

Budget Contribution 2010

**D. Shane Gibson**

**Member of Parliament**

**Golden Gates**

June 3rd 2010

Mr. Speaker, it gives me pleasure to once again be in this honorable place, representing the wonderful people of the great constituency of Golden Gates. I want to thank all those who participated in our annual fun, run walk and Health fair last month. I also want to thank those persons who assisted with our annual mothers day activities and door to door visits. My appreciation is extended to Commissioner Greenslade for assigning a Police officer to assist with the Golden Gates marching band and encourage more parents to allow their kids to join the Golden Gates marching band. Unlike the Government's urban renewal program, Golden Gates was able to have over \$100,000.00 worth of equipment for our marching band.

Thanks and appreciation also is extended to the heavy equipment operator who assisted in the removal of some derelict vehicles and cleaning of over grown lots in Golden Gates. I look forward to hosting our annual summer basketball tournament along with our back to school extravaganza.

I want to also take this opportunity to wish all workers of this country a happy labor day. I know this is perhaps some of the most challenging times ever in the history of The Bahamas and I know that most workers have very little to celebrate but remember that the Bible says in ALL things give thanks. Let us always be mindful of the purpose for the observance of this day. Labor day has been set aside to celebrate the workers of this nation. I want to remind all workers throughout the length and breath of this country that despite how bad it is, there is strength in unity. The PLP has always and most consistently been the party of choice for Labor in The Bahamas and I want to assure you that within a matter of two year, a caring PLP Government will have an opportunity to make all the wrong right which you have suffered in the hands of this uncaring FNM Government.

Over the last eight years I've had the opportunity to make my personal contributions to the annual fiscal budget of The Bahamas presented to this Honorable place but I must acknowledge that by far this is the most heartless and visionless budget of tax and pain ever presented to this Parliament since I've had the opportunity to grace these walls.

I think the Bahamian public should be reminded that when they hear Cabinet Ministers say they support this budget, it has to be taken in the context in which it is said as all Cabinet Ministers have collective responsibility.

I had a chance to travel to Exuma, Abaco Grand Bahama and Bimini over the past few months and the cry is the same on all of those islands. I'm very grateful for the level of hospitality shown to me throughout all of the fore mentioned islands and wish them all a speedy recovery and emancipation from this wretched Government. If anyone had any

doubts that this rudderless Government is fresh out of ideas as to how to move this country forward as a nation, then there should be absolutely no doubt at this time. It is my view that the expansion of an economy is the only way true growth can be experienced.

Mr. Speaker this Government could have easily approached a major manufacturer in textiles, technology or some other industry and invite them to set up on one of the appropriate islands in The Bahamas, which could help create employment locally along with a population shift.

This Government of illusion which I always refer to as a smoke and mirror Government, has not done one single thing to expand the economy of The Bahamas since coming to office on May 2nd 2007. What you will hear speaker after speaker from the Government side, get up and regurgitate what they were saying from May 2nd 2010. You will hear them criticize the Christie administration, you will hear them say over and over again that we did not do it so we have no right to complain when they get it wrong and does it wrong. You will hear them complain about the houses they had to repair. What you won't hear them say is how they give millions of dollars in contracts without going out to tender. You won't hear them say how many family members are being hired, transferred or promoted. You won't hear them tell the public about the process they use in selecting contractors to bid on jobs.

Mr. Speaker from the time the budget communication was read last week, the large majority of The Bahamas has gone into a state of depression or disbelief. I have personally spoken to hundreds of Bahamians over the past week and they are furious. Their position seemed to be synchronized and they all stated that they want their country back and they want it now. Bahamians are asking why they should be made to pay for this Government gross incompetence and mismanagement. They highlighted the fact that the mismanagement started from the day the FNM took office on May 2nd 2007, when they appointed a gussymae Cabinet (Cabinet of twenty Ministers). Then four were either terminated, forced to resign or squeezed out of office but not replaced. So the question now is, was it necessary to have a Cabinet of twenty in the first place. (Sidney Collie gone, Branville McCartney gone, Carl Bethel gone and Elma Campbell gone). Never to be replaced. The second question is, at a time as this do we need a Cabinet of the size we have now. During these tough economic times, when the majority of Bahamians are being called upon to make huge sacrifices, one would have thought that the first thing the Prime Minister would do, was to reduce the Cabinet and Ministries to a size to reflect what is going on in The Bahamas at this time. (He apparently consulted with all workers representatives whose income would be negatively affected except Opposition MP's), (It is interesting that the PM met with executives of all unions concerned but in the case of Water and Sewerage, he only met with the President).

