

On the Fourth of July, ring in on issues of freedom, public good

7/4/09

THE CHAMBER VIEW

by Pamela Tumpap



As we celebrate this Fourth of July, it is important to remember what we are celebrating: the

Declaration of Independence, our nation's most-cherished symbol of liberty. The document features a series of "self-evident" truths communicating the philosophy of individual liberty, and it presents a list of grievances against the king of Great Britain to justify to the world the breaking of ties between the colonies and the mother country. Among those objections that led to American independence were issues of representation, taxation, due process, and wholesome and necessary public good.

Today, these issues continue to be debated, right now, here in Hawaii. While the Maui Chamber of Commerce continues to address multiple legislative priorities, two issues require urgent attention — card-check legislation, and a possible general excise tax increase. One deals with a basic right and the other the public good.

The card-check bill, passed by our state Legislature, streamlines union organizing by allowing unionization with a simple majority on a petition and includes an arbitration clause that negatively impacts

businesses. Most importantly, the bill would take away an employee's right to a secret-ballot vote; a basic freedom and tenet of democracy that every individual should be afforded when determining representation.

As we celebrate the freedoms we enjoy, it is important to note that one freedom could be taken away if left unguarded. Not only do chamber leaders not agree with this bill, since the current process for unionizing is fair and provides for a secret-ballot vote, but also the issue is being debated on the national level. This issue of eliminating secret-ballot voting should be addressed at the highest level of our land because it deals with an essential liberty.

Gov. Linda Lingle said she will veto this bill, but lawmakers may seek to override her veto. It is time to stand up, recognize that one of our freedoms — the right to a secret-ballot vote when determining union representation — is slated to be taken away, and ask that this measure end now. Please join the chamber and many business organizations statewide in asking legislators to let the governor's veto stand.

Another threat looms that could harm our state's general well-being — the proposed general excise tax increase as a way to avoid the work furlough proposed by Gov. Lingle to balance the budget. If this tax increase is passed, it would im-

pact us all negatively. While some say that it would be only a 1 percent increase, from 4 percent to 5 percent, that thinking is incorrect. That additional 1 percent in tax represents a 25 percent tax increase. Everyone in Hawaii would pay 25 percent more in general-excise tax for items purchased. Ouch! Can we really take this additional hit now?

The truth is, tough calls have to be made. The revised Council on Revenues forecast indicates we face a more-than-\$2 billion shortfall. While no one wants a work furlough, the furlough was proposed because employment and associated benefits are government's largest expense (which has not been trimmed up to this point, despite many other reductions to balance the budget). The furlough would be a temporary measure that could be reduced and/or eliminated as the economy improves. However, general-excise-tax increases are not temporary. As noted by Gov. Lingle at the chamber's recent installation luncheon, once a general excise tax increase passes, we have never seen it reduced, which means residents would experience higher costs now and long into the future.

Some argue that a furlough would hurt the economy because government employees would have less to spend. So, which measure would provide the best long-term solution for economic recovery?

Lowell Kalapa of the Tax Foundation of Hawaii wrote: "To raise \$1 billion per year from current general-fund tax resources, rates would have to be increased to generate another 25 percent in general-fund tax collections. But raising taxes by that amount in a slumping economy probably won't generate anywhere near the amount needed because of the slower economic pace.

"If the state has no money, are they (officials) going to issue IOUs instead of paychecks?" Kalapa asked. "And if lawmakers come back into session and raise tax rates, how many families and businesses will be able to meet those new obligations? Will families move out of state, and businesses close down? Or, as the governor has suggested, will the state have to lay off workers? And what kind of economic impact will that have?..."

Taking a pay reduction as a result of a furlough is far better than having no paycheck at all."

We agree.

In celebrating this Fourth of July, remember to ring in on these two important issues. Ask lawmakers to let the governor's veto stand on the card-check bill and to not increase our general excise tax. Both measures would hurt more than help.

■ Pamela Tumpap
is president of the
Maui Chamber of Commerce.