

CONTRIBUTION OF SENATOR CARL W. BETHEL QC
LEADER OF GOVERNMENT BUSINESS
TO THE DEBATE
ON THE
2018/2019 BUDGET

MADAM PRESIDENT,

I RISE TO MOVE FOR THE SECOND READING AND COMMITTAL OF A BILL FOR ACT TO APPROPRIATE DIVERSE SUMS OF MONEY FOR AND TOWARD DEFRAYING THE EXPENSES OF THE GOVERNMENT OF THE BAHAMAS ON THE REVENUE ACCOUNT FOR THE FISCAL PERIOD ENDING ON THE 30TH JUNE, 2019.

MADAM PRESIDENT, IT IS IMPOSSIBLE TO STAND HERE AND NOT TO ADDRESS THE ISSUE DE JOUR, NAMELY THE FIRING OF SEVERAL PARLIAMENTARY SECRETARIES.

LET ME SAY THAT WE HAVE A PECULIAR POLITICAL SYSTEM HERE, THE WESTMINSTER PARLIAMENTARY SYSTEM. IT HAS BEEN OUR POLITICAL SYSTEM SINCE THE 1700S. EVEN BEFORE THAT TIME THE PIRATES HELD A VERSION OF PARLIAMENT. IT IS THE ONLY POLITICAL SYSTEM THAT WE KNOW. IT HAS IT OWN ESTABLISHED RULES. THESE RULES ARE CLEAR AND ARE WELL KNOWN TO ALL WHO ENTER THE ARENA OF PARLIAMENT.

SHORTLY AFTER THE FNM WAS ELECTED TO OFFICE WE HELD A PARLIAMENTARY MEETING WHERE ALL THE RULES OF PARLIAMENT

WERE TOUCHED UPON AND EXPLAINED. I WAS A PRESENTER AND SPOKE TO THESE ISSUES DIRECTLY. I DID SO BECAUSE BAHAMIAN POLITICAL HISTORY SHOWS THAT LARGE POLITICAL MAJORITIES USUALLY PROVOKE SERIOUS POLITICAL PROBLEMS FOR THE GOVERNING PARTY. I WAS CONCERNED TO ENSURE THAT ALL KNEW THE RULES. I TOLD MY COLLEAGUES THAT AN MP HAS THE RIGHT TO FREE SPEECH, BUT THAT HIS VOTE IS 'MORTGAGED' TO THE GOVERNONG PARTY. WHENEVER THE 'WHIP IS ON' HE IS BOUND TO TOE THE LINE AND VOTE WITH THE GOVERNMENT.

NO ONE WAS MIS-LED. NO ONE WAS SURPRISED. THE MPS WERE ALL MADE FULLY AWARE OF THE PRINCIPLES GOVERNING SUCH ACTIONS. EVERYTHING WAS TRANSPARENT. THEY KNEW WHAT THEY WERE DOING AND THEY KNEW THE CONSEQUENCES.

FURTHER EACH PARLIAMENTARY SECRETARY IS BOUND TO OBSERVE ALL THE DISCIPLINE OF A CABINET MINISTER, SINCE A PS IS A 'JUNIOR CABINET MINISTER' OR SOMEONE EARMARKED FOR TRAINING AND EARLY ADVANCEMENT TO CABINET OFFICE. A COPY OF THE MANUAL OF CABINET PROCEDURE IS GIVEN TO EVERY MINISTER AND PARLIAMENTARY SECRETARY. THE MANUAL CLEARLY SET OUT THE RULES WHICH BIND ALL PSs AND MINISTERS. NOT ONLY IS A PARLIAMENTARY SECRETARY PRECLUDED FROM VOTING AGAINST A GOVERNMENT MEASURE, HE IS EVEN PRECLUDED FROM SPEAKING OUT AGAINST A GIOVERNMENT MEASURE.