Presently there are thirteen Ministries, sixteen Ministers and one Parliamentary Secretary. For example you can combine Labor, Housing and Social Service which will eliminate one

Ministry, a Minister, a Minister of State and a Parliamentary Secretary. There is presently a Senior Minister and a Minister of State in the Ministry of Environment). There is no need for a Minister of State in the Ministry of Environment. A reduction in Ministries and Cabinet Ministers could result in a savings of over \$1.4 million.

Mr. Speaker what we see here is that there is something in this budget for every single Bahamian to be angry about even though there are some who say so privately but publicly pretend to support it.

Mr. Speaker what we see here is the culmination of three years of most Ministers twiddling their thumbs while The Bahamas is going to the dogs. We saw in 2007 when this FNM Government came to office, they immediately announced that The Bahamas would see a budget surplus of \$25 million at the end of the 2007/2008 period. That Mr. Speaker tells you and the entire Bahamas, the wonderful state of The Bahamas economy in 2007 when we left office. Then to add insult to injury, the Prime Minister attempts a bit of Ingramnomics by contradicting the Central Bank of The Bahamas as to what the National debt is at this time. I guess it is always interesting to hear how this Government of illusion finds creative ways to manipulate any and everything. Then there is the GDP which by their own figures is contradicted. Some would even argue the figures as advanced by the Government, that the contraction of the economy resulted in the GDP being even lower than stated and with the National debt which the Central Bank insists includes all direct charges on Government plus contingent liabilities is over \$4 billion at this time, actually gives us a debt to GDP ratio of almost 60%.

Mr. Speaker once again when we look at what this Government is relying on to generate revenue needed for the 2010/2011 fiscal period, I believe that The Bahamian people will show their displeasure and disgust by not purchasing the amount of vehicles and real estate anticipated in this budget, coupled with people reprioritizing, as a result of them not being in a position to find money to spend.

I believe that it is a fundamental mistake for this Government to place the burden of generating revenue on the shoulders of those who can least afford it. Let's look at what this FNM Government is asking the Bahamian public to do at this time.

- Pay more for electricity
- pay more for vehicle license
- pay more for drivers' license
- pay more to have your electricity reconnected
- pay more customs duty on vehicles
- pay more departure tax
- pay more for real estate transactions if you are not a first time owner
- School fees in the private schools will increase as a result of reduction in subvention from the Government to private schools
- pay more in bank fees

- pay more in mailboat freight charges
- pay more National Insurance
- pay more for the most consumed meat in The Bahamas (chicken)
- pay more for Gasoline while most Ministers park their Cabinet issued cars which they have to pay for their gas and instead drive red plate vehicles in which case gas does not cost them a penny. (it will cost you more for fuel as a result of time spent on the road because of reversal Market and Blue Hill Rd.)

They are doing all of this while Marco City is saying that the country is turning around and things are looking good. Then they took all of Customs and Immigration over time and in exchange gave them meager salary increases to replace it. Then to add insult to injury, they freeze salaries, promotion and increment but yet still they promote persons to acting permanent secretaries while having several permanent secretaries sit idly in the office of Prime Minister doing nothing. This is one time I wish I were still in the Trade Union movement.

Mr. Speaker when a government decides that it needs to raise additional revenue through taxes, the first thing they do is determine the target audience and this Prime Minister and FNM Government decided that they wanted to mostly tax those who are least able to afford it. I believe that everyone within the sound of my voice would agree that it makes no sense for a Government (or anyone for that matter) to use bad ideas and when there are good ideas available. Therefore in light of the lack of ability for this FNM Government to find creative ways to expand the economy and a more equitable way to raise revenue through taxes, then it stands reasonable to believe that this Prime Minister and FNM Government is fresh out of ideas.

Mr. Speaker I believe that it is time we find ways to expand the economy, to generate revenue and when we must tax, then the bigger burden should be placed on those who can most afford to pay.

Mr. Speaker we have thousands to foreign workers remitting millions of dollars from The Bahamas. Why couldn't The Government increase fees and taxes on these remittances. Mr. Speaker real property tax could have also been increased for home with a value of over \$2 million. Then Mr. Speaker we could also explore the possibility of taxing undeveloped land of over x amount of Acres.

For those who are requesting the Government to delay implementation of these various tax increases, must be kidding. I am advised that during the consideration process as to whether or not to put these tax burdens on the Bahamian public, that the Government very carefully looked in areas that they thought would have an immediate impact, where there were sufficient transactions in the pipeline that it would be too late for persons to change their mind. So it was a very deliberate move to have these increases implemented the way they were, having no regard for the impact they would have on the average and below average wage earners.

