

**RADIO AND TELEVISION ADDRESS**  
**GOVERNOR JOHN P. DE JONGH, JR.**  
**DECEMBER 21, 2011**

I have spoken to you on many occasions about the financial challenges we have faced as a community. And these challenges are many and they continue. However, the message I am relaying to you today is one that, I believe, I should not have to be delivering.

Indeed, if our territory's politics were not so broken, if the level of self interest and disregard for the facts and reality had not risen so high and been so broadly accepted as a legitimate way to deal with the public's affairs, I would not be making this statement as it would have been made unnecessary by responsible actions on the part of the senators.

But sadly, as many of you no doubt have also followed in recent news coverage, this has not been the case. And to make sure there is no mistake as to the urgent and critical nature of this matter, I have continued to communicate with the senators individually and collectively. Since Monday, I have been talking to the Senate President to set up a meeting with all fifteen senators.

I have today called the 29<sup>th</sup> Legislature into Special Session this Friday, December 23<sup>rd</sup>, to approve an agenda of financial measures that they - and I - know are necessary for our financial sustainability and for the long term financial health of all in our community.

There are many, including me, who wish we did not have to implement such measures, but every member in the Legislature knew they would have to eventually face this stark reality, and until now they have chosen to duck, or delay, dealing with the reality and duty that they knew confronted them.

These challenges have been right before all of our eyes. Since 2008 when the global recession began our annual government revenues have been approximately 30%, or nearly one-third, below where they used to be. Like a family that has lost much of its income, we have cut back to bring our spending into line with our income. Unfortunately, these challenges have not been taken seriously by some.

Our senators passed a fiscal year budget they knew was out of balance, they have continued to spend the public's money and they have simply forgiven taxes and debts as if a magic wand wipes its existence away, and all the while they have pretended, or prayed, that the day of reckoning would never come - or maybe that it would not come before the next election. Well, for the 29th Legislature, the day of reckoning is this Friday.

On Friday, the members of the Senate will have before them for an "up or down" vote a bill that calls for the following:

- 1.) An increase in the gross receipts tax to the five percent level they were called upon to pass almost one year ago;
- 2.) The reversal of the egregious action taken last week in forgiving a set of obligations from our hospitals which will place an additional burden of more than \$90 million dollars on our taxpayers;
- 3.) The reversal of the forgiveness of taxes and fees for a sector of our economy which was passed without study or cost/benefit analysis, and these for a group that already enjoys an exemption from gross receipts taxes that many other small business people can only dream might be theirs;
- 4.) The elimination of the automatic "sunset" provision on the Gross Receipts Tax increase;
- 5.) The reduction in the amount to be held in the Insurance Guaranty Fund, thus releasing additional monies to the General Fund from the taxes we all pay on insurance policies; and
- 6.) Authorization for the billing of real property taxes for calendar year 2010 at the same level as the court previously authorized for the billing of 2009 taxes.

These measures require action immediately. At the present time, we will fall short of meeting the payroll of the government in the first months of 2012 and for the balance of fiscal year as well. Additionally, these actions must be taken now in order for us to continue to provide essential services throughout the territory in the months ahead.

Make no mistake, these measures are not a permanent solution to our longer term challenges, and we must still grapple with the long-term cost of our pension system and healthcare costs. But these first steps are essential if we are to address our immediate problems.

These measures must be approved on Friday. That this action must be taken and taken now is not a surprise to anyone who has paid attention to the reports given regularly to the Legislature.

The senators and their considerable number of staffers know that revenue collections are an ever-changing series of numbers, just as they know that the decrease in our tax collections as a result of the Great Recession still has not been reversed.

The senators cannot say they did not know without either admitting that they did not pay attention or they could not understand. I know that each and every one of them understands our present predicament and each and every one of them has simply been hoping that someone else would fix the problem.

But dealing with these problems is the job and the responsibility of all of us who sought to run for office and won the race. We are not elected to serve simply in the good times and then ignore the bad. We are faced with some very serious challenges and hard decisions and it is now the job of the Senate to act and each senator on Friday must do their job.

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