first time, and registering a 13.8% increase over 1973. This chapter will examine the development of the tourist industry in 1974 and put forward some explanations for the growth of the industry in Bermuda at a time when tourism, both world-wide, and in Bermuda's major source area, the U.S.A., was experiencing a decline.

TABLE 20. All Visitor Arrivals 1971-1974

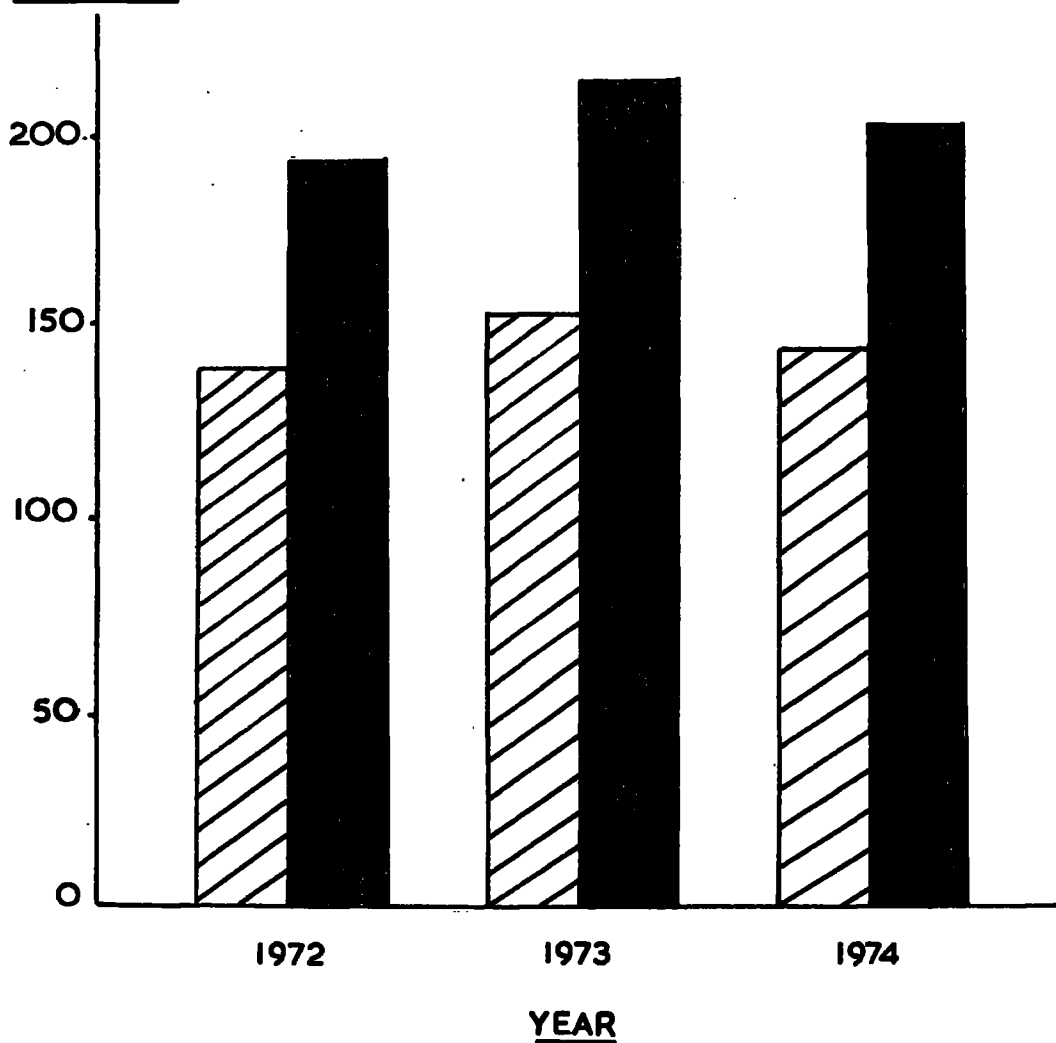
	1971	1972	1973	1974
Regular	319,310	339,782	385,241	421,221
Cruise	93,637	81,168	82,015	110,347
Total:	412,947	420,950	467,256	531,568

Source: Bermuda Immigration E/D Cards.

In 1974 the upward trend in tourist arrivals in Bermuda was not only maintained, it increased, as shown in Table 20 and Figure 22. The overall increase of 13.8% over 1973 was made up of a 9.3% increase in regular visitors and a massive 34.5% increase in cruise visitor arrivals.

FIGURE 21. WORLD TOURIST ARRIVALS 1972 - 1974.

ARRIVALS (000 000)



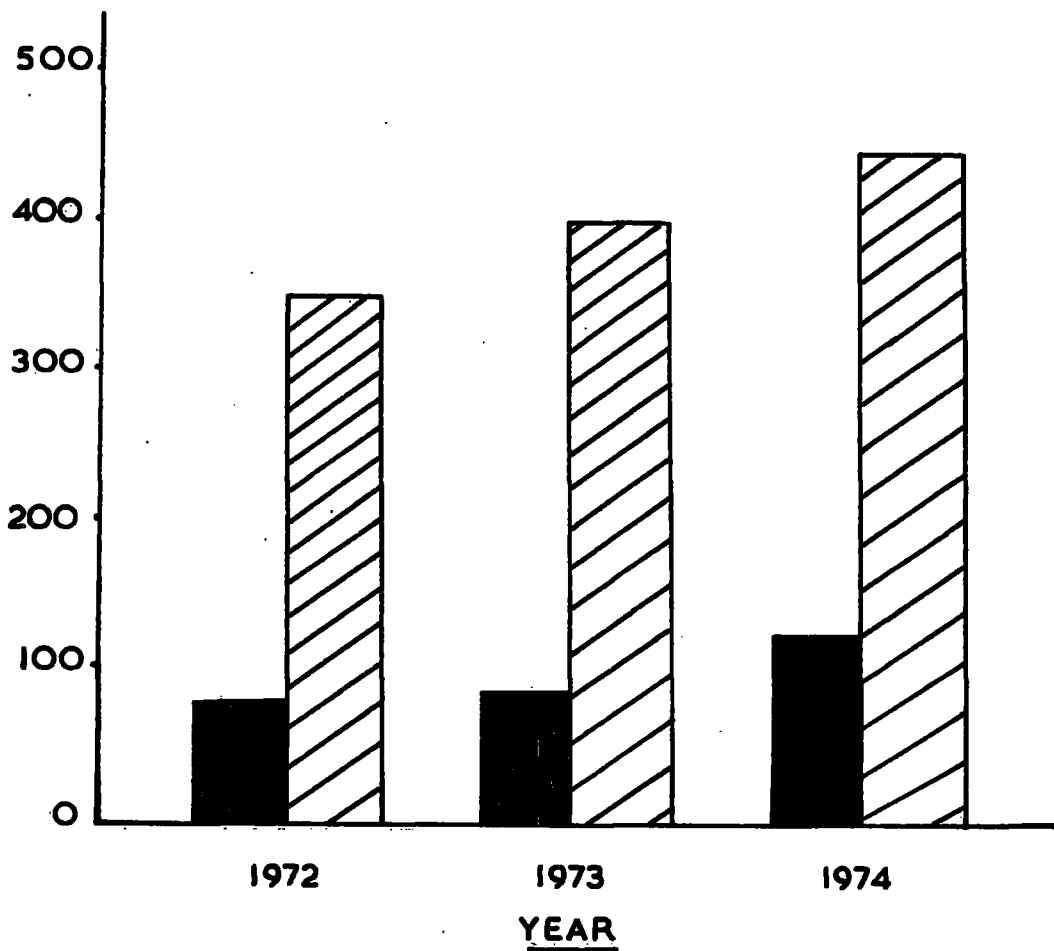
O.E.C.D. FIGURES



I.U.O.T.O. FIGURES

FIGURE 22. BERMUDA TOURIST ARRIVALS 1972 - 1974.

ARRIVALS (000)



REGULAR VISITORS.



CRUISE VISITORS.

Figures 23 and 24 show the seasonal distribution of Bermuda's arrivals by air and by cruise ship in the year 1974 as compared with the previous year. The figures for regular arrivals show the largest average increase over 1973 in the early part of the year, and, in fact for December, a decline is shown compared to December 1973. While the greatest increases shown in the early part of the year reflect a small extension to the tourist season, this pattern is not reflected at all in the trend shown in cruise ship arrivals. The large increase in tourist arrivals by cruise ship was confined almost entirely to the peak summer months from April to October, and both March and November showed an actual decline in 1974 compared with 1973.

These monthly arrival patterns are important in offering some insight into Bermuda's continued growth in a period of general tourist recession. The largest part of Bermuda's growth was the result of increased cruise ship arrivals during the peak summer season. As already mentioned, the Bermuda Government has a policy of restricting the number of cruise ships allowed in Bermuda waters at any one time, negotiating with shipping lines to obtain the best cruise schedule from those lines interested in cruising to Bermuda. In this way the Government has had some success in extending the cruise ship season over the years, and this policy of restriction has provided a reserve of potential visitors should the Government relax its controls. However, since the value to Bermuda of cruise visitors in terms of revenue generated has been shown to be considerably less than regular visitors, this source of increased tourist arrivals may be having the effect of lowering the quality of Bermuda as a luxury resort. However, as a temporary method of shielding the island's economy from recession experienced elsewhere in the world, the growth of cruise visitors has great value.

FIGURE 23 CRUISE - SHIP ARRIVALS IN BERMUDA 1973/4.