RULES ARE NO RESPECTORS OF PERSONS. SO, JUST BECAUSE A PERSON MAY CUT A SYMPATHETIC FIGURE THERE CAN BE NO EXEMPTION FROM THE RULES. RULES ARE RULES.

PERHAPS SOME PERSONS BELIEVE THAT WE NEED TO CHANGE THE SYSTEM. EVEN A CONGRESSIONAL SYSTEM, LIKE THAT IN THE USA, HAS RULES.THEY ARE DIFFERENT IN MANY RESPECTS. BUT EVEN UNDER THE AMERICAN SYSTEM THERE ARE RULES.

THAT BEING SAID, IT IS TO BE HOPED THAT THINGS WILL SETTLE DOWN AND THAT IN TIME THERE CAN BE A RESTORATION OF HARMONY AT ALL LEVELS. OUR PARTY HAS SHOWN HISTORICALLY THAT RECONCILIATION IS ALWAYS POSSIBLE. HE SIDNEY COLLIE WHO STEPPED DOWN AS MINISTER ON THE PUBLIC RECOMMENDATION OF THE FORMER PRIME MINISTER DUE TO A TECHNICAL ERROR MADE AND RELATED TO LOCAL GOVERNMENT ELECTIONS SERVES NOW AS OUR APPOINTED AMBASSADOR; OTHERS WHO SUFFERED SIMILAR FATES HAVE RISEN TO HIGHER HEIGHTS, ONE EVEN BECOMING DEPUTY PRIME MINISTER. TIME AND GOODWILL CAN HEAL ALL DIVISIONS, AND IT IS TO BE HOPE, AS I HAVE SAID THAT THE FNM WILL CONTINUE IN ITS TRADITION OF RECONCILIATION AND FORWARD PROGRESS.

MADAM PRESIDENT,

THESE ARE INDEED TRYING TIMES, AND TODAY WE COME TO THIS CHAMBER TO DEBATE A BUDGET WHICH IS A SINCERE ATTEMPT TO RISE TO MEET THE CHALLENGES WHICH CONFRONT OUR YOUNG

NATION. THIS BUDGET IS AN EXERCISE IN ENORMOUS FISCAL AND FINANCIAL RESTRAINT, ON THE ONE HAND. ON THE OTHER, IT IS A CALL TO NATIONAL SELF-SACRIFICE AND BURDEN-BEARING.

WE ARE ALL CALLED UPON TO MAKE SACRIFICES AND CARRY HEAVY BURDENS.

THE RECURRENT BUDGET OF THE OFFICE OF THE ATTORNEY-GENERAL AND MINISTRY OF LEGAL AFFAIRS HAS BEEN CUT TO AN IRREDUCIBLE MINIMUM. TRULY WE ARE BEING CALLED UPON TO DO “MORE WITH LESS”; AND WE KNOW THE REALITY IS THAT ONE CAN USUALLY ONLY DO LESS, WITH LESS.

THERE HAS BEEN A REDUCTION OF MORE THAN \$350,000 IN THE ALLOCATION FOR PERMANENT AND PENSIONABLE SALARIES; AND ANOTHER \$300 THOUSAND FOR CONTRACT WORKERS, PRODUCING A MORE THAN \$600 THOUSAND DROP IN THE TOTAL ALLOCATION FOR PERSONAL EMOLUMENTS AND SALARIES.

THERE HAS HOWEVER BEEN A SLIGHT INCREASE IN “OTHER CONTRACTUAL SERVICES”, PARTICULARLY DEVELOPMENT CONTRACTS.

THERE HAS BEEN A NEW ALLOCATION OF JUST OVER A MILLION DOLLARS TO ASSIST IN DEFRAYING THE COSTS OF BRINGING THE FREEDOM OF INFORMATION ACT INTO FULL FORCE AND EFFECT. THESE FUNDS WILL INITIALLY BE EARMARKED FOR WIDESPREAD TRAINING EXERCISES, AS WE ALSO LOOK TOWARDS THE APPOINTMENT OF A

NATIONAL INFORMATION COMMISSIONER AND THE OUTFITTING AND STAFFING OF HIS/HER OFFICE.

