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SPEAKING NOTES

OF

VINCENT PEET

MEMBER FOR NORTH ANDROS AND THE BERRY ISLANDS

ON

THE DEBATE TO APPROVE 2011/2012 NATIONAL BUDGET

JUNE 7th, 2011

Mr. Speaker,

I am honored once again to speak on behalf of the good people of the North Andros and Berry Island Constituency in particular, and Bahamians everywhere.

Our task here is to analyze and question the architects of this 2011/12 National Budget.

Excerpts of statements by right Honorable Prime Minister from 2007/ 2008 Budget Communication:

Mr. Speaker, I quote:

“Our path to a restoration of trust in Government requires a sound and sustained economic policy”.

“Such an economic policy will be supported by a sound fiscal policy. It is for this reason that before setting out my Government’s fiscal policy for 2007/08 I wish to set out my Government’s objective and overall economic policy. We aim, over the next five years, to do the following:

- Create good paying jobs for unemployed Bahamians;
- Encourage income growth for those who are Employed;
- Increase Bahamian entrepreneurship and Ownership in our economy;
- Reduce poverty, particularly in our inner city areas And in our Family Islands;
- Create balance in our economic growth by Responsibly spreading prosperity to our Family Islands;

■ Invest our prosperity in the improvement of our Society generally: in security, in education, in health, in social welfare and in youth development; and

■ Safeguard our environment and heritage for present and future generations”.

Mr. Speaker,

These were the promises this Government made to the Bahamian people on Wednesday, the 30th day of May, 2007.

This is a Government of broken promises and dreams un-fulfilled.

For four straight years this Government has failed to live up to its commitment to the Bahamian people.

Budget after budget, they have failed to deliver on the promises made to the people. They have abandoned the Bahamian people to suffer under increased taxes.

They have demonstrated poor management of the economy, running Deficit after deficit – The only thing they have been good at is borrowing, borrowing and more borrowing. In four years this Government’s claim to fame is that is has successfully burdened the Bahamian people with borrowing to the tune of \$1.57Billion.

That is \$1,568,972,702, so the Member for Marco City could make notes.

This Government has thru their negligence and poor management saddled Bahamian people with debt that if divided equally between each and every one of our 353,658 citizens, amounts to an individual loan of \$4,436.41. This is every man, woman and child. That is what this government has given to the Bahamian people in the last four years. A National Debt of some B\$4.2 Billion

And what do they have to show for it. Torn up roads, Bahamians unemployed while Foreigner working.

This is the Government that has asked you to sacrifice, and bare the pain of the recession.

This is the Government of Voodoo economics, which try to confuse the Bahamian public with calculations of GDP to Debt Ratios.

Mr. Speaker,

UNEMPLOYMENT in 2007 – PLP Government left a strong economy and unemployment rate @ 7.6%. Today the unemployment rate in New Providence is almost 20% and in Grand Bahama it’s over 20%. There are over 30,000 Bahamian without work.

I must comment the fine professional in the Department of Statistics, as I am sure they are ready, willing and able to do the job. If allowed, these dedicated civil servants would have this information available to this Honourable House today. Hand delivered if the Government let them.

What is the Government trying to hide?

Mr. Speaker,

I humbly request that this time, the Government please included the figures for Grand Bahama and the Family Islands. No more fancy talk about who is or isn't applying for NIB unemployment benefits.

Mr. Speaker,

The availability of accurate labour statistics is essential to Members of this House. It would enable ALL members to make competent contributions to this Budget Debate for the betterment of the Bahamian people.

Bad economic decisions are a result of lack of information. Bad information almost always causes bad decisions.

Mr. Speaker,

What is this Government's answer to tackling the severe unemployment: The National Job Readiness and Retraining Program.

Mr. Speaker,

The Bahamian workers laid off from The Westin and Sheraton Our Lucaya, Comfort Suites, Atlantis, Bimini Bay and Old Bahama Bay are already trained and prepared to work NOW, TODAY.

The Bahamas has a large cadre of highly skilled, highly qualified professionals to do the job.

THERE JUST ARE NO JOBS FOR THEM TO DO.

The Bahamas Hotel Association has in place Workforce Development Activities for the continued advancement of Human Resources in the Hospitality Sector. The BHA has been begging this Government for assistance to diversify the Tourism product. They have been begging for help to reduce operational and particularly utility costs.

Their pleas have been in vain, as there is no relief in this Budget.

This Government's promise that they will "Create good paying jobs for unemployed Bahamians"

Has not been fulfilled, nor has it been addressed in this Budget.

This Government is shamelessly campaigning on having provided Unemployment assistance thru NIB.