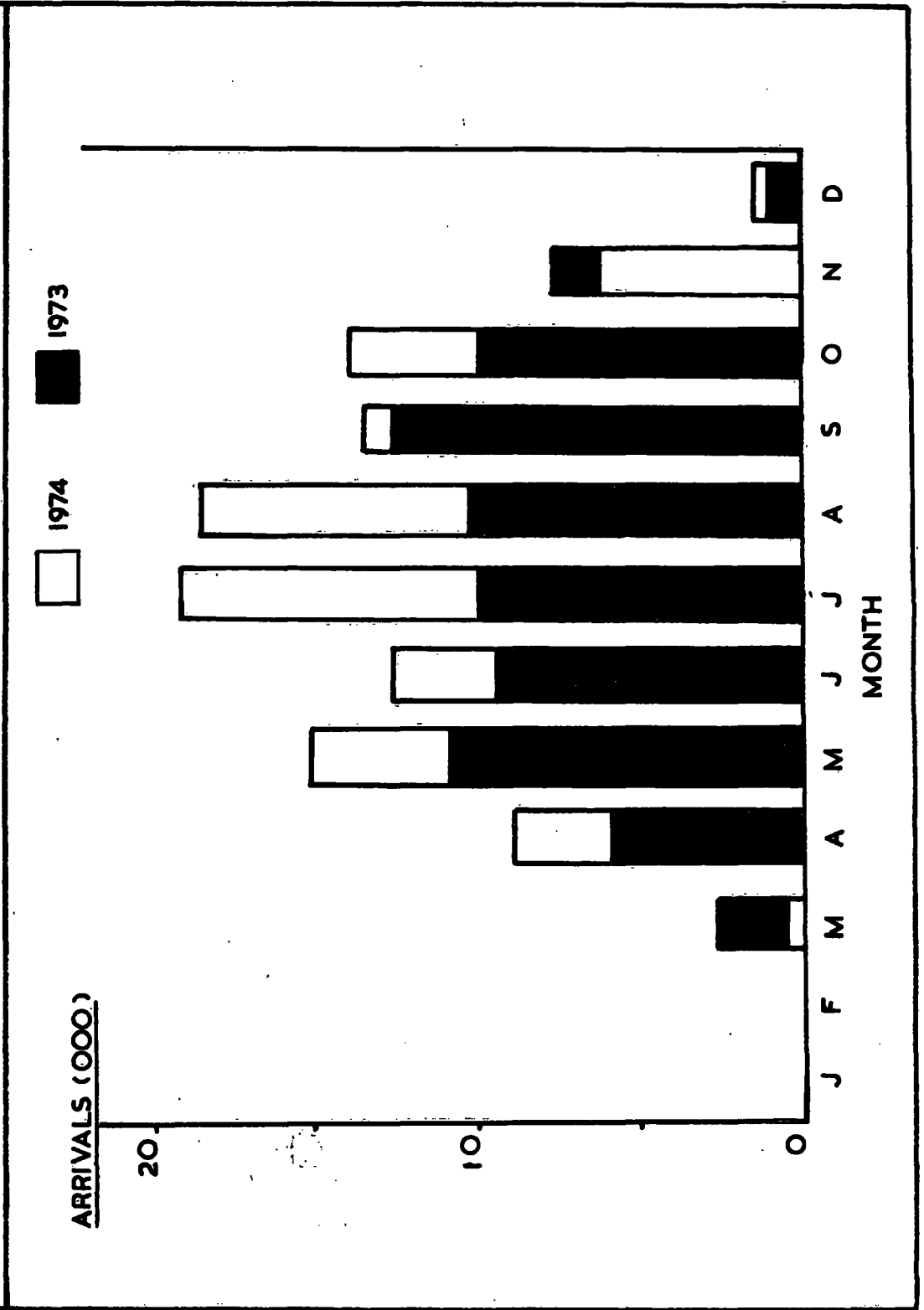
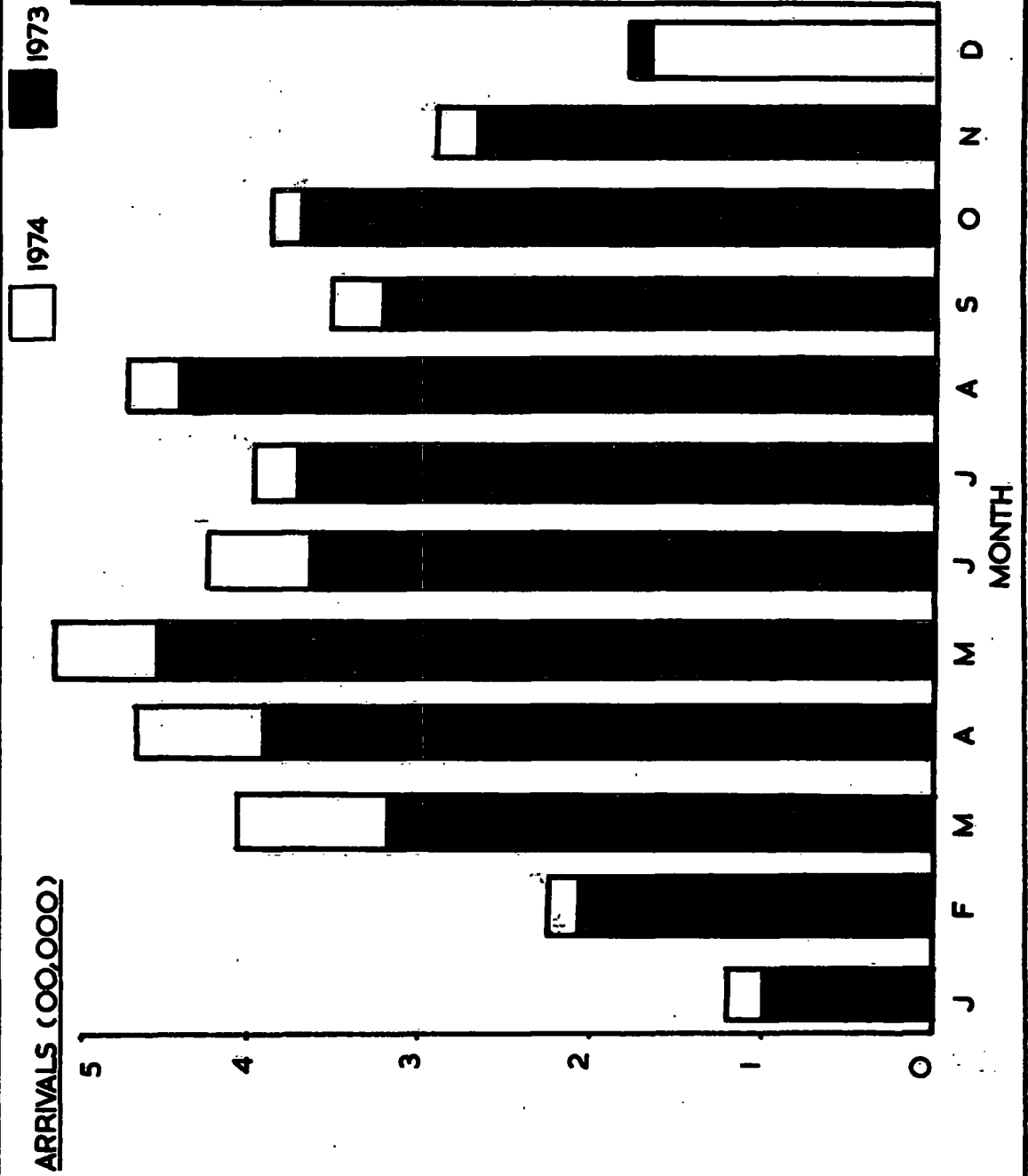


FIGURE 24. REGULAR VISITORS TO BERMUDA 1973 & 1974



Disregarding the very large increase in cruise visitors, regular arrivals showed a 9.3% increase, a figure which in itself is very impressive. The largest increases are shown in the early summer months, a pattern reflected in accommodation occupancy rates shown in Figure 25. To explain these increases it is necessary not only to look at the nature of the Bermuda visitor, but also trends in Bermuda's major source area, the U.S.A. Tables 21 and 22 show something of the demographic characteristics of the Bermuda visitor. The information is collected from a Bermuda Airport Survey conducted by the Department of Tourism on a continuing basis with visitors at the airport immediately before their departure from Bermuda.

TABLE 21. Visitors' Age Group 1974

	under 20	20-29	30-39	40-49	50-59	60 & over
1974	3%	31%	16%	19%	20%	10%

Source: Selected Statistics (op. cit.)

TABLE 22. Visitors' Income 1974 (Family income)

	Less than \$10,000	\$10-\$19,999	Over \$20,000
1974	8%	32%	47%

Source: Selected Statistics (op. cit.)

