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Advertisement

Speaker Gingrich:

Puerto Rico is also at a historic crossroads.

Opportunity Society or a Welfare State?

Corporations under Section 936 are for Puerto Rico a proven economic development tool.

They constitute 30% of our bank deposits.

They provide direct or indirect jobs for 30% of our private sector work force.

They represent 25% of our Gross Domestic Product.

They provide 25% of our total tax collections.

"We must replace the welfare state with an opportunity society."

We agree.

Puerto Rico is already excessively dependent on welfare.

If Congress proceeds to eliminate Section 936 -- the foundation of Puerto Rico's private economy -- it will condemn 3.7 million American citizens in Puerto Rico to the Welfare State.

We agree.

Puerto Ricans know, as well as all other American citizens, how the Welfare State destroys lives. "Hopelessness" was precisely the word used to describe this island when it was mired in extreme poverty.

Puerto Rico still has far to go. It is still twice as poor as the poorest state in the nation. We call on Congress not to kill the only economic development strategy that has ever worked in Puerto Rico.

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As representatives of Puerto Rico's private sector, we urge Congress to retain and strengthen Section 936 -- the essential tool Puerto Rico needs to become the Opportunity Society.

"People can work only when jobs are available: job creation requires investment."

We agree.

That's precisely why Section 936 is so vital to Puerto Rico. It is not "corporate welfare." It is the industrial incentive Puerto Rico has used to attract investment that has created 300,000 direct and indirect jobs.

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We call on Congress not to risk the jobs and the economic future of thousands of Puerto Ricans replacing Section 936 with "alternatives" that responsible and independent economists are convinced will not work to sustain the island's economic growth.

If Congress

kills

Section 936,

it will kill

Operation

**"...the spirit of free enterprise remains at the heart of
American civilization."**

We agree.

It is also at the heart of what Puerto Ricans want for themselves. We call it the "Spirit of Operation Bootstrap" -- the will of the Puerto Rican people to lift themselves up through their talent and hard work.

That's why the terrible overabundance and massive unemployment of the

"If you are going to go to work or start your own small business, you have to believe you are going to keep the fruits of your labor."

Operation Bootstrap.

"That's why the people overwhelmingly, and repeatedly, even at the ballot box, have endorsed Section 936."

We agree:

Well paying jobs, "workfare" through tax incentives, is the essence of Operation Bootstrap --the economic development program that performed an "economic miracle" transforming the "Poorhouse of the Caribbean" into America's "Showcase of Democracy."

And the essence of Operation Bootstrap is Section 936. Income tax exemption as an incentive to invest and create jobs in Puerto Rico.

If Congress kills Section 936, it will kill Operation Bootstrap.

"The Welfare State reduces the poor from citizens to clients."

"It breaks up families, minimizes work incentives, blocks people from savings and acquiring property, and overshadows dreams of a promised future with a present born of poverty, violence and hopelessness."

Mr. Speaker, Puerto Rico is at exactly the same crossroads as the American people. The choice is between the Opportunity Society or the Welfare State.

We the undersigned, representing the private sector of Puerto Rico believe that the revenues to be received by the U.S. Treasury as a consequence of the proposed radical changes to section 936 are minimal within the context of the budget of the U.S.A. But it would have a devastating and irreparable impact on the economy of Puerto Rico.

Juan A. Albors <i>Vice President</i> Albors Development Corporation	Miguel A. Viquez Deves <i>President</i> Tijpe's, Inc.	Johnny Lama <i>President</i> Porter Cash & Camp, Inc.	Salvador Vassallo <i>President</i> Empress Vassallo	Eduardo Bigas <i>Executive Director</i> Chamber of Commerce of P.R.	Jorge A. Miranda <i>Executive Director</i> The Securities Industry Association of Puerto Rico
Donald W. Pollard <i>General Manager, PR</i> Sea Land Service, Inc.	Victor S. Maldonado, P.E. <i>President</i> Master Enterprise	Samuel Landahl <i>President</i> P.R. Manufacturers Association	Aldano Lombro Basallo <i>President</i> Empress Vassallo	Miguel A. Ferrer <i>Director</i>	F. Gerardo Lanza <i>Diamondsman</i>
Ramundo Rodriguez <i>President</i> Vila de Corral & Company	Ernesto Reyes <i>President</i> Empress Lanza II	Ron Kannas <i>President</i> Numerics de Puerto Rico	Mario J. Montalvo <i>President</i> Caldero Corporation	Franco Urriague <i>President</i> Caja de Puerto Rico, Inc.	James Finn <i>President</i> Pizza Provision, Co.
Eliel R. Gomez <i>President</i> Ochoa Industrial Sales Corporation	William Noel Trinchó <i>President</i> El Fénix de PR	Héctor Quintones <i>President</i> Pueblo International	Mamed Orlando Herrera <i>President & General Manager</i> Molina de Puerto Rico	Araujo Carrion <i>Executive Vice President</i> Bankers Association of P.R.	José Carlos Williams <i>Vice President & General Manager</i> Pepsi Cold Puerto Rico Bottling Company
Wladimir Rivera <i>General Manager</i> Danosa Caribbean, Inc.	Jorge Colón Nevearis <i>President</i> Verdejo of P.R., Inc.	Miguel Vega <i>General Manager</i> Hotel Robinson Normalde	Victor Galán <i>Chairman</i> R-C Mortgage Corporation	Edwin Pérez <i>President</i> Supermercados Arroyo	

You end the book with an appeal to the American people:

"I want you to understand that your future, your children's future and your country's future is at a crossroads."

(Congress' action on Section 936 places Puerto Rico at a crossroads that will determine the nature and structure of the Puerto Rican economy into the 21st century.)

Congress cannot wait for Puerto Rico what it rejects for all Americans.

Mr. Speaker, all the above quotes are from your book To Renew America.