Mr. Speaker,

For the record, when the visionary leader of the PLP – Sir Lynden Pindling created NIB (despite opposition from this FNM Government) assistance to the unemployed was always a part of its mandate.

Mr. Speaker,

The Bahamian people should be told that NIB is not giving them a handout, they are simply benefitting from the contributions they have made to the funds over their years of employment.

Mr. Speaker,

Year after year, 5000 Bahamians graduated from secondary. Another 1000 Bahamian student's graduate from colleges and universities, some of them with advanced degrees from the most prestigious schools in the world. Armed with the latest and most up to date theoretically and practical expertise, willing and most able to make their contribution to their beloved HOMELAND.

But this Government has failed them year after year.

Mr. Speaker,

Does this National Job Readiness and Retraining Program apply to them?

Where are the jobs they are being made ready for?

Mr. Speaker,

The Work Placement and Employment Exposure Programme is nothing more than a temporary jobs programme.

Young, educated and motivated Bahamians want Careers, NOT TEMPORARY JOBS.

This Government's record on the creation good paying jobs for unemployed Bahamians = FAIL

Mr. Speaker,

The Government should start by adding the good people of BTC that received their disengagement letter this morning to the growing list of unemployed.

Mr. Speaker,

I am referring to the 736 Bahamians Cable and Wireless plan to send home. The BTC workers are receiving their disengagement letters as I speak here today.

Again more highly educated, skilled Bahamian workers will be without a job by the end of the month.

Mr. Speaker,

This is the Government responsible for Bahamians losing their jobs, losing promising careers and being productive citizens of our society.

Mr. Speaker,

These Bahamians are having their careers taken away, and their jobs outsourced to Jamaica and the Caribbean.

The same Bahamian workers who built and maintained our most profitable corporation, have been sacrificed on the high altar of greed for the good of the Cable and Wireless.

Mr. Speaker,

This is the Government that promised no disengagement for one year. This is the same Government that said that the work force would only be reduced by 30%.

Bahamian will be made to suffer the tragedy of having their careers cut short for the benefit of the Foreigners who are being brought into the country by the bus load.

How can this Government look them in the face and say, "a matter of trust?"

Where will these Bahamians find employment?

What will they be retrained to do?

What other career opportunities will they be made ready for? What? Where? When?

This Government's record on Job Security = FAIL

Mr. Speaker,

Another example on this Government's record of Voodoo economics:

This Government has failed to show in its Expenditure Details, how it has accounted for the \$39M earmarked for the BTC Employee pension fund?

Where is the people's money?

Mr. Speaker,

I say to the professionals at BTC, the incoming PLP Government will make sure that Bahamian own the majority stake in BTC, and Bahamians will continue to make their careers at BTC.

Rest assured, the PLP Government takes care of People. A PLP Government says Bahamian are more than qualified to run BTC.

A PLP Government is Progressive, and will look to expand our Economy.

Mr. Speaker,

This Government has failed to:

“Encourage income growth for those who are Employed”

Mr. Speaker,

In its June 5, 2011 online publication, Economy Watch stated that the GDP Growth (Constant Prices, National Currency) for Bahamas in year 2010 was 0.5 %. This makes Bahamas No. 159 in world rankings according to GDP Growth (Constant Prices, National Currency) in year 2010. The world's average GDP Growth (Constant Prices, National Currency) value is 4.08 %; Bahamas is 3.58 less than the average.

GDP Growth (Constant Prices, National Currency) for Bahamas in year 2009 is -4.287 %. This makes Bahamas No. 152 in world rankings according to GDP Growth (Constant Prices, National Currency) in year 2009. The world's average GDP Growth (Constant Prices, National Currency) value is 0.03 %; Bahamas is 4.32 less than the average.

GDP Growth (Constant Prices, National Currency) for Bahamas in year 2008 is -1.686 %. This makes Bahamas No. 178 in world rankings according to GDP Growth (Constant Prices, National Currency) in year 2008. The world's average GDP Growth (Constant Prices, National Currency) value is 4.15 %; Bahamas is 5.84 less than the average.

In the previous year, 2007, GDP Growth (Constant Prices, National Currency) for Bahamas was 1.92 % GDP Growth (Constant Prices, National Currency) for Bahamas in 2008 was 187.77% less than it was or will be in 2007.

Mr. Speaker,

This is a very clear sign of an Economy in trouble. As we all know the world has been affected by the global recession, this data shows that This Government was not as effective and did not implement the correct policies as some countries did. The job performance of this Government was simply not as good as our countries, which is why Our Economy has suffered so greatly for so long.