What I also find very interesting is that when over the hill average residents can't get a

meeting with the Prime Minister but as soon as the Bay Street boys and special interest groups request one, it is granted right away. (Blue Hill Rd Market St reversal).

Then just in case the tax increases don't kill those persons targeted, this uncaring FNM Government is taking away the ten year exemption given to businesses under the industries encouragement Act with little and in some cases no notice. So companies who had planned their business with the understanding that they would receive up to ten years exemption on certain items and would have invested certain amounts of moneys knowing that they had a fixed time to recoup their investment, would now have to incur unexpected loss in many cases.

Mr. Speaker I heard the Prime Minister say that the higher tax was placed on vehicle which burned more fuel in an effort to encourage consumers to purchase vehicles with smaller engines which are more fuel efficient, even though the Government earns a substantial amount of revenue from fuel tax. Then I thought to myself, I wonder if the increases in beer tax means that those decision makers drink less beer and is an indication of spirits being the preferred beverage or is it an indication of those in authority wanting consumers to drink less beer and more spirits, or is it a combination of both. It is still mind boggling to me how it is that even though it is a general principle that tax on imports throughout The Bahamas is uniformly levied, that in the instance of Beer, we see it being applied differently. One rate for Free Port and another rate for Nassau. Also as it relates to Commonwealth Brewery, The Prime Minister announced with great fanfare how the average Bahamian would soon be able to share in the success of an IPO by this company, then he proceeds to wipe out most if not all of the projected profits of the company right away. I guess one would have to wonder, what the message is in this to those persons intending to invest in this company.

Mr. Speaker, I guess nobody is surprised by this inconsistency with this FNM Government as we see where for more than 15 years this Government has been talking about breaking monopolies. Broadcasting monopoly was broken, telephone monopoly was broken, Cable monopoly is crumbling, and now this Government is creating a monopoly for those who really don't need it. But as we can all see, they don't live over the hill, because that could no longer happen for anyone who lives over the hill, as this FNM Government thinks concessions are too good for them now.

Why is it that this FNM Government would create a monopoly for those who are developing Arawak Cay while getting rid of all other monopolies. If the private sector wants to develop another port on New Providence and create competition, which helps to drive prices down, then why shouldn't it be allowed. What is it that these investors are doing which would cause this Government to hold an entire island and possibly an entire country hostage to this monopoly, as most goods for The Bahamas comes through Nassau. Well the good thing is that this Government has shown over and repeatedly, that notwithstanding what this Prime Minister says about a deal with the Government is a deal with the Government, he showed us with executed agreements with the Straw Market, Heritage school in Grand Bahama, Mortgage Corporation Complex, Magistrate Court,

Sandilands Adolescence Center, the school in Selena point Acklins and many more, that a deal with the Government is not a deal. This Prime Minister has shown us the Nation and the world that just as a simple majority can make the deal, it takes a simple majority to break the deal. There are a thousand ways to skin a cat.

What we should be doing more of now, rather than continuously talking about it, is creating a more efficient Government. I see where the Government is hip hopping all over the world signing TIEA's, but what we don't hear is how these TIEA's would be implemented, monitored and enforced. The biggest question is do we have the capacity to do so. We need only to look at how we are still doing everything manually here in The Bahamas. Why is it that we can't do more business between The Government and consumers electronically. Why is it that countless amount of man hours is spent filling out paperwork which could easily be done electronically.

Mr. Speaker on another note, I hope that as this government continue to monitor the BP oil spill, and if the spill actually reaches The Bahamas, that they would give serious consideration to opening the Lobster season early this year.

1) Get Immigration documents to show how process is being abused.

Mr. Speaker, I heard the Prime Minister's comments regarding the Government consulting with the opposition on the structuring of the Country's Budget and how in the thirty four years he has been in Parliament this exercise has never been done. But we are facing economic challenges never before faced in the history of The Bahamas and the world. These are rare and extraordinary times and with the Nation in crisis the Government should have invited some of the bright minds in the country to help to navigate the Bahamas through these troubled times. This in my mind would have demonstrated a great deal of strength and maturity on the part of the Government.

Mr. Speaker unfortunately my heart won't allow me to support this budget in its present form, but with some changes I may be prepared to do so. Mr. Speaker, Golden Gates opposes this major blood bath thrust upon The Bahamian people in this budget.

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