THE SUM OF \$100,000 HAS BEEN ALLOCATED FOR CELLULAR LIBERALIZATION. AS WE ARE ALL AWARE, THE PAST ADMINISTRATION CONTINUED THE FNM POLICY OF CELLULAR LIBERALIZATION, WHEN THEY LICENCED ALIV, A SUBSIDIARY OF CABLE BAHAMAS. THE BAHAMAS GOVERNMENT AT THAT TIME INVESTED MORE THAN & \$70 MILLION TO PURCHASE ONE HALF OF THE SHARES IN ALIV, WHICH IS HELD BY A SPECIAL PURPOSE VEHICLE (INELEGANTLY) CALLED "HOLDING CO".

THE FORMER GOVERNMENT'S INTENTION WAS TO OFFER THEIR SHARES IN ALIV TO INSTITUTIONAL INVESTORS SUCH AS COOPERATIVE CREDIT UNIONS, ASSET AND INVESTMENT MANAGERS AND PENSION FUNDS. HOWEVER, IT HAS ALWAYS BEEN A CARDINAL PRINCIPLE OF THE FNM THAT SHARES IN PRIVATIZED ENTITIES SHOULD ALWAYS BE OFFERED FIRSTLY TO ORDINARY BAHAMIANS. IT IS THE GOVERNMENT'S INTENTION THAT SHAREHOLDINGS WILL EVENTUALLY BE OFFERED TO THE GENERAL PUBLIC. HENCE THE SUM OF \$100,000 IS REALLY ONLY IN RESPECT OF THE CARRYING COSTS OF GOVERNMENT'S INVOLVEMENT, THROUGH HOLDING CO, IN ALIV, UNTIL SUCH TIME AS THE ALIV COMPANY HAS ESTABLISHED A SUFFICIENT TRACK RECORD TO BE ABLE TO QUALIFY FOR THE NECESSARY REGULATORY APPROVALS FOR THE GOVERNMENT TO BE ABLE TO MAKE AN IPO, OR "INITIAL PUBLIC OFFERING" OF ITS SHARES IN ALIV.

MADAM PRESIDENT,

IT MIGHT ALSO BE NOTED THAT THE AMOUNT OF MONEY ALLOCATED TO THE EUGENE DUPUCH LAW SCHOOL HAS BEEN REDUCED BY \$500,000 THIS YEAR. ALSO, THAT THE MINISTRY OF FINANCE IS PROJECTING FURTHER REDUCTIONS IN THE ALLOCATION TO THE LAW SCHOOL. IN FULLNESS I SHOULD SAY THAT MY MINISTRY HAS EXPRESSED CONCERNS ABOUT CERTAIN MATTERS RELATED TO THE OPERATIONS OF THE EDLS; THESE ARE MATTERS RELATED TO ITS STRUCTURE AND FUNCTIONS, THEY ARE NOT PERSONAL MATTERS; AND WE HAVE BEEN ASKING OURSELVES WHETHER IT MIGHT NOT BE MORE COST EFFECTIVE, AND ALSO MORE EFFICIENT, FOR THE EDLS TO BECOME A SCHOOL OF LAW ATTACHED TO AND OFFERING POST GRADUATE CERTIFICATION AS A PART OF THE UNIVERSITY OF THE BAHAMAS; RATHER THAN THE UNIVERSITY OF THE WEST INDIES. CERTAINLY, THIS YEAR THERE WILL BE INTENSE CONSULTATIONS BETWEEN MY MINISTRY, THE PRINCIPAL AND SENIOR STAFF OF THE EDLS, AS WELL AS THE UWI COUNCIL OF LEGAL EDUCATION. NO FIRM DECISION HAS BEEN MADE, AND WE ARE SEEKING TO FULLY EXPLORE ALL OPTIONS.