This Government Mr. Speaker has not gotten one of its budgets right from 2007. Their estimates have been off the mark by tens and hundreds of millions of dollars.

Mr. Speaker,

The numbers don't lie, this Government failed to properly address the recession, and make corrective measures to grow the economy.

Mr. Speaker,

The record will show on this Government's performance on its commitment to: Encourage income growth for those who are Employed, is a FAILURE.

GDP Per Capita (PPP), US Dollars for The Bahamas in year 2011 is forecasted to be US\$ 26,225.88. This would make The Bahamas No. 35 in world rankings according to GDP Per Capita (PPP), US Dollars in year 2011. The world's average GDP Per Capita (PPP), US Dollars value is US\$14259.98; The Bahamas is US\$ 11,965.90 more than the average.

GDP Per Capita (PPP), US Dollars for The Bahamas in year 2007 was US\$ 27,218.40. This makes The Bahamas No. 33 in world rankings according to GDP Per Capita (PPP), US Dollars in year 2007. The world's average GDP Per Capita (PPP), US Dollars value is US\$ 13262.18; The Bahamas is US\$ 13,956.22 more than the average.

In the previous year, 2006, GDP Per Capita (PPP), US Dollars for The Bahamas was US\$ 26,255.05 GDP Per Capita (PPP), US Dollars for Bahamas in 2007 was 3.67% more than it was in 2006.

Mr. Speaker,

From the first day this Government took responsibility for this Economy, the Average Bahamian has gotten POORER.

The Bahamian people don't need fancy statistics to tell them this Government's economic policies are a failure, they feel it their wallets and pocketbooks.

Mr. Speaker,

Just for the record, this Government's commitment on reduce Debt to GDP.

Mr. Speaker,

This Government has failed again. After so many promised made to the Bahamian people, one cannot help but look in amazement at the detailed content of this budget.

Mr. Speaker,

The record of the Christie Government was successful in managing the Bahamian economy. The Christie Administration developed national budgets that had this country on the path to positive growth.

INSERT Table II - Budget Performance 06/07 (see attached)

Mr. Speaker,

This chart clearly shows how the Christie Administration properly managed the Bahamian Economy throughout its entire term in office.

INSERT Table X – Ratio of Recurring Revenue to GDP 06/07 (see attached)

Mr. Speaker,

This chart is proof of the good stewardship of the Bahamian Economy by the Christie Administration.

Mr. Speaker,

This was a health economy that the present Government inherited, only to drive into the ground with misguided budgets year after year.

Mr. Speaker,

Why is it, that a Government that promised a 30% rate reduction by Cable and Wireless has not forecasted the said rate reduction in its budget?

Is the Government trying to tell the Bahamian people something?

Mr. Speaker,

The Government budget shows no 30% rate reduce for telecommunications cost for any of its ministries or departments for the fiscal year July 2011 to June 2012.

Mr. Speaker,

When can the Bahamian people expect the rate reduction promised by this Government?

Mr. Speaker,

May the answer be that the Government does know or cannot make the decision, as they are no longer have majority control of the company? This is what happens when you give things away without thinking.

Mr. Speaker,

The vendors of pre-paid phone cards know about broken promises. That promise about reduced rates turned out to be a increase in cost of cards to the phone card vendors.

Mr. Speaker,

The small man on the street gets victimized again by this Government. But you can't blame Cable and Wireless, they never made any promises. The Government and its Ministers made all the promises in their attempt to sell the DEAL to the Bahamian people.

Reduce rate = Not this year

Cheaper phone card = Yeah, right. Only if you buy directly from LIME, as the plan is to put the street vendor out of business by year's end.

Mr. Speaker

I'm advised that this Government has demonstrated such bad management of Cable and Wireless has devalued the assets of BTC by 30%, without as much as a whisper.

This Government has sat back and allow the remaining THE PEOPLE'S 49% share to be almost cut in half.

Mr. Speaker,

Who has a piece of property appraised (supposedly, as the Government never produced the BTC valuation), and two months later agree to another appraisal that says that property is worth 30% less.

Mr. Speaker,

This Government has managed to not only botch up the privatization of our national asset, but has also managed to fail in its custodianship of the remaining share of the BTC. Say what you want, the Bahamian Board of Directors was able to grow the value of BTC when it was 100% Bahamian owned and operated.

Mr. Speaker,

Does this Government think foreign is better now?

Mr. Speaker,

This Government has made an effort to:

Increase Bahamian entrepreneurship and ownership in our economy; with Jump Start Programme.