FIGURE 25. HOTEL OCCUPANCY RATES BY MONTH. 1973 & 4

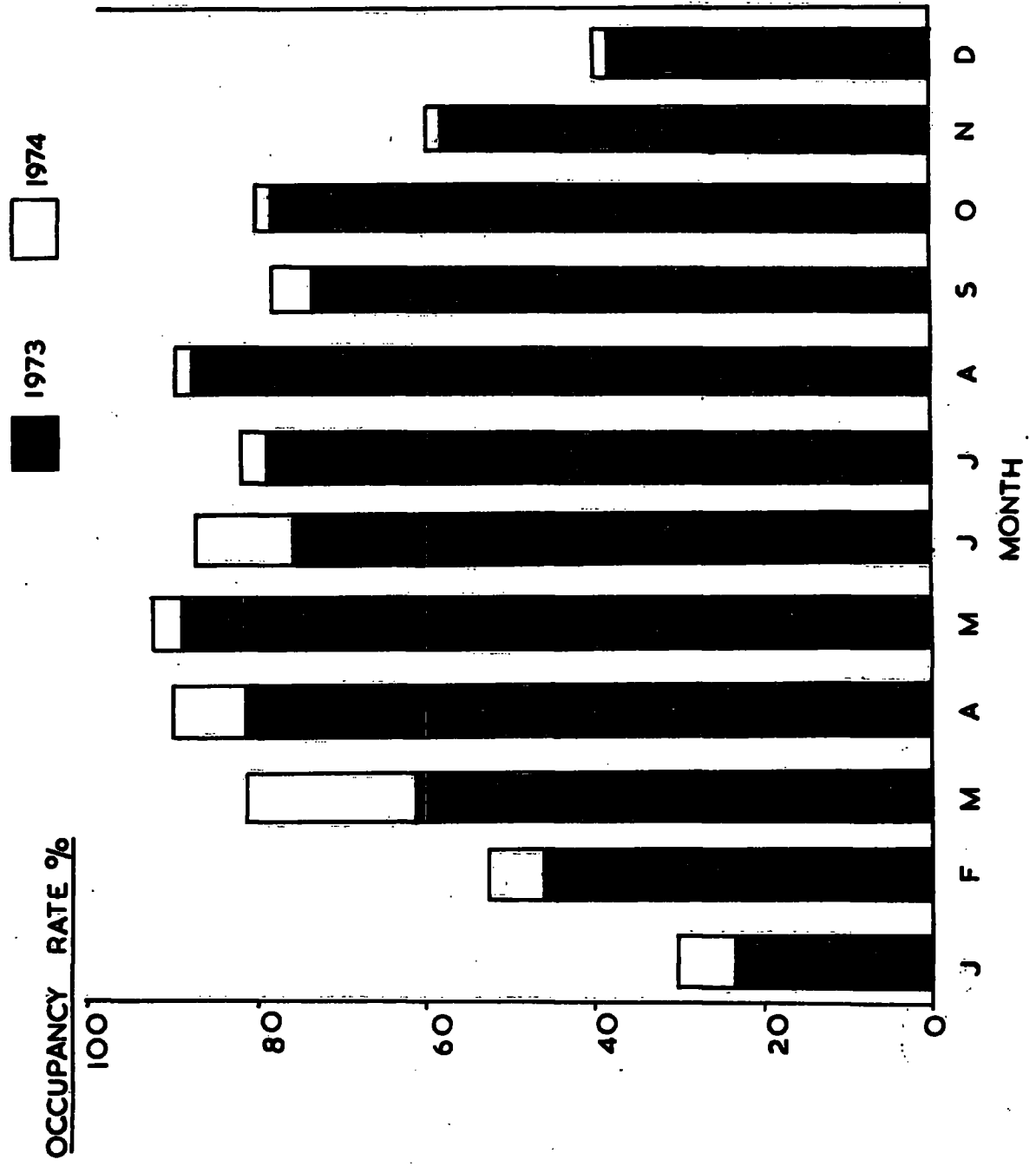
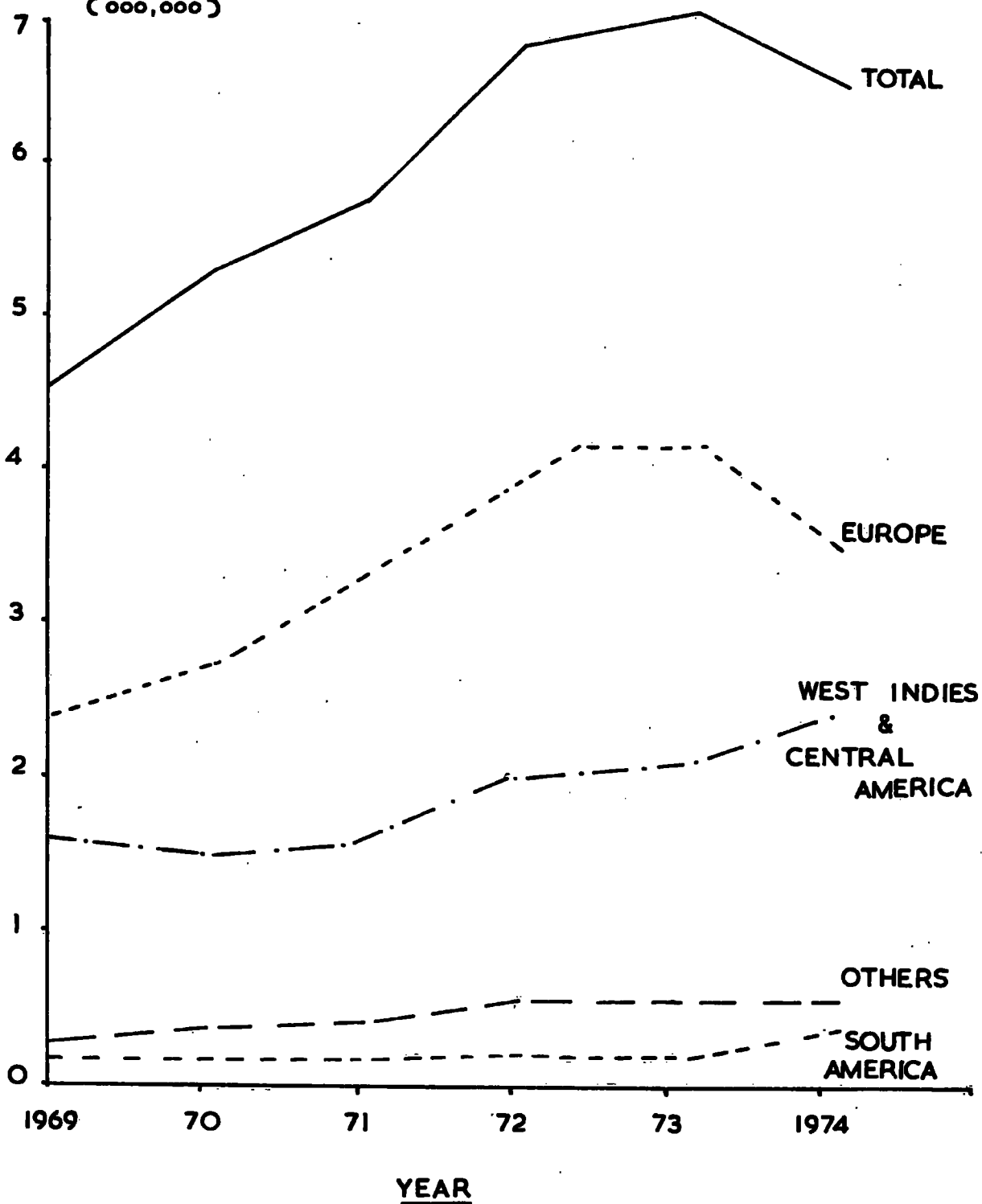


FIGURE 26. UNITED STATES RESIDENTS TRAVELLING ABROAD
1969 - 1974.

SOURCE: O.E.C.D. *op.cit.* p.154

RESIDENTS.

(000,000)



The largest age range of 20-29 may be explained by Bermuda's appeal as a honeymoon resort, 17% of Bermuda's visitors in 1974 being honeymooners. Apart from this age range, the heavy grouping in the middle-aged age range, coupled with the high income level of the majority of Bermuda's visitors, offers some possible reasons for Bermuda's buoyancy in the tourist industry. It can be argued that Bermuda's attraction to the rich vacationer gives her added protection against short term recessions.

A look at the travel patterns in the U.S.A. in 1974 gives a further insight into the development of Bermuda's tourist industry. In 1974, 6,467,000 Americans travelled overseas, as opposed to 6,933,000 in 1973: a decline of 7%. However, when this total is broken down into different destination areas, as it is in Figure 26, it becomes clear that the vast majority of this decline involves travel across the Atlantic to Europe. Travel to the West Indies and Central America (a category that Bermuda falls into statistically rather than geographically) showed an increase of some 10.4%, a figure close to that of Bermuda's regular tourist arrivals for 1974 as compared to 1973. In following the situation in the Caribbean, it is possible that Bermuda acts as a buffer between the U.S.A. and the West Indies, so that a retreat from Caribbean travel may in fact be beneficial to Bermuda. Especially when much of the Caribbean is experiencing social and political upheaval and racial tension, Bermuda can claim stability and a high degree of genuine racial harmony.

In summary, Bermuda's unique location, its exclusiveness, and its restrictive policy towards cruise ship visits, have given the island's tourist industry a strength and buoyancy that has enabled it to prosper when other countries have suffered.

PART III: PRESENT DAY PERSPECTIVES AND FUTURE TRENDS

Chapter VIII: A Consideration of the Concept of 'Saturation' and
its relevance to Bermuda

The concept that for any particular tourist area there is an optimum number of tourists that the area can entertain, and above which the costs of tourism outweigh the advantages, is one which - while being theoretically explicit - is in practice highly elusive. While in a country the size of Bermuda it is obvious that there is a limit to the number of tourists the island could or should entertain, to arrive at any meaningful figure involves many pitfalls.

Young¹ examines the idea of saturation levels, stating that they may be dictated by the availability of labour, the amount of land suitable for hotel development, and the capacity of the roads or principal tourist attractions of the region. He adds further that exceeding this level can create four main types of problem. First, the diversion of land to accommodate tourists denies the use of that land for other purposes such as housing, schools and open-space. Second, the growth of seasonal and low-paid employment needed to service the tourist industry can be a threat to the local employment structure. Third, a steadily increasing tourist flow puts pressure on the general urban infrastructure, and particularly on the transport networks. Fourth, due to a combination of the above factors, a stage is reached where the alienation of the local population is inevitable.

¹ G. Young, *op. cit.* pp. 111-131.

For the remainder of this chapter the relevance of these symptoms to Bermuda will be considered, and some attention will then be given to the expression of saturation levels quantitatively.

(a) Land-Use

The hypothesis that over-development of the tourist industry will lead to an imbalance of land-use in favour of hotels and related developments, at the expense of such uses as housing and open space, is one which should be particularly relevant to Bermuda, considering the size of the island (some 21 square miles) and its already high population density (2,700 square miles).

Table 23, showing the increase in tourist accommodation in the period 1950-70, gives an indication of the rapid growth of hotel development and the demands this has made on pre-existing open space.

TABLE 23. Tourist Accommodation 1950-70

Year	No. of Beds	% Increase over 1950
1950	2,980	-
1960	4,444	49
1964	4,870	63
1970	6,840	129

Source: Bermuda Department of Tourism

An increase in bedspace of 129% in the 20 year period from 1950-70 could well be expected to put serious pressures on other competing land-uses.

In the following consideration of housing, the terms used are those taken from Bermuda's Development Plan for 1974. A 'dwelling' is defined as a 'residential unit having its own bathroom and cooking facilities', and a 'detached house' is a separate residential unit having its own lot, and containing not more than two dwellings.

In 1970 there were 12,000 residential buildings or houses in Bermuda, containing 16,000 dwellings. This gives a figure of 1.35 dwellings per building, an increase from 1.29 in 1960 and a figure which the planning department states: "appears very high in view of the low proportion of buildings specifically designed as multi-dwelling units."² A 20% increase in subdivided buildings (mostly houses) is indicated between 1960 and 1970.

TABLE 24. Analysis of Dwelling Units per Building

1960		1970		Dwellings	
Residential Buildings	Dwellings	Residential Buildings	Dwellings	Increase	%
9,735	12,516	11,934	16,126	3,610	29
1960	1970			Increase in number of Buildings	
Dwellings per Building	Dwellings per Building	Increase			
1.29	1.35	0.06%		23%	

Source: Development Plan 1974

Figures for completed dwellings in the years 1969/72 are indicated overleaf in Table 25.

