

Censured



BY RAFAEL HERNÁNDEZ COLÓN

I have been a target of the New Progressive Party since that party was formed in 1967. Having faced it as candidate for governor of Puerto Rico on five consecutive occasions, I have suffered its attacks, ridicule, libel and slander. But it was the party's leadership who

attacked me, not our government. The censure issued by the Senate against a letter written by me to the members of the U.S. House of Representatives raises the bar of invectives from individual politicians on the use of governmental power to disparage and deprecate. We now speak at our peril. Our assertions will not be countered by vigorous debate but rather by the official censure of the state. Anything goes.

Now, let us take a look at Senate Resolution 980 to identify the motives of the censure directed at my letter: That I have been a stern opponent of any attempt to expose colonialism; that I use erroneous statistics to denigrate the citizens that I once swore to protect; that I misrepresent the reality of those who benefit from federal funds in Puerto Rico; that I imply that it is unfair that those who paid for their Social Security or served in the armed forces should receive their pensions; that I conclude that if we were to become a state today we would be a permanent ward of the federal treasury; that my letter confirms the sovereignty, anti-American vision of the Popular Democratic Party.

Now let us take a look at what the letter says: "Dear Congresswo[man]:

Next week you will be called upon to vote on HR 2499, 'a bill to provide for a federally sanctioned self-determination process for the people of Puerto Rico.' By approving this bill you 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 as against 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 decide whether or not to grant statehood to Puerto Rico at this point in time. In order to grant statehood the Congress has traditionally required that the proposed state should have sufficient resources to support the state government and at the same time to carry its share of the cost of the federal government. The House must focus on this question as to Puerto Rico before proposing an exercise in self-determination. If it comes to the conclusion that Puerto Rico in its present stage of economic development does not meet this requirement, this bill should be defeated.

"Unlike Hawaii and Alaska or other incorporated territories that paid federal taxes before admission to the Union, the Commonwealth does not pay federal taxes and does not fully participate in some federal programs. In considering its ability to finance its government as a state and to pay federal taxes, a threshold issue is the net effect of the flow of funds that will occur upon statehood: on the one hand, increased federal transfer payments to the island, on the other hand, federal taxation and its depressing effect on the island's economy which does not now provide sufficient resources to meet the needs of Puerto Rico's government. During the past five years, the Commonwealth has been unable to emerge from a structural deficit in its budget.

"In 2008, Puerto Rico's personal income per capita amounted to \$14,237, less than half that of the poorest state, Mississippi, whose personal income per capita that year amounted to \$30,399, while the U.S. personal income per capita amounted to \$40,208. At the time that Hawaii was admitted into the Union its per capita income at of 26 states.

"In November of 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.'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 households 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 over 20% of personal income in Puerto Rico.

"It should be fairly obvious upon an analysis of this data that due to the burdens which federal taxation will place on the development of our island economy if Puerto Rico were to be admitted into the union at this point in time, it will become a permanent ward of the federal treasury.

"In order to avoid such dire consequences, I urge you to defeat HR 2499 and to move the House to focus on a road map 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 between the options of improved commonwealth, Statehood and Independence with a reasonable expectation that the Congress will agree with the option Puerto Rico chooses for its future."

The only charge against me that the censure bears out is that my numbers indicate that if we become a state, we will become a permanent ward of the federal treasury. None of the data that supports my conclusion was refuted. And if we accept the NPP claim that if we become a state we will receive \$16 billion in additional transfer payments and that we will pay \$5 billion into the federal Treasury, two things will become clear: 1) that the net effect of the flow of funds will be an additional \$11 billion from the federal treasury to Puerto Rico; 2) that we will have to pay \$5 billion in addition to the taxes we now pay to the commonwealth government which is unsustainable by our economy. The inescapable conclusion is that statehood will make us permanent wards of the federal government.

I don't want that for Puerto Rico. We want a constitutional niche—commonwealth—within the union wherein our economy can be developed and our people can stand on their own feet. ■

Rafael Hernández Colón is a three-term (12-year) former governor of Puerto Rico (1973-'76 and 1985-'92). He served as Justice secretary (1965-'67) and Senate president (1969-'72). He was president of the Popular Democratic Party for 19 years. Comments on this article are welcome at caribbeanbusinesspr.com. Go to [Sign in](#) link on the homepage. Emails also may be sent to column@caribbeanbusinesspr.com.