I AM HOWEVER VERY HAPPY TO REPORT THAT THE COUNCIL OF LEGAL EDUCATION HAS AGREED THAT GOING FORWARD ALL STUDENTS GRADUATING FROM THE UNIVERSITY OF THE BAHAMAS WITH A LAW DEGREE FROM THAT INSTITUTION, WILL AUTOMATICALLY BE GRANTED ADMISSION TO THE EDLS. NO LONGER WILL BAHAMIAN LAW GRADUATES FROM UB NEED TO SIT A QUALIFYING EXAM TO ENTER THE EDLS.

MADAM PRESIDENT,

THE CONSTITUTIONAL AMENDMENT ACT CREATING THE CONSTITUTIONAL OFFICE OF AN INDEPENDENT DIRECTOR OF PUBLIC PROSECUTIONS HAS BEEN RECENTLY BROUGHT INTO FORCE. DUE TO THE BUDGETARY PERIOD WE WERE NOT ABLE TO CHANGE THE ARRANGEMENTS RELATED TO THE NEWLY INDEPENDENT OFFICE IN THE CURRENT BUDGET. NEXT YEAR THE DPP WILL HAVE A SEPARATE HEAD, WHICH WILL SPECIFY THE DETAILS AND MONETARY ALLOCATIONS WHICH WILL BE SPECIFIC TO HIS OFFICE. SUFFICE IT TO SAY THAT ALL ARRANGEMENTS NECESSARY TO ENSURE THE FULL FUNCTIONAL AUTONOMY OF THE PROSECUTOR'S OFFICE ARE BEING MADE.

MADAM PRESIDENT

SIMILARLY THE GOVERNMENT HAS RECENTLY APPOINTED DAME ANITA ALLEN TO SERVE AS THE NEW LAW REFORM COMMISSIONER OF THE BAHAMAS. I CAN ASSURE YOU THAT DAME ANITA IS ALREADY HARD AT WORK IN THE PERFORMANCE OF HER DUTIES. JUST YESTERDAY SHE COMPLETED A THOROUGH REVIEW OF CERTAIN PROPOSED AMENDMENTS TO OUR IMMIGRATION LAWS AND I AM CONFIDENT THAT OVER THE COMING YEARS BAHAMIANS EVERYWHERE WILL BENEFIT FROM HER WEALTH OF JUDICIAL KNOWLEDGE AND EXPERIENCE AS SHE MOVES TO ADDRESS CRITICAL AREAS OF ELECTORAL LAW REFORM, LAND REFORM, AND THE REFORM OF OUR COMPANIES ACT, AMONG A HOST OF OTHER ISSUES THAT WE RECENTLY IDENTIFIED AS BEING MATTERS OF PARAMOUNT

IMPORTANCE TO CREATING A BETTER LEGAL REGIME FOR THE ENTIRE BAHAMAS.

MADAM PRESIDENT

BEFORE I GO ON TO SPEAK GENERALLY ABOUT BUDGET ISSUES OTHER THAN THOSE DIRECTLY RELATED TO THE OAG, LET ME PAUSE TO COMMEND THE HARDWORKING DRAFTSPERSONS IN THE LAW REFORM COMMISSION, AND PARTICULARLY THE DIRECTOR MRS. TINA DEMERITTE-ROYE AND HER STAFF, FOR THE YEOMANS TASK THEY PERFORM EACH YEAR IN DRAFTING THE MANY BUDGET BILLS WHICH ARE NECESSARY TO GIVE LIFE TO THE BUDGET ESTIMATES AND TAX OR TAX-EXEMPTION INITIATIVES OF SUCCESSIVE GOVERNMENTS. I CAN TELL YOU THAT WITHOUT THEIR STERLING EFFORTS ALL WOULD SIMPLY BE 'SOUND AND FURY'. WE OWE A DEBT OF GRATITUDE TO THESE HARD-WORKING ATTORNEYS FOR THE EXCELLENT WORK THEY ALWAYS DO.