² Bermuda Department of Planning Bermuda Development Plan 74 - Part I Report of Survey 1974 Bermuda

TABLE 25. Dwelling Completions 1969/72

Year	New Dwelling	Conversions/ Additions	Apt.	New Dw. %	C/A %	Apt. %	Total
1969	173	11	12	88.3	5.6	6.1	196
1970	144	14	88	58.5	5.7	35.8	246
1971	68	26	69	41.7	15.9	42.4	163
1972	67	92	96	26.3	36.0	37.7	255

Source: Planning Department Records

These figures indicate that some 210 dwellings are constructed each year, and also show a sharp decline in the construction of new dwellings (and new houses built on single lots) from 86% of total dwellings in 1969 to 26% in 1972, offset by an increase in new dwellings formed by additions to, or conversions of, existing houses from 5.6% in 1969 to 36% in 1972.

This suggests that, first, the creation of new dwellings is not keeping pace with the creation of new households; and, second, that building subdivision is taking place to take up the slack, and this would seem clearly to suggest that the expansion in tourism has led to an increased pressure and competition for land, resulting in a reduction in the ability to meet the community's housing needs. Further evidence of this comes from a report prepared by the Government Statistician in May 1971 which, using the criterion of 2.00 persons per habitable room as evidence of overcrowding, concluded that 7.2% of all households and 12.5% of the population lived in overcrowded conditions at the time of the 1970 census.

An analysis of statistics on land resources collected by the 1970-71 Land Use Survey of Bermuda shows that only about 700 acres of

vacant land could realistically be considered for development.

Medium range population estimates suggest a likely additional 16,000 persons making up 5,000 households by 1990. It is estimated that if present-day density zoning schedules are kept to, all suitable land would be developed in 7-10 years.

'The implication is that either more land of high environmental quality must be developed, or housing densities increased. If densities were increased to an average of 7 houses per acre, available building space would last about fifteen years and if increased to 17 per acre it would last around 20 years.'

The Development Plan for 1974 concludes:

'It is evident that at projected rates of growth, the population increase will exacerbate the present situation in housing where there are simply too many households being formed and too few dwellings to accommodate them. The decrease in household sizes over the past 10 years, if continued into the future, will only aggravate this situation.'

The development of housing in recent years seems to give a clear indication that the very rapid expansion of tourism over the last 30 years, which in turn has generated a rapid expansion in employment (too fast to be absorbed locally), has resulted in increased pressure on housing. The result has been that land has become scarce and expensive, and the subdivision of houses is taking place to accommodate much of this population increase. Along with this, the fact that 12.5% of the population are concluded to be living in overcrowded conditions would lend support to the argument that the tourist 'boom' in Bermuda has taken place too rapidly for maximum benefit to accrue to the community as a whole, and that during the 1960s saturation levels were exceeded.

³ Bermuda Planning Department, *op. cit.* p. 37

⁴ Bermuda Planning Department, *op. cit.* p. 39

(b) Employment

Young suggests that when saturation levels are exceeded this will be reflected in the local employment structure. In Bermuda, where nearly one-third of the civilian population is non-Bermuda born, it is possible to argue that this is evidence that Bermuda has exceeded the saturation level in recent years.

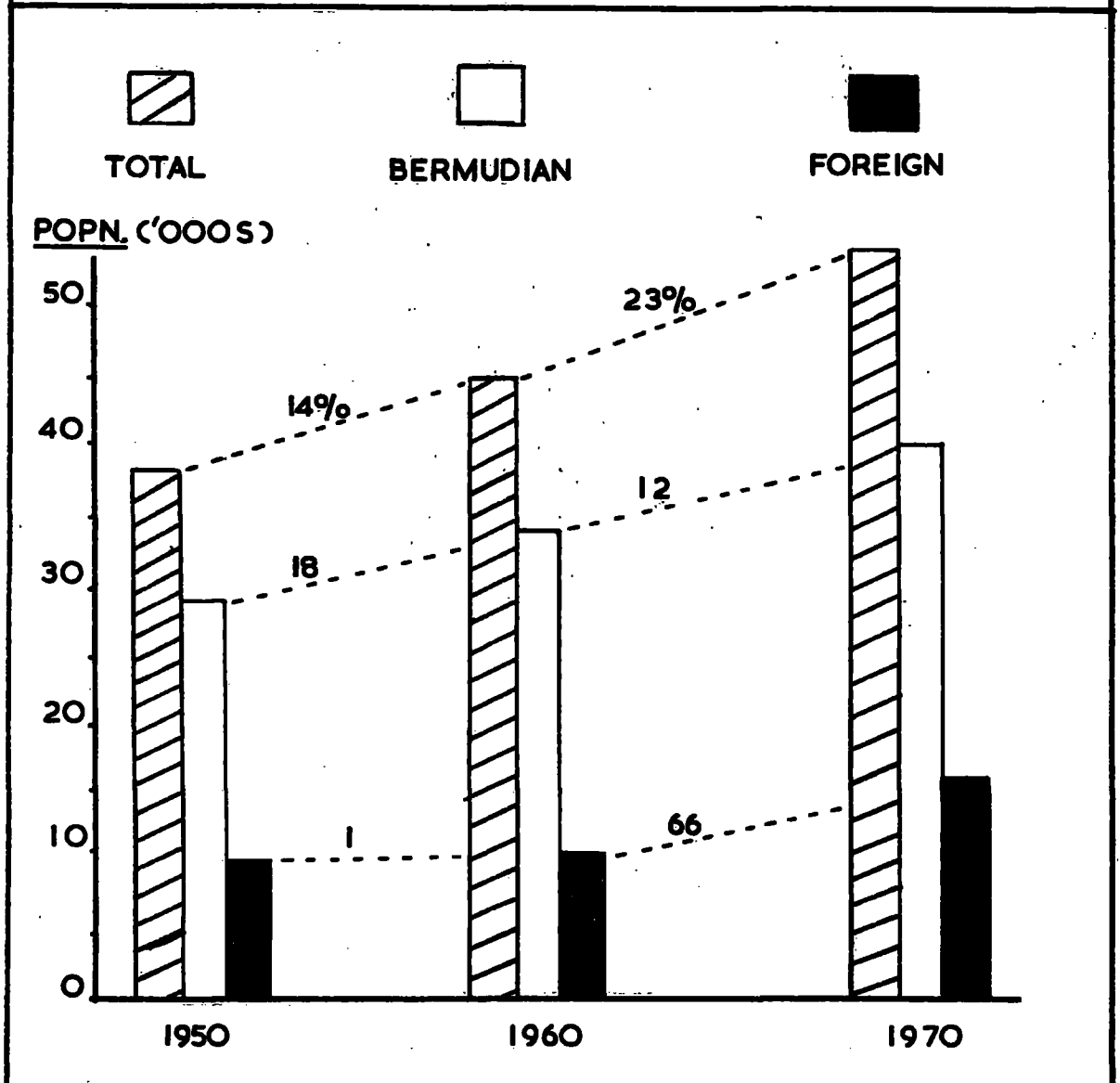
Of a total civil population in 1970 of 52,330, some 14,496 or 28% were foreign-born. Figure 27 shows the growth of foreign-born workers, and clearly illustrates the situation whereby, in the period 1950-70, tourist development outstripped the ability of the local workforce to keep pace with it, and therefore, to a degree, to keep the benefits of the island's resources for the island's population.

TABLE 26. The Growth of Foreign-Born Population

1970	Numbers		Percentage change		
	1960	1950	1970-60	1970-50	1960-50
14,496	8,753	8,654	66	68	1

The tourist boom which took place between 1950-70 saw an increase in job opportunities of 10,000 jobs; meeting this increase has been possible only by calling on labour from two sources: females in the population, and non-Bermudian labour. The number of females in the workforce increased by 92% between 1950-70, as compared with an increase of 46% for males. The figure of 62% of females economically active for 1970 is a very high level compared with around 50% for most other developed countries, indicating close to maximum utilisation of the female labour reserve in Bermuda.

FIGURE 27. POPULATION INCREASE 1950-70.



SOURCE: CENSUS REPORTS 1950-1970

The fact that Bermuda has a much higher female activity rate than most developed countries, and that over one quarter of the population of Bermuda is foreign-born, suggests clearly the possibility that saturation point in Bermuda was exceeded during the period 1950-70.

The implications of this are serious for the future of Bermuda, and warrant careful attention. While it should be recognized and admitted that in such a highly complex, and yet so small, country the local population could not be expected to meet every specialized job requirement, a situation where many of the most highly paid jobs are the exclusive possession of expatriates would be unacceptable. A situation where there is a pool of local unemployment, while foreign workers are employed in large numbers, would also be unacceptable, and politically explosive, perhaps even more so because of the racial component of the population. The 1970 census lists the Bermuda-born population as 76% black and 24% white, while the foreign-born population breaks down: 85% white and 15% black.

It is the policy of the Bermuda Government to restrict the employment of non-Bermudians wherever possible. To do this, certain categories of jobs are closed to non-Bermudians, and in other jobs vacancies have to be advertised locally three times before they can be filled by applications from overseas. This policy of Bermudianization is one central to the economic development of the island, and the successful retention of the benefits of tourism within the island, but it is a policy needing great care in implementation, balancing the need to maximize job opportunities for Bermudians with the danger of employing people ill-equipped to carry out the job, which results in self-defeating inefficiency.

The smooth pursuit of the policy of Bermudianization may gain encouragement from the brief nature of most non-Bermudians' residence on the island. Persons listing their length of stay as less than five years at the 1970 census rose to 50 per cent of all foreign-born people. In addition, a further 19 per cent had been on the island between 5-9 years, indicating a rapid turnover on non-Bermudian workers, and this trend offers an opportunity to reduce the island's dependence on foreign-born workers and create job opportunities for the local labour force. This point was made by former Prime Minister Sir Henry Tucker in a speech in 1972 when he stated:

For some years to come we must rely on non-Bermudians - particularly in the hotel industry. Although the introduction of employees from abroad does intensify the pressure on government to provide housing, schools and other facilities, it has some positive good effects in that it raises standards of performance; it helps to train Bermudians and, because of its temporary contractual nature, it does create a reservoir of jobs open ultimately to our own people as they become qualified and ready to accept them.

5

In employment today, Bermuda faces the problem that its rapid expansion during the 1960s, which was largely uncontrolled, has reached the stage whereby, if it continues, it faces self-destruction. It will destroy Bermuda's uniqueness and natural beauty and yet, if growth is checked, considerable economic and social tensions may be exposed. The problem is one of slowing down, regulating and controlling development, and it demands very careful handling.