This Government inherited these very same programs from the Christie Administration, in the form of the Venture Capital Fund and the Domestic Investment Board, under the portfolio of the Ministry of Investment and Finance. This Government made the decision to not only abandon these successful programs, but also made the ill-advised decision to eliminate the Investment Ministry altogether.

This Government saw fit to abandon Bahamian entrepreneurs when they most needed a helping hand from the Government.

Mr. Speaker,

The funds limit of \$7,500 per entrepreneur - Mature Bahamian entrepreneurs will tell you this is a step in the right direction but should be doubled. What could they do with this small amount of money? It is better to make this \$15,000 or more even if to less persons than this small amount.

The biggest hurdle for Bahamian SMEs is capital access, The Bahamas Development Bank has failed again because it is government run, it needs to be privately run and the right amounts of funds needs to be set aside for Bahamian start up businesses, otherwise , the system is against them. Foreign persons can obtain low interest loans from aboard to come in and do business, we need some relaxation so that Bahamians can have access to the foreign markets, and otherwise there is an unfair advantage.

As an example, hotels pay less than 1% now in business license fees but Accountants, Lawyers and others professionals pay up to 1% of their revenue in business license. We all know that most of the hotels are foreign owned, this again is unfair competition, we need to speak to this more and make changes in our tax structure that make it a level playing field for Bahamian entities. There is no doubt that foreign entities will export most of their funds aboard thus not benefiting the economy the way a Bahamian entity does.

For many small businesses capital is the impediment. This Government again fails to put aside the right amount of funds. Too little too late

Mr. Speaker,

I should highlight the fact that although the tax relief contained in this budget is good, it is too little too late, it should have been introduced in last year's budget, to spur consumer confidence, last year's budget was an abject failure, by increasing taxes in a time of recession and did not achieve the revenue results.

The Business Community is not impressed with this Budget.

What they say they need from the Government is relief from High Taxes and High BEC Bills – Those high taxes imposed last year affect their bottom line. They understand how employing someone @ \$210.00 would help the Government but they do not see how it helps their Business. They say revenue is down and Government needs to stimulate the private sector by other means.

They also feel that the Government made a major mistake when it amended our national investments policy to allow foreigners to own Restaurants and Entertainment facilities.

This will kill the entertain industry for Bahamian which was already dying.

The small Bahamian Restaurants are also in danger and the question is being asked – did the Government amend this policy to accommodate DART INVESTMENT CO. out of the Cayman Island which has bought up substantial properties on Bay Street recently and who intends to get into the Restaurant Business.

Mr. Speaker – Agriculture

This Government has again abandoned the Farmers of this country. Has this Government considered how this budget will affect the poultry breeders and fruit and vegetable farmers who are struggling to make a profit? Where is the relief for these Bahamian businesses?

Mr. Speaker,

When will this Government take Agriculture seriously? Will this Government ever see that Agriculture is critical to the National Security of this country? Oxfam predicts that the cost of food will double by 2030, what we are doing to prepare for this.

Mr. Speaker,

I say that Agriculture can provide the thousands of jobs for Bahamians, jobs for professionals in food production, processing and management. Agriculture is the easiest and most practical way to diversify the Bahamian Economy.

Mr. Speaker,

My constituency of North Andros is leading the way in food production. North Andros farmer are producing high quality fruits and vegetables for sale on the world market but they need help.

Mr. Speaker,

The farmers of North Andros and the entire Bahamas want a Government that demonstrates its commitment to Agriculture, not a Government who will undercut them when they need the Government the most.

The next PLP Government will put great emphasis on Agriculture – There has to be a larger allocation from the budget and there must be grants to Farmers.

Mr. Speaker,

Since the FMN Government come to power in 2007 they have been having a substantial deficit in every budget they presented.

While Perry Christie Government provided 23,000 Jobs for Bahamian in Five (5) years the FNM Government has lost thousands of Jobs.

Unemployment has gone through the roof, murders and serious crimes have gone through the roof, the misery index has gone through the roof, and hopelessness is everywhere. The Bahamian people were ready to send this Government packing two years ago they have been ready for a long time.

As William Shakespeare said in "Hamlet" and I quote,

THERE IS SPECIAL PROVIDENCE IN THE FALL OF A SPARROW. IF IT BE NOW, 'TIS NOT TO COME; IF IT BE NOT TO COME, IT WILL BE NOW; IF IT BE NOT NOW, YET IT WILL COME – THE READINESS IS ALL.

This Government has been a total failure and as you saw from the Thousand of PLP who March on Labor Day. It aint long now, relief is on the way Bahamas the PLP will put Bahamian first again in the Bahamas. The PLP will restore hope to the Bahamas it aint long now.

End