MADAM PRESIDENT,

MY ENTIRE BUDGET PRESENTATION IS BASED ON ONE PAGE, AND ONE PAGE ONLY, IN THIS 227 PAGE BUDGET DOCUMENT – PAGE 41.

THIS PAGE OUTLINES WHAT IS CALLED STATUTORY EXPENDITURE UNDER ARTICLE 192 OF THE CONSTITUTION; WHICH DEALS WITH PAYMENTS TO HIGH CONSTITUTIONAL OFFICERS SUCH AS THE GOVERNOR GENERAL, SUPREME COURT AND COURT OF APPEAL JUSTICES AND THE AUDITOR GENERAL.

ON THIS PAGE WE ALSO SEE THE PUBLIC DEBT SERVICING REQUIREMENT FACED BY THE GOVERNMENT EACH YEAR, PRINCIPAL AND INTEREST. THE PRINCIPAL BEING THE DOLLAR AMOUNT OF LOANS WHICH HAVE TO BE FULLY REPAID THIS YEAR, BECAUSE THOSE LOANS HAVE MATURED. THEY WERE LOANS MADE TO THE GOVERNMENT IN THE PAST FOR PERIODS OF TEN, FIFTEEN, TWENTY, TWENTY-FIVE OR THIRTY YEARS. THEY ARE DUE TO BE PAID OFF. THAT'S PRINCIPAL.

THEN THERE IS THE INTEREST COMPONENT. INTEREST PAYMENTS REPRESENT THE ECONOMIC COST OF THE MONEY YOU HAVE ALREADY BORROWED AND SPENT IN THE PAST. WE HAVE ALREADY SPENT THE BORROWED MONEY, BUT EACH YEAR WE HAVE TO PAY THE INTEREST ON THAT ALREADY SPENT MONEY, FOR YEAR AFTER YEAR, UNTIL THE LOAN MATURES AND HAS TO BE PAID OFF IN FULL.

LAST YEAR THE GOVERNMENT HAD TO PAY \$753,000,000 FOR DEBT REDEMPTION. WE HAD TO BORROW THAT. [PAGE 38]

THIS YEAR THE AMOUNT WE HAVE TO BORROW JUST TO SERVICE THE NOW DUE AND PAYABLE PRINCIPAL AND INTEREST ON PAST LOANS IS \$1,090,000,000. THIS IS A THREE HUNDRED MILLION DOLLAR INCREASE IN THE DEBT REDEMPTION BURDEN IN ONE SHORT YEAR.

IN THIS 2018.19 BUDGET IT IS PROJECTED THAT TOTAL REVENUE FROM ALL SOURCES (TAX, NON-TAX AND CAPITAL REVENUE) INCLUSIVE OF INCREASED VAT WILL TOTAL \$2,650,000,000. [PAGES 9 OR 37].

TOTAL RECURRENT SPENDING (NOT INCLUDING CAPITAL DEVELOPMENT SPENDING) IS PROJECTED TO BE NOT LESS THAN \$2,635,000,000. [PAGE 44].

CAPITAL SPENDING [ON DOCKS, SCHOOL BUILDINGS, SCHOOL REPAIRS, ROAD PAVING AND REPAVING, AIRPORTS AND SO FORTH] IS PROJECTED TO BE A FURTHER \$300,000,000. THIS MONEY IS USUALLY BORROWED.

OF THE \$1,090 BILLION WHICH COMPRISES LOANS & INTEREST THAT HAVE TO BE PAID OFF THIS YEAR ALONE, IT IS ESTIMATED THAT THE GOVERNMENT WILL HAVE TO BORROW \$946,000,000 (BASICALLY \$1 BILLION (WHEN THE COST OF BORROWING IS FACTORED IN).