⁵ H. Tucker, Speech to the Annual General Meeting of the Bermuda Chamber of Commerce. 21. 2. 1973.

(c) Transport - Saturation Levels

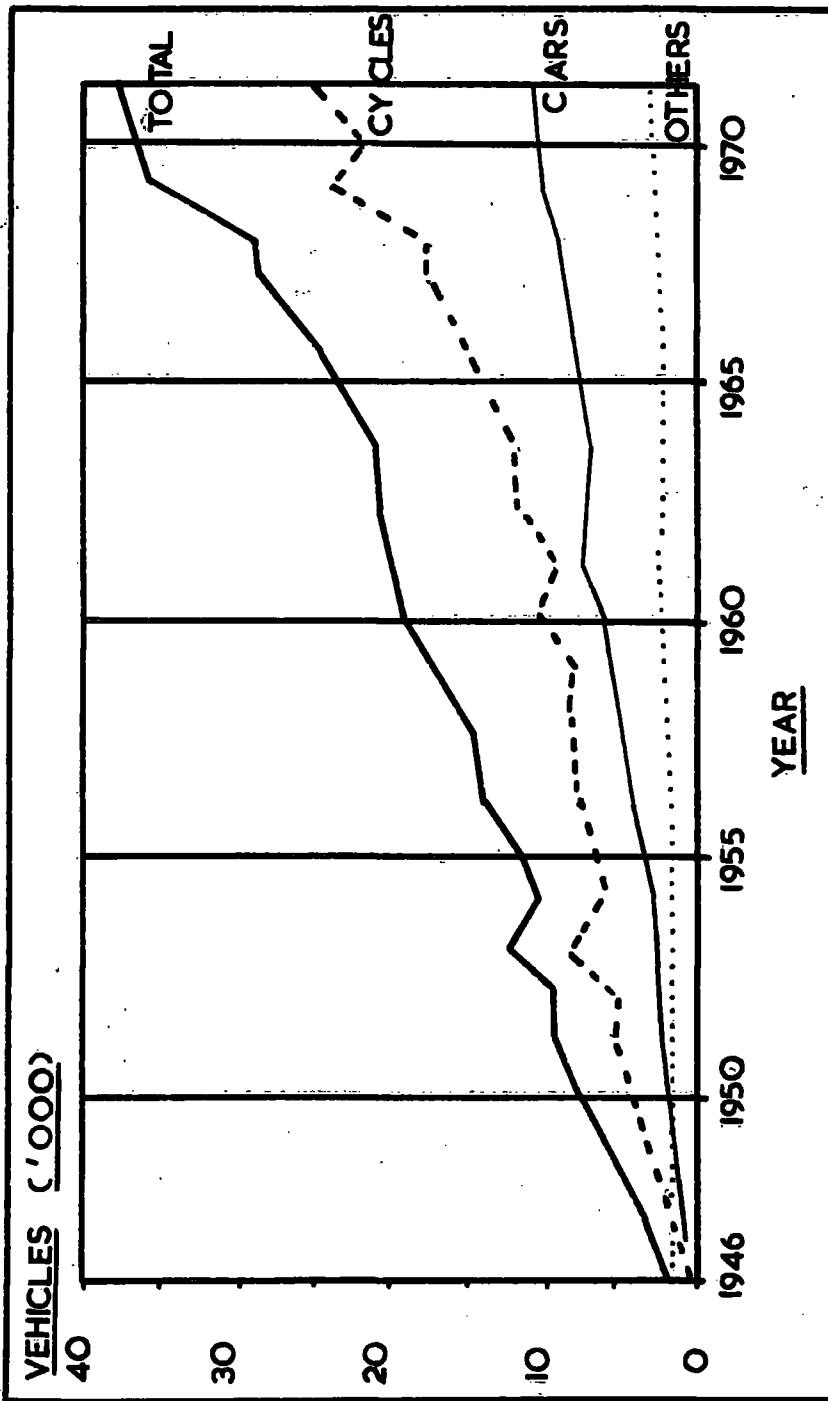
It is Sir George Young's hypothesis that exceeding an optimum tourist figure puts pressure on the general urban infrastructure, and in particular on the transport networks. To explore this line of argument it would be true to say that Bermuda has a transportation problem, and that the problem dates from the time when tourism started to be of major importance in the island's economy. However, the extent to which the island's traffic problems can be blamed directly on the development of the tourist industry is less clear.

It was only in 1946 that motor cars were allowed to be privately owned on the island, and of the 1,890 vehicles licensed in Bermuda in 1946 only 375 were private cars. Since that time vehicle ownership has increased rapidly until in 1972 there were 38,359 vehicles licensed, of which 10,842 were private cars. Since the ownership of private cars is limited to one per family, and since tourists cannot hire cars in Bermuda, there are also a very large number of auxiliary cycles: 17,861 privately owned, and 5,314 for hire to tourists. The increase in motor vehicle ownership since 1946 is shown in Figure 28.

The extent to which Bermuda's transportation problems can be directly related to an increase in tourists is limited; the forms of transport available to the tourist can be listed as follows: public transport (taxi, horse and buggy, bus, and ferry), cycles (auxiliary or pedal), or foot.

The number of taxis in Bermuda is 562, a number that has increased only very slowly over the last 20 years. To suggest that these are a major cause of pressure on the roads when they make up less than 2 per cent of all vehicles licensed, would seem unrealistic.

FIGURE 28 VEHICLE OWNERSHIP 1946-1971.



SOURCE: A TRANSPORTATION POLICY FOR BERMUDA
FREEMAN, FOX & ASSOCIATES 1972.

Some 110 buses make up the backbone of Bermuda's public transport system (a railway used to run the length of the island, but was discontinued after World War II), and again the small number of these and the limited use made of them make them of little significance, unless it is in their absence. More buses might reduce the pressure on transportation systems. If this is argued, it must be remembered that the low density of residential development spread throughout the island's 19 mile length - which has come about partly because of the availability of the motor car - encourages the continued ownership of individual transport rather than the use of public transport.

Tourists on motor cycles would seem to be a more tangible problem stemming from the tourist boom; yet it would be difficult to argue that there are too many cycles on the roads, or that if more people gave up their cars for cycles it would not ease the traffic problem.

The rapid growth in the ownership of private cars must be related to the growth of tourism, and the wealth that this has generated. As far as this can be accepted, it can be argued that pressure on the urban transport system is a product of rapid economic development, and that in Bermuda rapid economic development has been based almost exclusively on tourism. Freemas, Fox and Associates, in their analysis of Bermuda's Transportation Problems,⁶ evaluate the situation as a conflict between a better transport system: involving wider roads, more roads etc., and the tourist aspect of 'the Bermuda image'. To resolve this conflict they put forward a plan (suggested in an earlier transport plan)⁷ of a three tier system of roads, based

⁶ Freeman, Fox and Associates. A Transportation Policy for Bermuda 1972

⁷ P.J.O. Residder, Road Traffic in Bermuda 1961 Caribbean Road Traffic & Planning Research Unit

on existing routes. They maintain that the South Shore road is the one used mainly for tourists, Middle Road by commuters, and North Shore by commercial vehicles. With a few overlaps and adjustments, they put forward a proposal whereby South Shore Road is developed as a tourist route: bends are kept, colourful hedges planted, signs made attractive, and picnic spots etc laid out; Middle Road is developed as a commuter route; and North Shore Road developed as a commercial route with straighter, wider roads, better signposted and with a better road surface. While these routes would not be compulsory, they would act to divert traffic to the routes to which they were most suited, and as such would reduce congestion and increase the amount of traffic which would be carried on Bermuda's roads. Figure 29 shows the proposed routeways.

(d) Alienation of the Local Population

This aspect Young calls 'psychological saturation'⁸ which results in a loss of goodwill towards the tourist. He states:

It is a fact, regrettable perhaps, that tourists and the hotels in which they are accommodated are becoming less and less popular in the more attractive tourist destinations, and the natives are becoming restless.

Large numbers of tourists mean that local facilities have to be shared, and sometimes given up, and that privacy may be lost. The actual hotels themselves are often a cause of irritation.

The new hotels, which will last two generations, and took perhaps two years to build, all look as if they had taken about two hours to design.

