

It's the economy, not status III

By : RAFAEL HERNANDEZ COLON

Volume: 37 | No: 29

Page : 21

Issued : 07/23/2009

Yesterday, the U.S. House Committee on Natural Resources addressed Puerto Rico's self-determination by marking up H.R. 2499, which calls for a two-step "self-determination" exercise. The hearings on this bill made clear that statehood and independence votes will join forces on the first ballot and will produce a mandate for status change. On the second ballot, where Commonwealth as we know it doesn't appear, statehood is certain to win. So, the full House must now give serious thought to the fact that it will have a statehood petition on its doorstep in 2010. It must consider whether Congress can seriously entertain such a petition.

Enacting a bill for Puerto Rico's self-determination that will lead to a statehood petition is a matter of transcendent import to Puerto Rico and the Union. The consequences must be weighed before embarking on such a course. Congress must not play games with the people of Puerto Rico or recklessly embroil the U.S. in a divisive national issue. Self-determination is the most serious decision the people of Puerto Rico can be called upon to make. Admission into the Union of a people—not a minority group—with a different identity and a dependent economy is also a transcendent decision for the people of the United States of America. Due respect for our people, for the people of the U.S. and for the opinion of humankind requires that if Congress places statehood on the ballot, it must be ready to seriously consider granting statehood to Puerto Rico. If not, then no such call must be made by Congress.

To approach the issues that lurk behind H.R. 2499, the House must squarely face the issue of statehood for Puerto Rico. This issue has caused a policy gridlock that affects the island's economic development. The fact our economy, once the showcase of the Caribbean, is now the basket case of the Caribbean in terms of growth, stems from this gridlock. This led to the demise of Section 936 of the U.S. Tax Code, which provided the federal incentives that drove growth in our economy.

The gridlock has been caused by statehood supporters' expectation that Congress would grant statehood now if the people of Puerto Rico so choose. Although Congress has never made such a commitment, repeated expressions of individual representatives and senators have created this impression. Committee markups in the past, which have included statehood as an option for self-determination of the people of Puerto Rico, have had the same effect.

The House is called upon to do so again. It must bear in mind that when the petition for statehood is presented to Congress next year, it will have to address two basic questions regarding statehood. These questions must be addressed now; doing so after it has engineered a process for a statehood petition would be a disservice to the U.S. and Puerto Rico. The questions are:

Can Puerto Rico meet the burdens of statehood? With its economy in deep recession for more than two years, with a structural fiscal deficit that it hasn't been able to overcome for five years, can Puerto Rico assume the burdens of federal taxation? With more than 50% of the households on the island below the poverty level, with a per capita income less than half of Mississippi, is it conceivable that some day Puerto Rico will close the gap with Mississippi? Will federal taxation under statehood condemn the island to permanent dependency on the federal government?

Is a majority vote, in a process where Commonwealth voters are excluded, sufficient to grant statehood? Although loyal U.S. citizens, Puerto Ricans have a strong sense of their national and cultural identity. The relationship with the U.S., which has lasted for more than a century, hasn't changed this. Cultural or linguistic assimilation is an intractable objection to statehood by a vast portion of the Puerto Rican electorate including statehood supporters who proclaim our culture and language are nonnegotiable. A consensus or even a significant majority of all voters in Puerto Rico behind a sustainable statehood petition isn't in the cards in the foreseeable future. By eliminating Commonwealth from the ballot, H.R. 2499 is designed to elicit an overwhelming but contrived majority.

A statehood policy for Puerto Rico requires an answer to these questions. These are quantifiable matters. What is the minimum GNP (gross national product) necessary for Puerto Rico to meet the burdens of statehood? What minimum percentage of the voters must petition for statehood in order that Congress may seriously consider it? If these questions aren't answered and Congress continues to deal in vague generalities regarding statehood, the gridlock will continue and our economy will go deeper into the distress the New York Times has editorialized about.

The answers to the above questions should lead the House to discard H.R. 2499 and provide a substitute bill with a much-needed time frame and road map for Puerto Rican self-determination. Such a road map should incorporate precise guidelines and timetables for channeling the necessary foreign and domestic investment for uplifting Puerto Rico's level of development. Real substantive "self-determination" must address the matter of jobs and opportunities. Self-determination can't occur in a real sense if our labor force participation rate is 43.5% while in the U.S. it is 78%. Puerto Rico's economy can be transformed into a knowledge-driven economy with appropriate policies and timetables for the advancement of education, research & development, high-tech manufacturing and services. These policies must come from both the federal and Commonwealth governments.

As part of the road map, the constraints and possibilities of the commonwealth relationship bearing on the economic development of Puerto Rico must be re-examined to strengthen our capabilities for self-government, self-reliance and economic growth. This road map would lead to self-determination, enabling the people of Puerto Rico and Congress to choose a relationship between a fully autonomous economically developed Commonwealth or a state of the Union, or for Puerto Rico to go at it alone as an independent country.