LETS PUT ASIDE THESE BILLIONS OF DOLLAR FIGURES WHICH CAN BE CIONFUSING.

LETS LOOK AT A SIMILAR SITUATION WHICH COULD EASILY AFFECT AN ORDINARY MIDDLE CLASS FAMILY BUDGET.

SO, A FAMILY EARNS LETS SAY \$3,000.00 PER MONTH IN HOUSEHOLD INCOME. THE MORTGAGE PAYMENT EACH MONTH TAKES AWAY \$700. CAR PAYMENT, \$300. FURNITURE LOAN, \$400.

THAT'S \$1400 EACH MONTH PAYING LOANS. WHICH LEAVES \$1,600 TO PAY OTHER FAMILY EXPENSES, LIGHT, WATER, GAS, GROCERIES. EVERYTHING SEEMS IN BALANCE.

THEN AN UNLICENSED DRIVER HITS YOUR CAR; WHICH ONLY HAS ROAD ACT INSURANCE. SO MONEY HAS TO BE BORROWED TO FIX THAT. SO THAT THEN MEANS THAT AN EXTRA \$100 NEEDS TO BE FOUND TO COVER THAT BORROWING. THEN A HURRICANE DAMAGES YOUR ROOF, AND MORE MONEY HAS TO BE BORROWED TO REPAIR THE TILES AND BOXING. THAT'S ANOTHER \$100 LESS TO SPEND ON FAMILY NEEDS DURING THE MONTH. INSTEAD OF \$1600 FOR ORDINARY EXPENSES THERE IS ONLY \$1400.SO THE FAMILY HAS TO CUT BACK ON SPENDING. THEN SOME OTHER CRISIS ARISES WHICH THE FAMILY CAN'T PAY FOR FROM ORDINARY SPENDING. MONEY AGAIN HAS TO BE BORROWED. THEN SOMEONE LOSES A JOB. THEN A FAMILY MEMBER HAS A CRISIS AND NEEDS MONEY. EXTRAORDINARY CHALLENGES ARRIVE.

SOON THE FAMILY WILL REACH THE POINT WHERE THEY CANNOT PAY THE LOANS AND PAY ORDINARY EXPENSES AT THE SAME TIME. UNLIKE THE GOVERNMENT, THEY CANNOT BORROW TO PAY OFF LOANS AS THOSE LOANS FALL DUE. SOON THE MORTGAGE GOES INTO ARREARS, AND THE SITUATION THEN SPIRALS OUT OF CONTROL, TO THE POINT WHERE THE HOME IS THREATENED OR EVEN LOST.

THAT IS EXACTLY THE POSITION THAT THE GOVERNMENT FINDS ITSELF IN TODAY. FOR DECADES NOW, SUCCESSIVE GOVERNMENTS HAVE BEEN BORROWING MONEY TO PAY OFF LOANS. THEY HAVE ALSO BEEN BORROWING MONEY FOR CAPITAL SPENDING. THAT IS, FOR PUBLIC WORKS, REPAIRS AND NEW BUILDINGS.

WHEN MONEY IS BORROWED, AS THEY SAY, TO 'ROLL OVER' OLD DEBT, IT IS ALSO BEING BORROWED HISTORICALLY TO PAY THE INTEREST

PAYMENTS DUE. WHEN MONEY IS BORROWED FOR CAPITAL WORKS, THAT IS ALWAYS NEW BORROWING.

THE OLD RULE OF THUMB WAS TO PEG THE AMOUNT BORROWED FOR CAPITAL WORKS CLOSE TO THE AMOUNT BORROWED TO PAY THE INTEREST PAYMENTS DUE ON THE EXISTING DEBT LOAD.

SUCCESSIVE MINISTERS OF FINANCE THEN PROMISED TO “REDUCE THE RATE OF INCREASE IN THE NATIONAL DEBT”. READ ANY BUDGET COMMUNICATION GOING BACK OVER THE LAST 25 YEARS AND YOU WILL SEE THIS CONSISTENT PROMISE...TO DECREASE THE RATE AT WHICH THE NATIONAL DEBT INCREASES.