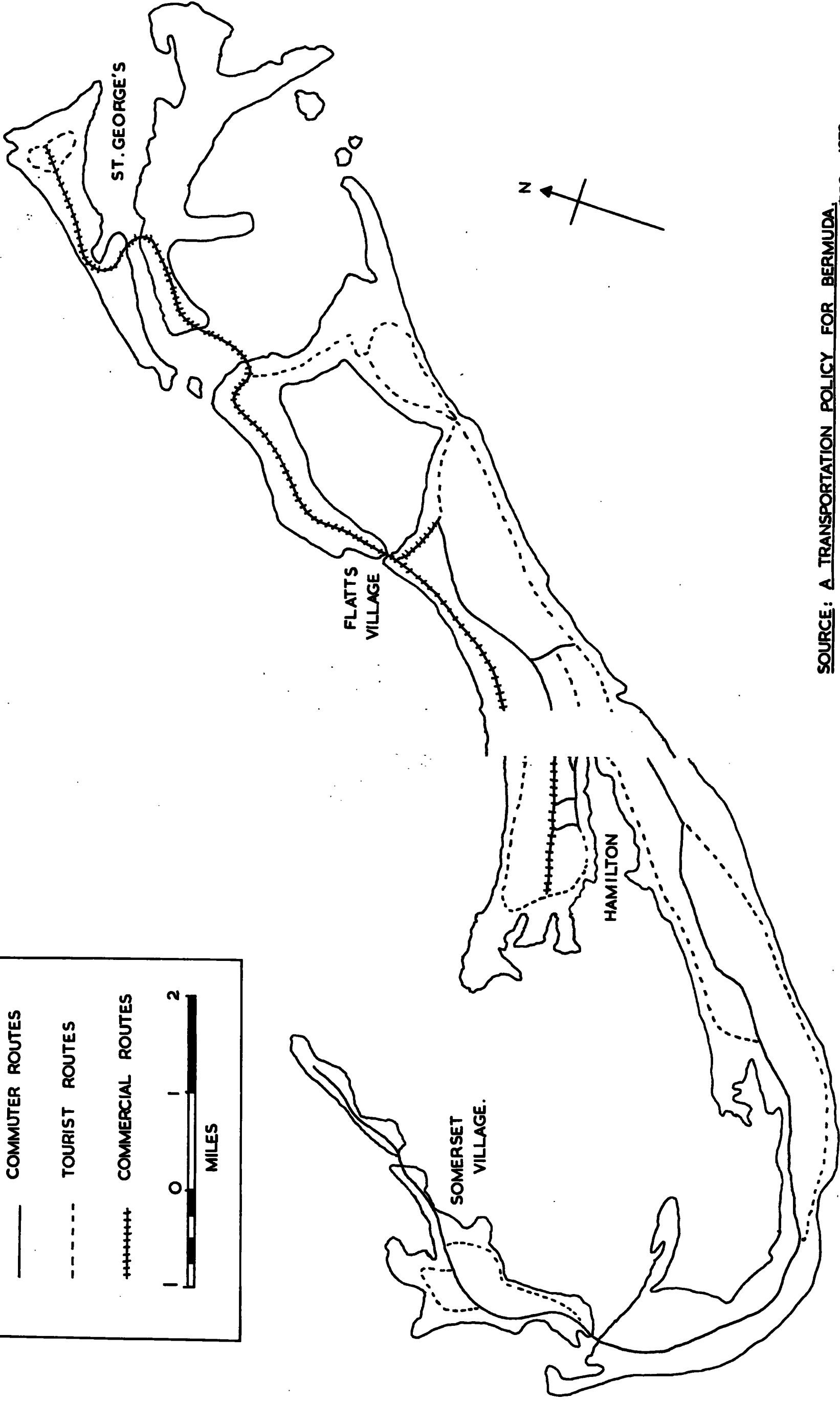
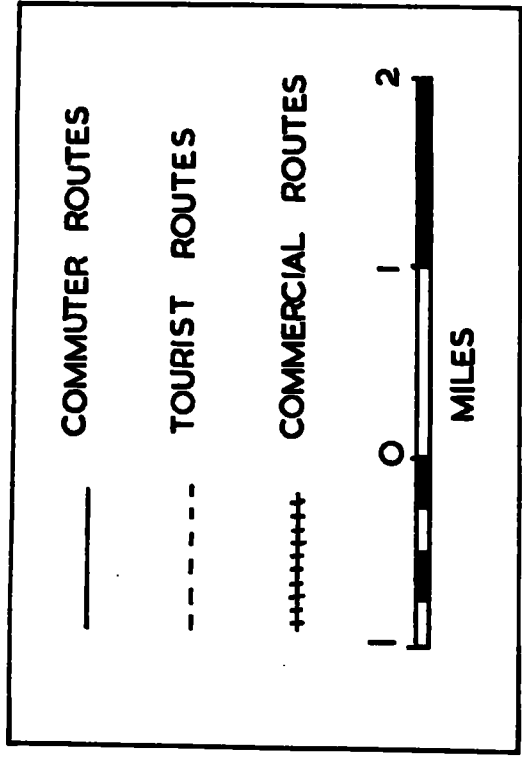
⁸ G. Young, *op. cit.* p. 120

⁹ *ibid.* p. 120

¹⁰ Architectural Review September 1972

CLASSIFICATION

FIGURE 29. A BERMUDA ROAI



SOURCE: A TRANSPORTATION POLICY FOR BERMUDA,
FREEMAN FOX & ASSOCIATES. 1972

Today the alienation which Young describes is perhaps most evident in the Caribbean, where a people are searching for an identity, and the development of an industry whereby low paid locals support the recreation of a rich white foreign population is too close to an economic substitute for the political imperialism that they fought to free themselves from.

Hostility to the tourist in Bermuda, although not non-existent, is a rare phenomenon, and indeed the friendliness of the local population is one of the points on which the island sells itself, and where it scores heavily over its southern neighbours. The economic gulf between host and visitor is nowhere near as marked as it is in the Caribbean, and the benefits felt by all sectors of society clearly visible. Unlike many other countries, the rejection of the tourist industry is not a possibility in Bermuda; it is estimated that, left to support its own population locally, the maximum population of the island would be 5,000, less than 10 per cent of the present day population (D. Wingate - Conservation Officer).

Where hostility is noticeable, and which may be attributed to the tourist industry, is in the relationship between the Bermudian population and the expatriate population brought in as a result of the labour shortage. The policy of Bermudianisation is one considered in more detail in this chapter, under the heading of employment, and also in Chapter 9. Resentment among certain Bermudians, to the effect that they are being denied job opportunities by foreign-born workers, is balanced by a feeling by some foreign-born workers that it is they who are being discriminated against, and that while the island's economy is dependent on them they are resented and obstructed, considered something to be got rid of as rapidly as possible.

This would seem to be an area where expansion in the past has been insufficiently controlled. As a result, too many non-Bermudians have been added to the workforce, and as a result of insufficient attention to their real contribution, some resentment has developed.

A Consideration of the Concept of Saturation: Conclusions

As stated at the beginning of this chapter, while the concept of a saturation seems, initially at least, fairly explicit, any attempt to quantify this idea very rapidly runs into problems which make it almost impossible or meaningless to measure. Young puts forward for consideration the statistics of tourist nights per 100 residents and tourist density (tourist nights per square mile per annum). These figures are shown in Table 27 and Bermuda's position is towards the top of each league. However, Young nowhere suggests that these are any more than an indication, and the use of national figures on a per annum basis opens it to criticism on two important points. First, any national figures disregard the fact that the tourist phenomenon is a regional one, and therefore any saturation figures should take this into consideration. This is less true in a small island situation such as Bermuda, but if comparison is to be made with other countries, this criticism remains valid. Second, the use of per annum figures ignores the fact that the tourist industry is prone to seasonal fluctuations and seasonal unemployment, Bermuda being no exception.

These obstacles may be avoided by stating that at any one time the number of tourists should not exceed a specific number, a specific ratio of the total population, or a specific density. However, this again does not bring in any consideration of seasonal variations, which must be relevant. The Department of Tourism work on an optimum number

of 9,000 at any one time, based on available public transport, in terms of taxis, and cycles. A further possibility is the figure of 6,840 based on available bedspace (1970 figures). However, the Department of Tourism offer little in the way of justification of their figure based on available transport other than to state that is what it is, and it appears to be of the right order.

If one is to attempt to arrive at some generally applicable figure or formula for saturation, it is also necessary to feed in some sociological parameter to take into account the nature of host nation and visitor.

While the obstacles outlined above make difficult any meaningful figure for a saturation level for Bermuda, much less any generally applicable formula, it may be valuable to consider the symptoms which Young considered indicative of saturation. If Young's four 'symptoms' are accepted as applicable, then there must be strong grounds for arguing that Bermuda is at present 'over-saturated' in that it exhibits an inability to meet the housing needs generated by the expansion of the population, its labour force is made up of nearly 30 per cent foreign-born, and that this high percentage of expatriate labour is a cause of some friction within the community.

This in itself raises another problem, the need to feed in a new dimension: that of time. If we accept that these symptoms indicate saturation, is it then logical to assume that a reduction of numbers will reduce these problems? In Bermuda's situation, this could well lead to an increase in local unemployment along with the retention of many expatriates in what is a traditionally international industry. If this were the case it would seem likely that alienation of the local population would be increased rather than the reverse.

The foregoing consideration leads to the conclusion that, as stated by Young, the concept of saturation has only limited value. To have more significance, a generally applicable formula needs to consider the regional and seasonal nature of the industry, the state of development of the physical and economic infrastructure of the country, and the sociology of the host and visitor.

To examine the Bermudian context, and merely to conclude that Bermuda is 'over-saturated' because it exhibits certain symptoms, seems unsatisfactory, an over-simplification of the tourist problem as it relates to Bermuda.

Sir Henry Tucker sums up the situation slightly differently when he states:

It is probably true to conclude that in the last decade Bermuda has gone too far, too fast.

This statement, without making any conditions or definitions, puts forward a clear indictment that Bermuda's economy today is suffering as the result of an excessively rapid expansion of the tourist industry in recent years. In addition, criticism is implied of the lack of control which was exercised over that expansion to make sure that maximum benefit accrued to Bermuda and the local population.

TABLE 27. Tourist Saturation

Country	Tourist Nights per 100 Residents	Tourist Density (T. nights per mile ² per annum)	Country	Tourist Nights per 100 Residents	Tourist Density (T. nights per mile ² per annum)
Bermuda	3,249	78,918	Singapore	59	53,876
Bahamas	2,785	1,120	Norway	56	17 (H)
Monaco	1,667	800,000 (H)	Netherlands	47	451 (H)
London	855	98,000	Morocco	46	40
Austria	798	1,846	Portugal	45	120
Malta	630	16,473	Hungary	44	125
Switzerland	333	1,312 (H)	Kuwait	35	33
Luxembourg	267	800 (H)	West Germany	28	171
Lebanon	206	1,360	Libya	26	1
New Zealand	181	49	Kenya	22	11
U.K.	172	1,026	Argentina	17	4
Spain	156	263	Panama	14	6
Italy	127	529	Syria	14	11
Israel	124	450 (H)	U.A.R.	14	5
Jamaica	121	589	Iran	12	5
Cyprus	117	200 (H)	Uganda	8	8
Yugoslavia	105	228	Thailand	7	12
San Marino	105	869 (H)	Colombia	5	2
Fiji	101	73	Ceylon	4	16
Costa Rica	82	72	Phillipines	2	7
Bulgaria	80	158	Tanzania	2	1
Hong Kong	74	7,306	India	1	5
Belgium	71	585	Pakistan	1	3
Denmark	71	206	Malaysia	1	1
Greece	69	120	Ethiopia	1	1
Tunisia	68	76	Mali	0.4	0.05
France	66	157 (H)	Congo	0.3	0.4
Jordan	63	46			

(H) denotes that only nights in hotels have been used in the calculations and the tables should therefore be treated with caution.

Source: I.U.O.P.'s annual publication of tourist statistics, supplemented by those O.E.C.O. Tourism Committee, and quoted in Young pp. 59-60

Chapter XIV: The Way Ahead

"The time has come for National Governments to take the Goddess of Tourism off her pedestal and to place her in the garden with all the other statues"

Young, *op. cit.* p. 168

This final chapter attempts to summarize the major themes running through this study in terms of the tourist industry in general and with specific reference to tourism in Bermuda, and outlines some of the possible developments and problems that the island faces in the next decade.

