

Fonseca's folly

More than ten years have passed since Mr. Ralph Fonseca was first appointed the unelected minister in charge of the Ministry of Finance and Social Security and also Chairman of the Belize Electricity Board (now BEL). In these ten years his incompetence, recklessness, and arrogance have done lasting damage to the electricity sector of our economy.

BEL's recent decision to stop payment on its agreements with the hydro-electric company BECOL is merely one more consequence of the onerous contracts negotiated by the one-man Government of Mr. Fonseca during his unelected reign from 1989 to 1993. Other damaging consequences include the \$3.34 million loss (plus interest) of workers' pensions, the \$50,000 loss of interest when W.H. Courtenay & Company held \$2 million of government's money for four months, the infamous BECOL "take or pay", government's \$950 million guarantee to BECOL, the SEALEY shares agreements, and much more.

When Fonseca was appointed Chairman of BEB, he ignored UDP commissioned hydro studies and brushed aside advanced negotiations for a BEL financed hydro project. Instead, without consultation, he signed a still-born contract with an entity called LIBERTY ELECTRIC, and then (without consultation) moved on to the IEEI - Dominion Energy deal, which gave birth to the Belize Electric Company (BECOL).

The history of the number worked on the Social Security Board by its Chairman Mr. V.H. Courtenay has been told and will never be forgotten. But the deal with BECOL was much more damaging to our economy than the loss of the workers' pension money. It involved three contracts agreed to by Fonseca which involved Belizean electricity users in an obligation to pay BECOL \$950 million over 40 years for electricity consumed or

not consumed, produced or not produced. The fact that that amount of electricity can never be produced by BECOL did not bother Mr. Fonseca.

Thank goodness for the UDP and Mr. Net Vasquez who had the courage to fight against this unjust agreement. While Fonseca and the PUP did everything to sabotage the re-negotiations, Mr. Vasquez, as the new chairman of BEL, was able to knock \$240 million off that bill. Now FORTIS/BEL are demanding a further reduction. The only problem is that they are doing this unilaterally, without negotiation. Whatever the justice of BEL's cause, another of Mr. Fonseca's reckless agreements with BECOL guarantees BECOL that in the event that BEL refuses to pay its bills, the Belizean taxpayers will have to pay up.

While this may have been tolerable while government was the majority owner of BEL, Mr. Fonseca gave this guarantee without the knowledge, let alone consent, of the House of Representatives and their taxpaying constituents. Worse, he did nothing to end this guarantee when he sold practically all of government's shares to FORTIS. Taxpayers are now trapped into guaranteeing a totally private BEL's debts to BECOL. These BECOL contracts are prime examples of Mr. Fonseca's incompetence, recklessness, and arrogance.

But there is more. In the middle of the BECOL deal Fonseca decided to partially privatise BEB in 1992. Thus was BEL born in 1993. A Prospectus was published to solicit the purchase of shares from investors. Among other things, that legally binding document assured investors that no agent had been engaged to sell the BEL shares. Yet, when it appeared that Fonseca could not sell the shares, he turned to Mr. Ashcroft (recently made SIR Michael by the PUP Government) for help. Of course, Sir Michael's help does not come cheap.

A paper company was set up called SEALEY LTD.

in the British Virgin Islands and was appointed as agent to sell some of the shares. SEALEY was paid \$1.75 million by government for this service. What's more, Fonseca (calling himself Minister of Finance) signed an agreement with SEALEY that should there be early elections (which there were), SEALEY would have the right to sell those share back to government at full price, and would be paid another commission if at any time SEALEY chose to sell those same shares again.

Thus it was that SEALEY demanded, and government paid, \$6 million for returned shares just five days before the 1993 elections. Furthermore, this SEALEY contract gave the company the right to unilaterally continue or break the contract if the UDP were to win those elections (which it did!)

It took the UDP Government four years to wrestle the share certificates from SEALEY that had been paid for in June 1993. In retaliation, Mr. Ashcroft's associates cashed in the debentures they held in BEL, costing BEL some \$9 million. But this act also freed BEL from other onerous agreements they were forced to sign with these debenture holders which bound BEL to bank only with the Belize Bank and gave the debenture holders, even though the minority, the power to block BEL's budget.

It is unbelievable that one reckless and incompetent person could be allowed to wreck so much havoc in just three years in just one industry! But the mayhem was renewed when Mr. Fonseca was once again made de facto Minister of Finance and much, much more. He is now weaving his mischief at the Central Bank, the Free Zone, the Customs, and of course his favourite cash cow, the Social Security Board. Mr. Musa may have been able to flee Mitch, but none of us will escape the hurricane Ralph disaster.

July 2, 2000

Letters to the Editor

All is not well in San Antonio

Dear Madam Editor,

Greetings from San Antonio, Cayo (Cayo Central). Please allow me to express a few concerns.

A few months ago, the area rep (Dan Silva) held a public meeting with the villagers to outline his plans for the village for the next few months. He listed the following:

- a) repairs to the community centre
- b) connect the existing water system (implemented by previous gov) to the river supply from Cristo Rey.

The repairs to the community centre were supposedly completed during the Easter break. However, the villagers question whether they got their mon-

But, of course, this is because he openly campaigned for Dan Silva. This P. Mai, we understand, is heavily involved in the water system extension. What a conflict of interest!

We also know of some three so-called educational trips to the Mollejon Plant sponsored by the area rep using Mesh Bus line (pro-PUP). These rent-a-crowd local tourists got "free" food and passage. We wonder what they must pay back?

Perhaps they have been coerced to sign in support of the Chalillo Dam. After all, at the public meeting Dan Silva said that the Mollejon is one of the most beautiful parts of Belize and that the San Antonio people should get a chance to

Report on Amnesty Programme

Dear Madam Editor,

The recent controversy about what has happened, and what may happen, in regards to patrolling our border with Guatemala, has posed another question besides the direct threat of possible hostilities; that is of encroachment by milperos, marijuana growers, illegal loggers and other undesirables from across the border.

This seems to have happened at various other times in the past, in spite of BDF/police patrols, which, given their small number, and the vastness of the territory for which they are responsible, is not surprising.

Sundry methods have been uti-

gramme.

This Amnesty Programme, which began a year ago, was supposedly to legalize those who had been illegally in the country for a number of years, together with their families. At one time 40,000 was the figure given as the number of people who might possibly apply. This was to be facilitated by a very low cost of \$200 for a family; even that might be paid for by the Human Rights group.

At the same time as the Amnesty was initiated, I was in a position where I needed to change my status. For some 8 years I had lived in this country, working as a volunteer dentist (a much-needed profession in this coun-