

Reckless statehood drive



BY RAFAEL HERNÁNDEZ COLÓN

The Statehood Party's leadership is driving the U.S. House of Representatives to take up HR 2499, "a bill to provide for a federally sanctioned self-determination process for the people of Puerto Rico." By means of this bill the statehooders will have two would-be senators and seven would-be representatives knocking on the doors of the next Congress seeking admission for Puerto Rico as a state of the union.

This bill does grievous harm to 900,000 Commonwealth supporters out of 2 million voters in Puerto Rico. It deprives Commonwealth supporters of their right to vote for Commonwealth versus statehood or independence. How will this happen?

HR 2499 provides for two plebiscites which will be held in Puerto Rico as soon as the bill is approved in Congress. In the first plebiscite, statehood and independence voters will join up to provide a majority in favor of a change: that is, to change the present Commonwealth status to a different political status. In the second plebiscite statehood will win handsomely because Commonwealth will not be on the ballot. Upon that victory, the statehood party's platform calls for the implementation of the Tennessee Plan to seek statehood. Under this plan, they will elect senators and representatives who will seek admission for Puerto Rico as a state of the union.

As a result of this bill the next Congress will have to take up a reckless proposition: whether or not to grant statehood to Puerto Rico at this point in time. This proposition is reckless because Puerto Rico's economy is not on the same level of economic development as the economies of the states of the union. Recognizing this fact the Congress has exempted Puerto Rico from federal taxation since 1900. The Foraker Act, the Jones Act and the Federal Relations Act, under which Puerto Rico has been governed since the Spanish-American War, all of them, have followed this policy so our economy can mature and provide our population with sufficient jobs and an adequate standard of living.

The Tennessee Plan would usher in statehood with federal taxation which will suppress economic activity on the island. Increased federal transfer payments will address social needs or infrastructure but they will not provide the amount, range and variety of permanent jobs that Puerto Ricans need for their personal existence and growth or that a healthy society needs to provide a good quality of life for all its members. The Tennessee Plan will turn Puerto Rico into a welfare ghetto.

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Will the Congress go along with our tropical Tennessee planners? Will it also behave recklessly? One would think not in times like these when the President is to put curbs on new federal expenditures. But one never knows. HR 2499 is a "sleeper"; the type of bill that looks harmless and does not raise any red flags. Congress does not wake up until it is faced with the consequences of its actions.

If the House is not fully aware of the results of approving HR 2499, and the Senate follows suit, in the next Congress they will have to seriously take up Puerto Rican statehood. They will then have to focus on the economic question because in order to grant statehood Congress has traditionally required that the proposed state should have sufficient resources to support the state government and, at the same time, to carry

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its share of the cost of the federal government. This is clearly stated in the House and Senate reports recommending statehood for Alaska and Hawaii, the last two states to come in to the union, both of which paid federal taxes before admission to the union. (See House Report No. 85-624, on Statehood for Alaska, June 25, 1957, and Senate Report No. 86-80, on Statehood for Hawaii, March 5, 1959.)

Puerto Rico at the present time does not have the resources to meet the needs of its own government much less carry its share of the costs of the Federal government. The fact is that during the past five years we have been unable to emerge from a structural deficit in our budget and our high level of debt bears this out without room for discussion. But there is more.

In 2008 Puerto Rico's personal income per capita amounted to \$14,237, less than half that of the poorest state, Mississippi, where personal income per capita that year amounted to \$30,399, while the U.S. personal income per capita was \$40,208. At the time that Hawaii was admitted into the Union its per capita income exceeded that of 22 states.

In November 2009, Puerto Rico's unemployment rate rose to 15.9% while Mississippi's was at 9.6%. Most importantly, Puerto Rico's labor-force participation rate for 2009 was 44.1% while Mississippi's was 57.9% and the U.S.' 65.0%. Puerto Rico's labor-force participation rate is one of the world's lowest and about one-third of those employed are government workers.

The number of households under the poverty level is also alarming. More than 50% of families on the island live under the level of poverty. This figure is even more alarming in those households led by single women, where the poverty level rises to 60.7%.

With 4 million inhabitants and a population density of 1,113 persons per square mile, by far higher than any state, Puerto Rico has come to rely too heavily on federal transfers for its economic survival. In 2008, out of a total consolidated budget of \$26.6 billion, \$5.73 billion, or 21.5%, came from the federal budget—mostly for healthcare, education and low-income housing. Direct federal payments to individuals in Puerto Rico totaled \$10.46 billion—mostly by way of social-security retirement and disability benefits and veterans' pensions and food stamps—a 7.6% increase from the previous year. This figure accounts for more than 20% of personal income in Puerto Rico.

Statehood will dramatically and permanently increase this dependency on the Federal government. The burdens of federal taxation will stifle economic development. The productive sector of our economy will shrink and will not be able to provide the jobs needed so that our people can live with dignity on this island. A majority of our population will become permanent wards of the federal treasury.

In order to avoid such dire consequences the House should not move forward with HR 2499. Instead it should focus on a roadmap and a strategy to take Puerto Rico to a level of economic development based on jobs in the productive sector so that at the proper moment it can exercise meaningful self-determination by choosing from a position of strength—and not from dependency—among the options of improved Commonwealth, statehood or independence with a reasonable expectation that the Congress will agree with the option Puerto Rico chooses for its future. ■

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