The enthusiasm in the 1960s for the 'Goddess of Tourism' as a phenomenon to bridge the gap between the Developing and Developed World, leading to educational and cultural enrichment with great political and social significance, has suffered badly in the 1970s. Tourism has not proved to be the saviour of the Developing World, and in many locations has inspired considerable resentment and re-evaluation. This has been particularly true of certain of the Caribbean islands, where the viability of tourist development in its present form is beginning to be seriously questioned. That is not to say that tourism has no role to play in economic development, but rather that, if it is to be developed to benefit the countries in which it is established, then the direction of development must be to devise a system of administration whereby growth is controlled and, if necessary, curbed. In addition, it must be the visited and not the visitors that are the central characters, and a country's tourist policy should merely be part of an overall national plan with which there should be a minimum of conflicting objectives.

These recommendations apply to the tourist industry in general, but are particularly apparent in many small island economies such as Bermuda. Because of their size and insularity it is possible to isolate certain characteristics which are of particular importance to a consideration of tourism in small island economies. These are summarized below as they effectively illustrate the specific situation in Bermuda.

Perhaps the most important generalisation that can be made concerning small islands is that they are likely to possess limited alternatives to the development of tourism. Small in area and population, they will normally lack mineral resources in commercially exploitable deposits and, when often coupled with an unskilled labour force and a small local market, there can be only a very limited potential for the development of a manufacturing industry, either on the basis of locally produced raw material and/or import substitution. While agriculture and fishing may provide the traditional basis for the economy, where high population densities exist, they will put pressure on the existing agricultural land, and size may limit export and development potentials. Faced with other economic potentials, these traditional industries may suffer a marked decline.

As a result of the lack of economic alternatives a tourist industry, once established in a small island economy, is more likely to develop a dominant or monopolistic position in the economy as a whole, and as a source of foreign exchange. As already mentioned, this may lead to other sectors of the economy being neglected, as they are unable to compete for labour, land and capital with the tourist industry, leaving the economy dominated by international tourist operators with interests that may be contrary to the country's own interests, and where leakage from the economy is high.

To offset this problem, with careful government control it may be possible to broaden the base of the economy as in the case of Bermuda by attracting international companies. These firms may be attracted by special tax concessions, but it must be remembered that if this activity is to be developed to any extent, companies are looking for more than just tax concessions. Legitimate and respectable businesses will look for economic and political stability and a sophisticated service sector that can meet their requirements of banking, insurance, lawyers and accountants.

Another aspect of this problem is that of overdependence on a single source area. A small island may be unable to justify a wide range of flights from different destinations and may lack the resources to mount advertising campaigns in more than one potential source area. This is illustrated to an extent by Bermuda, where 80% of her visitors come from the north-eastern seaboard of the U.S.A. (although Bermuda does maintain Tourist Offices in London and Toronto). While this pattern is not always repeated in the Caribbean, it may be argued that the predominance of a single source area is more likely within a small island economy, and that this in turn makes the economy more vulnerable to external influences.

Both as a factor of their size, and the nature of the tourist industry, dependence on outside money and the influx of international companies is likely to accompany the development of tourism in a small island. This may be unacceptable in that economic decisions are taken by non-nationals, and often non-residents, on the basis of objectives that may be in conflict with national interests. In addition, the inflow of foreign capital will itself be sensitive to national policies, and dependence on this inflow will limit the freedom of manoeuvre which the government has in its economic policy. These economic problems do not

take into consideration many other social costs which may be relevant, such as the resentment that may be felt by a poor population forced to work for low wages to service the needs of a wealthy foreign tourist population, a problem that may be particularly relevant when race is involved, and when the host country has only recently struggled to obtain political independence. This point is made by Turner who observes that:

A considerable part of tourism involves shipping rich, white pleasure seekers into some of the world's poorest black societies.

3

and goes on to use this to help explain riots that occurred in Jamaica (1968), Curacao (1969), and Trinidad and Tobago (1970). In addition, resentment may be felt against expatriate workers brought in to fill skilled positions in the industry, denying them to the local population, particularly if there is a high level of unemployment or under-employment within the economy.

All of the above-mentioned factors serve to suggest caution in believing that tourism represents the path to prosperity for every small island with some sun, sand, and sea. It is a mixed blessing, as many islands have found out to their cost.

More than anywhere else, the need for government control is apparent, to take advantage of foreign investment where it is available only overseas, and yet to make sure that to the maximum extent the profits stay within the country to benefit the population of that country. In other words, governments must become very critical of any planned development and weigh very carefully the potential costs and benefits.

³ L. Turner, Multinational Companies and the Third World, 1974.
London. p. 219.

As a case study of a small island economy much that has been stated previously in terms of small islands generally can be seen to be readily apparent in Bermuda. The remainder of this chapter summarizes the nature of the tourist industry in Bermuda and suggests certain directions for the next decade.

Three main themes run through the preceding chapters. First, in Bermuda, the tourist industry represents a logical development of existing human and physical resources and there are no apparent alternative economic activities that could offer a similarly high standard of living to the population. Second, that Bermuda has always been an exclusive resort where the quality of the visitor has been of greater importance rather than sheer numbers of arrivals. Third, that in Bermuda, the tourist multiplier is low and much of the tourist reserve in Bermuda does not stay in the island to benefit the local population. Thus future progress of Bermuda's economy should see a development of a luxury tourist industry where the emphasis is on quality of visitor rather than quantity, and in which Bermudians are fully involved at every level so that maximum benefits are retained within the Bermudian economy.

The likelihood of tourism dominating the economy of small islands has already been discussed and it is unrealistic to assume that the next decade will see any marked changes in the predominance of the tourist industry in Bermuda. While the 'second string' of exempted companies may expand slightly in the coming years, it is unlikely that their overall contribution to the economy will rise significantly. On this matter it is also important to remember that the continuance of these companies in Bermuda is largely dependent upon the U.S. tax laws and that any tightening of them with reference to exempted companies might upset this important industry.

On an island of only twenty one square miles, with a population density of nearly 3,000 per square mile, the agricultural possibilities have been shown to be of minor significance. With land prices so high, and competition for all good agricultural land so fierce, the further development of the farming industry is unlikely on any large scale, particularly as it is an industry dominated by foreign-born workers from the Azores, and unattractive to Bermudians. Import substitution in agriculture, which may be relevant to many islands in the Caribbean, is of little relevance beyond its present level in Bermuda.

The smallness of the island and its limited population also makes the expansion of manufacturing unlikely. The lack of natural resources and the high cost of labour on the island poses major problems to manufacturing, and although there may be some room for expansion of the fishing industry in Bermuda, it will not alter the fact that for the next decade - and indeed the foreseeable future - the Bermudian economy will be dominated by tourism. It is therefore important to examine how the benefits of the tourist industry can best be maximised as far as Bermuda is concerned.

The previous chapter, dealing with saturation, has already suggested that, at peak periods during the year, Bermuda has more visitors than it can easily cater to. Thus future development will need to be in terms of quality of tourist attracted to Bermuda, seasonal distribution of visitors, and, related to these, the quality of environment that Bermuda can offer its visitor.

As already mentioned, Bermuda has always been an exclusive holiday resort, and figures already quoted show that about 50% of all visitors to Bermuda have a family income of over \$20,000 per annum. One exception to the situation where Bermuda's visitors pay a high price for exclusiveness and luxury is the Cruise Liner. Visitors who in

recent years have made up approximately 20% of all visitors make less contribution to the island's economy than that of Regular Visitors. For while the Regular Visitor stays, on average, longer and pays for all his accommodation, food and entertainment locally, the Cruise Passenger can, if he so wishes, obtain all of these services on board ship, contributing nothing to the Bermudian economy.

The emphasis on exclusiveness, on quality rather than quantity, means that the type of visitor is of great importance. Since Regular Visitors have been shown to make a much larger contribution to the economy than Cruise Visitors, the number of cruise liners allowed into Bermuda at any time is tightly controlled by the Department of Tourism, and has seen considerable fluctuation in recent years. A conflict of interest and policy has developed, between encouraging all visitors, and restricting Cruise liners. In the early 1970s restrictions were very tight, but in recent years restrictions have been eased to allow more Cruise visitors in. The Hotels Association in Bermuda has pressed the Government to reduce, by one, the number of Cruise ships allowed into the island at any one time, each time a major hotel is opened. This policy, advocated since the 1960s, has not been followed, and since it is unlikely that any major hotel building will take place in the near future, the policy has been outdated. Rather than a reduction in the number of Cruise visitors in the next few years, the Department of Tourism must be looking to push Cruise visitors into the off-peak periods, giving the Regular visitors preference in the peak periods.

While this may help to develop the 'off-season' in Bermuda from November to March, other possibilities exist to extend the season and so provide more security of employment to hotel workers, reducing the social hardship and tension caused at present by seasonal unemployment.

Although Bermuda started out as a winter resort, its climate, although milder than its North American source area, is less attractive than its southern neighbours in the Caribbean, and she has a job selling herself in this period. To offset the unreliable climate, a number of possible paths are open to Bermuda. Weekly events and tours are arranged under the title of 'Rendez-vous' Time and for the first time in 1976 a Winter Festival of the Performing Arts has been arranged, bringing in International performers for concerts, with tickets available internationally as well as locally. The approach of 'offering more' is one preferred by the Tourist Board to a 'cut-price' approach. While winter rates in most hotels are cheaper than summer rates, reductions are not very large, and no attempt is made to offer cut-price, package tours, the emphasis on exclusiveness being the over-riding consideration.

The Convention business offers a lot of attractions to the larger hotels that have the facilities to accommodate large numbers, and to the larger hotels this is an important source of income, particularly in the winter months. However, it is important to remember that the continued expansion of this source of custom is dependent to a large extent on U.S. tax laws, and any tightening of these laws concerning overseas conventions - as with exempted companies - could see a marked cutback in Bermuda's business.

The development of the tourist industry in Bermuda as one without a pronounced 'off-peak' season offers a way of expanding the industry and increasing revenue from tourism without creating a situation in which saturation point is reached; as a result, benefits from extra visitors are more than offset by the problems they create.