NEVER TO DECREASE THE NATIONAL DEBT ITSELF, WHICH THEY KNEW WOULD CONTINUE TO INEXORABLY INCREASE, AND IT HAS.

FROM A POSITION WHERE IN THE EARLY 2000S THE TOTAL DEBT REDEMPTION (PRINCIPAL AND INTEREST) EACH YEAR WAS ONLY IN THE REGION OF \$400,000,000; WE NOW HAVE TO BORROW A BILLION DOLLARS EACH YEAR.

WHY HAS THE NATIONAL DEBT CONTINUED TO INCREASE EACH YEAR/ SIMPLY BECAUSE WHEN YOU BORROW TO PAY INTEREST PAYMENTS, THEN INTEREST (BEING THE COST OF THE MONEY ALREADY BORROWED, ITSELF BECOMES MONEY BORROWED. IT IS CONVERTED TO PRINCIPAL, AND EACH YEAR IS ADDED TO THE NATIONAL DEBT. ROUGHLY \$200 MILLION A YEAR UNTIL THE FINANCIAL CRISIS OF 2009, AND THE RECENT HURRICANE DISASTERS, ALL OF WHICH HAVE PUT

INTEREST PAYMENTS AT \$300 PLUS MILLION A YEAR, EVERY YEAR, AND WHEN BORROWED, ADDED MORE THAN \$300 MILLION A YEAR TO THE NATIONAL DEBT.

ADD TO THIS BORROWING ON THE CAPITAL ACCOUNT, FOR PUBLIC WORKS SPENDING, AND WE SEE THAT IN THE EARLY 2000S, ROUGHLY \$200 MILLION A YEAR WAS ADDED TO THE NATIONAL DEBT TO PAY FOR NEW ROADS, BUILDINGS, REPAIR WORK TO EXISTING ROADS AND BUILDINGS, AND HURRICANE RELIEF PUBLIC WORKS. NOW, WE SEE THAT THE AMOUNTS NEEDED FOR PUBLIC WORKS EACH YEAR AND POST THE 2009 FINANCIAL CRISIS HAS RISEN TO \$300 MILLION A YEAR. THIS BORROWED \$300 MILLION EACH YEAR IS ADDED TO THE BURGEONING NATIONAL DEBT.

AND NOW WE HAVE TO BORROW A BILLION DOLLARS THIS YEAR SIMPLY TO 'ROLL OVER EXISTING DEBTS WHICH HAVE COME DUE, AND PAY THE INTEREST PAYMENTS OWED ON MONEY ALREADY BORROWED. THE INTEREST COMPONENT WILL BE ADDED TO THE NATIONAL DEBT. THE ROLLED OVER LOANS WILL BE AT A HIGHER RATE OF INTEREST THAN BEFORE BECAUSE OF THE 4 DOWNGRADES UNDER THE PLP, AND THE DEBT BURDEN EACH YEAR WILL INEXORABLE INCREASE TO THE POINT OF ECONOMIC STRANGULATION AND COLLAPSE, UNLESS WE ACT AND ACT NOW.

THE CHICKENS HAVE COME HOME TO ROOST. THE OLD MODEL OF WHAT IS CALLED "DEFICIT FINANCING" HAS REACHED THE POINT OF NO RETURN. IT MUST BE ADDRESSED FOR THE GOOD AND THE WELFARE OF EVERY BAHAMIAN.

THE DEBT BURDEN IS ENTIRELY UNSUSTAINABLE. OUR DECISION ON VAT WAS NOT MADE BLINDLY OR WITHOUT ANY IDEA OF WHAT WE SEEK TO ACHIEVE. IT IS A BITTER PILL; BUT A BITTER PILL THAT WE MUST ALL INWARDLY DIGEST.