

Surreal

By : RAFAEL HERNANDEZ COLON

Volume: 35 | No: 34

Page : 27

Issued : 08/30/2007

Surreal, strange, weird, odd, unreal, dreamlike, fantastic, bizarre. This is the nature of statehood politics. It is at odds with the politics of real governance of this island. Let us see how this plays out.

Resident Commissioner Luis Fortuño recently spoke to the Rotary Club of Santurce on the dismal state of our economy and made a series of proposals to cut income taxes and introduce the basic income tax credit, which he esteems is the way to jump-start our economy and achieve a healthy growth percentage of our gross domestic product.

My immediate reaction on reading about this speech was whether Fortuño has done his mathematics well. He promises to give 90% of all individual income taxpayers a cut of up to 49% of their taxes—one-third of them will no longer pay taxes—plus to grant a local (*criollo*) earned-income tax credit, which will give money back to workers instead of them paying taxes. He promises additional tax cuts to corporations.

How is he going to make up for the loss of revenue that this implies? He tells us he will do this by not hiring new government employees during his term of office. This he says will reduce big government and make up for lost revenue. He then comes up with the figure of \$1.8 billion, which he says we would have saved during this four-year term by not filling vacancies. He does not tell us where he got this figure or how it was computed.

We are all for reducing big government. And not filling vacancies is one way to go about it. But this cannot be done across the board because there are a substantial number of positions that cannot remain vacant because the service provided is necessary. Think of judges, district attorneys, police officers, health service providers, tax collectors, employees in the permitting process, airport operators or those who maintain and operate our highways.

To make a serious proposal to reduce taxes, Fortuño has to be precise as to the amount the cuts are going to cost, and he must be specific as to where his numbers come from and precise as to what positions have to be filled and which ones can be left vacant or abolished and whether he can come up with savings that will make up for the loss of revenue. This is how politics used to be conducted on this island when we had rates of growth of up to 9%. But political debate is no longer conducted on this basis. It is surreal. Anything goes because you are not held to account.

Another thing that came to my mind on reading Fortuño's proposals is that he presents tax cuts as the motor for economic development. This is simply not so. Tax cuts can help stimulate some growth by

stimulating consumption and some savings but, to regain our former levels of growth, we must stimulate economic activity in our primary sectors: services, manufacturing, tourism.

This requires another strategy. Today, it goes by the way of the learning economy, stimulating research and development from our life sciences industries, restructuring government to make it efficient and productive and bringing our educational system up to speed. Fortuño's proposal for economic development would have been dead in the water when political debate was serious on this island. Not so in our surreal politics of today.

Then, after I thought about these matters economic, my thoughts turned deeper into the surreal world of the politics of statehood in our Commonwealth. Statehood candidates loath Commonwealth as a system of government. But they run desperately every four years making all sorts of promises, such as the one made by Fortuño, to administer the Commonwealth government they bemoan.

Fortuño and former Gov. Pedro Rosselló are currently engaged in an all-out struggle for the nomination of the NPP to the governorship of this Commonwealth, which they are committed to destroy through a plebiscite bill they have presented in Congress. They are engaged in a bitter fight to administer the Commonwealth that they intend to disqualify in Congress, but with which they intend to implement here all sorts of programs and proposals supposedly for our welfare.

Bizarre isn't it?

They are required upon taking office to take an oath to uphold the Constitution and the laws of the Commonwealth. The Commonwealth Constitution proclaims the people of Puerto Rico—not Congress—as the source of power for the constitution, it affirms their sovereignty and states that power will be exercised in accordance with the compact with the U.S. Congress. This, as we all know, is denied by the statehood leadership who proclaim Puerto Rico a colony with no sovereignty under the plenary powers of Congress and who deny even the existence of a compact with Congress.

Should a statehood candidate prevail over the PDP candidate in the 2008 election, we will see him taking the oath to defend the Commonwealth Constitution with no perception that he is committing an act of perjury. Weird. But it goes beyond that, for no one in Puerto Rico thinks this is a shameful act of political hypocrisy, and no court would find any sort of violation of the oath even though the NPP governor just sworn in would turn right around to blast in his inaugural message, the “colonial” nature of the Commonwealth Constitution that he has just sworn to uphold.

Surreal.

But the collective flight from reality in our politics goes even further. If the plebiscite bill that Fortuño is pursuing in Congress should go through, and statehood should win because Commonwealth is disqualified, and if Congress should grant statehood as Fortuño would like, we would end up with a

massive impact from federal income and other taxes. Such an impact would wipe out the cuts proposed by the same Fortuño to our local income taxes. Does anybody care about this contradiction? No, because our politics are surreal; flights of fancy. At some point, reality will force us to wake up.