A problem central to the theme of attracting quality visitors is that of maintaining a high quality environment in Bermuda: one of rural peacefulness, crystal clear water, tar-free beaches and a slow

and friendly way of life, one that is a pleasant contrast to the visitor from the eastern seaboard of North America.

The preceding chapters have indicated that Bermuda suffers from an unusual complaint; it has been too successful. The last twenty years have seen the number of tourists visiting the island rise to over 500,000 a year from less than 100,000 in the mid-1950s, and for an island of Bermuda's size that may be just too many. The rapid increase in tourist arrivals, along with a rapid increase in population - due to a large extent to immigration and a rising standard of living - is having serious repercussions on the island, destroying many of the characteristics which make the island so attractive to the exclusive North American visitor.

The twentieth century has seen a change from an economic dependence on fishing and farming to an increased dependence on a less diversified tourist industry. Land cleared for farming has now become increasingly used for building; hotels now proliferate, and motorised transport, only introduced after World War II, has produced the present extended form of housing pattern. The extent of these developments, and the speed with which they have taken place, has generated concern in many conservationist circles. A recent report concluded:

'If population growth and hotel development continue, Bermuda in the foreseeable future will have entered the final phase of its development; an island metropolis, a land without country-side.'

'Development to this extremely high level is probably unique for such an isolated area, lacking most of the resources vital to the normal functioning of any modern economy. As such it is an experiment of great importance. The landscape is now so dominated by the structures, machines and uses of man, that the question is plainly how long can this man-imposed system remain viable?'

Bermuda; Man's impact on the Environment

Bermuda Dept of Tourism. 1972

With housing increasing at the rate of 200 new houses a year, the land available for other purposes such as schools, farming and nature reserves declines. As land prices spiral, the amount of land left for gardens declines, and so few are large enough to be able to support trees which will not block out the sun, or whose roots will not grow into the water tanks. Thus the tree population is continually reduced and replaced by concrete and lawns. The effect of this on Bermuda's flora and fauna is marked, but apart from this, the spread of suburban ugliness must be considered extremely costly to an island so dependent on its beauty to attract business.

The spread of housing is reflected in the continuing decline in agricultural land from a peak of some 3,000 acres to less than 500 acres today. In addition, the tree population was greatly reduced when a scale insect was introduced accidentally into Bermuda in 1945, destroying almost every cedar tree in Bermuda, a tree endemic to the island, leaving whole hillsides empty of living trees. These have in part been replaced by the planting of Cassurina trees.

As land prices have risen, building is taking place right up to the edge of Bermuda's cliff-line: one of the island's most attractive natural features. In many places the cliff line is totally dominated by man-made structures. Historically, Bermuda has developed a distinctive and attractive style of vernacular architecture: single storey houses, made from locally quarried limestone, with whitewashed roofs catching the rainwater for the water-tanks, built using local cedar beams, and set in their own garden. Today much of that distinctive design is being lost, particularly in the construction of the larger hotels where the architecture has often degenerated into a de-personalised, internationally produced concept of a purely functional box-like structure, giving no indication of its whereabouts. Again, this ugly, international anonymity

can only detract from Bermuda's appeal by reducing its own distinctive character. In more recent times attempts have been made to prevent this type of design being allowed, and some successful local characteristics have been introduced into some of the modern hotels, but in the 1960s much of the damage was done. It is quite unlikely that in the next decade another major hotel will be built in Bermuda (600 rooms or more), but if it were, the Planning Department should ensure that it is obliged to blend in with the Bermudian landscape rather than stand out and dominate it.

If Bermuda is to continue to appeal to the wealthy who are ready to pay high prices for exclusiveness, then conservation is an essential aspect of the planning of the future of the tourist industry to ensure that "the Bermuda image" is maintained.

The third theme mentioned earlier in this chapter is the need to retain as much of the tourist revenue as possible within the Bermudian economy to benefit Bermudians. While the potential for import substitution has been shown to be very limited, the scope for Bermudianisation within the labour force would appear considerable.

The excessive size of the non-Bermudian labour force can be explained partially in terms of the very rapid nature of the development of Bermuda's economy in the 1960s, partially by the very small size of the island, and its past lack of attention to the importance of education and special training, and by the cosmopolitan nature of the tourist industry. However, this does not mean that the situation is necessarily a desirable one, nor that it is an evitable one. The measures that have been taken to attempt to reduce the number of non-Bermudians in the island's workforce have been outlined earlier, but the situation in the hotel industry is worth some special attention when considering the future of the tourist industry in Bermuda.

Table 28 shows a breakdown of employees in hotels that were members of the Bermuda Hotels Association. (Although this association does not contain all the hotels and guest houses, it does contain the vast majority of the large hotels, and so speaks for the majority of employees and visitors.) The breakdown of Bermudian and non-Bermudian workers into different departments indicates those areas where labour has to be (or is at present) imported. It should be noted that not all of these categories are well-paid or skilled ones. For example, the category of Gardening where only 11% of the workforce is local reflects not only a Bermudian reluctance to do this type of work, but also a reluctance to work for the relatively low wages paid; as a result, 90% of gardeners in Bermuda are Portuguese workers originating from the Azores. The same applies to the more menial tasks in the kitchen, such as washing up, where again Portuguese and Equadorian labour predominates.

In the other categories where foreign labour predominates, in the Dining Room, the Kitchen, and at the Front Desk, steps are being taken to reduce this dependence through training local students at the Bermuda Hotel College.

A Hotel Training College was established in Bermuda in 1961 and now, with the Department of Commerce and Technology (established in 1956), and the Department of Academic Studies (established in 1967), forms a single Administrative Unit known as the Bermuda College. It is designed to offer a range of training programmes to meet Bermuda's manpower needs, where priority is given to courses in the fields of tourism commerce and technology, aimed at maximation of local manpower potential.

TABLE 28.

Position	Bermudian	%	Non-Bermudian	%	Total
Bell Staff	116	99	1	1	117
Dining Room	471	55	391	45	862
Housekeeping	1,012	89	122	11	1,134
Heat, Light & Power	28	61	18	39	46
Laundry & Dry Cleaning	239	97	8	3	247
Maintenance	158	78	46	22	204
Liquor	193	74	67	26	260
Transport	32	91	3	9	35
Stores & Purchasing	39	72	15	28	54
Front Desk & Office	203	41	292	59	495
Kitchen	167	27	449	73	616
Gardeners	14	11	118	89	132
Pool	26	58	19	42	45
Security	72	94	5	6	77
Gift Shop	2	100	0	-	2
Coffee Shop/Drug Store	13	87	2	13	15
Golf Shop	8	73	3	27	11
Miscellaneous	46	38	74	62	120
Management	22	41	32	59	54
Total:	2,861	63	1,665	37	4,526

(Italics - training available at the Bermuda College)

No. of beds 8,117
 No. of employees 4,526

5.6 staff for each 10 beds

The importance of a Hotel College is illustrated by the figures shown in Table 28 where a breakdown of job categories held by non-Bermudians shows that the vast majority (1,360 or 81.6%) are in areas that are the core of the curriculum at the Department of Hotel Technology; Dining Room, Housekeeping, Front Desk, Kitchen and Management. The table shows that in July 1974 of a total of 4,526 employed in the hotel industry 1,665 or 37% were non-Bermudian.

The development of the Hotel College to produce well-trained graduates for the tourist industry, complemented by an Immigration Policy which ensures that they are given preference over non-Bermudian labour, should produce a considerable reduction in the employment of non-Bermudian labour without any reduction of standards, leading to greater benefits to the local economy.

The way ahead for Bermuda suggested in this chapter cannot be expected to be as spectacular as the last twenty years which was a period of very considerable growth. However, the expansion of the industry during 1974, when much of the Western World was in recession, the island's social and political stability, and the way in which Bermudianisation has been pursued in recent years offers bright hopes for the island's economic future. Indeed, the next decade could make it an example to the rest of the world of peaceful transition from colony to independent nation, of racial harmony and economic prosperity based upon the tourist industry; a success story in a world of growing disillusionment with the role of tourism in the economic development of Developing Countries.

APPENDIX A.

1973 BERMUDA FISHERIES STATISTICS
POUNDS OF FISH CAUGHT.

<u>SPECIES:</u>	<u>CATCH (lbs)</u>
ROCKFISH & GROUPERS.	
1. Rockfish. (Black)	79,520
2. " Monkey, Flag.	39,453
3. " Gag or Tiger.	60,577
4. " Red, Princess.	10,256
5. Hamlet. (Nassau grouper).	87,277
6. Misty Grouper, John Paw.	16,055
7. Red Hind.	153,140
8. Coney.	13,951
9. Miscellaneous.	262
	<hr/>
Total;	460,491
JACKS.	
1. Amberjack.	17,495
2. Bonito (Almacojacks).	33,820
3. Gwelly.	18,580
Blue Runner.	34,710
5. Goggle Eye.	3,949
6. Robins.	3,308
7. Miscellaneous.	1,943
	<hr/>
Total:	113,805
SNAPPERS.	
1. Grey Snappers.	15,517
2. Silk Snappers.	7,442
3. Red Snappers.	6,978
4. Yellowtail.	62,474
	<hr/>
	92,393

<u>SPECIES:</u>	<u>CATCH (lbs)</u>
1. Porgy.	53,747
2. Chub.	6,465
3. Hogfish.	14,338
4. Moray.	4,759
5. Sharks.	22,936
6. Miscellaneous.	10,861

Total; 113,106

GAME FISH.

Dolphin.	4,169
Bonfish	206
Barracuda.	8,919
Sennet.	1,536
Miscellaneous.	534

Total; 15,364

TUNA; MACKERAL etc.

1. Yellowfin	4,968
2. Blackfin	16,961
3. Oceanic Bonito	2,830
4. Mackerel	26,556
5. Wahoo	34,175
6. Blue Marlin	3,315
7. Miscellaneous	1,420

Total; 90,225

TOTAL FOOD FISH CAUGHT: 885,384

BAIT: 149,212

TOTAL. ALL FISH CAUGHT IN 1973: 1034,596

NUMBERS OF LOBSTERS CAUGHT

Lobsters	34,912 lbs.
Guinea Chick Lobsters	<u>18,224 "</u>
	53,136 "

NUMBERS

Fish Pots Hauled	108,851
Hours Spent At Sea	75,963
Total Hours Spent IN Industry	102,626
Fishing Boats Submitting statistics	143
Licensed Fishing Boats	216

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