

On My Mind

2/06/04

I've never been very good in math, and no doubt the following will contain some mathematical flaw or other along the way, but the point I want to make is worth taking the risk, so here goes. According to a local accounting firm, a typical single person residing in the CNMI who earns a salary of \$80,000 a year will pay only \$8,081 a year in territorial individual income tax. A typical single person residing in California who earns the same salary will pay \$21,219 in state and federal individual income taxes. This gives the person residing in the CNMI a "savings" of 61.92%, or \$13,138 for the year.

A married couple filing jointly in the CNMI with an \$80,000 combined income would pay a total of \$7,646 in combined territorial individual income tax, while if the couple resided in California, the total tax bill would be nearly double: \$14,768. The CNMI couple would "save" 48.23% or \$7,122 for the year.

I didn't think all that many people got much higher salaries, so I did not ask the accounting firm to draw up figures for such astronomical salaries as \$140,000, or \$155,000 per year, but if people who earn a mere \$80,000 - about 40%-50% less - would save such large percentages of their salaries by not having to pay taxes in the U.S., just imagine what the savings would amount to for those paid so much more!

In short, a single person who earns \$80,000 in the CNMI actually nets some \$13,000 more than a single person in the states. To be competitive with an \$80,000 U.S. salary, that person's salary need only be \$67,000. For a local couple earning \$80,000, to be competitive with a U.S. couple's salary, that couple's combined salary need only be \$72,878.

Claims that professional salaries in the CNMI need to be equivalent to stateside professional salaries do not take this difference into account, but clearly there is a significant difference - more so the higher the salary - and it should be factored into any salary calculations.

Moreover, those figures do not include the many other cost-savings that living in the CNMI provide, such as savings in fuel heating costs, savings in single-season wardrobes, savings in car mileage (and thus gas and car maintenance costs), savings in the absence of expensive events such as theater, opera, ballet, professional sports events, to name a few.

A salary of \$155,000 - as was just granted the director of the Commonwealth Health Center - is almost obscene - more especially so considering the existing minimum wage of a paltry \$3.05 per hour.

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Not obscene, perhaps, but nonetheless offensive is the refusal, by the House leadership, to make room for minority members on its committees, particularly in light of the statement earlier this week by Chamber of Commerce President Alex Sablan that the Legislature has invited Chamber

members to sit in on all of its committees.

Which is not to say that the idea of local businessmen sitting in on legislative committees is a bad idea. To the contrary, it is novel and innovative, and could very well lead to better law-making in the future.

But minority members - as has been recognized by the Senate - have much to offer as well, including a knowledge of legislative history and both background and expertise regarding the work of those committees of which they previously were members. To reject the contribution minority members can make to the work of the House is both short-sighted and wasteful.

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CNMI historian and Northern Marianas College teacher Sam McPhetres said at the conclusion of a recent presentation about the "Save Sugar Dock" campaign, that perhaps now civic activists would take on larger social issues. Having proved the power of the people, so to speak, McPhetres said he would hope issues such as gambling, prostitution and corruption would also be taken on by concerned citizens.

It is, however, far easier to take on environmental issues, particularly when they involve outside investors, as did the Sugar Dock project, than it is to take on issues closer to home. Local residents did not play a prominent role in either the Sugar Dock project, or the earlier Tanapag Korean Hotel project - both of which involved the granting of a CRM permit, and neither of which succeeded.

But tackling social issues, which would involve local residents, is altogether different, as became all too clear when an issues class taught by McPhetres issued a report on what he called "the most insidious threat to culture and tradition in the CNMI, the poker industry." The students found that 60% of all violent crime in the CNMI occurs in or near a poker arcade. They also found that while most of the actual machines belong to Willy Tan, many of them are "franchised" to poker parlors owned and operated by local families. But when the students presented the results of their study to top government officials, their response was that while they knew there was a problem, the government needed the \$13 million in taxes collected from the poker machines.

However, the government could reduce expenditures, so as not to require that \$13 million in revenue in the first place. What was not said, but was just as obvious, is that income would also be lost by the locals operating the poker parlors - which, allegedly, includes some high government officials. So action is not taken.

When, and how, are such issues to be taken on? And who would do so? In theory, when enough people have finally suffered enough - and when they find common voice and articulate, fearless leaders. Apparently, that day has not yet come.

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A less controversial social issue that needs attention is funding for the Joeten-Kiyu Public Library. Apparently, the funds requested - and appropriated - for the 2003 budget mysteriously disappeared when it came time to expend them. As a result, the library was able to purchase only 150 new books with its FY 2003 budget. It was not able to fill its position for technical services librarian because the money had to be re-programmed to cover the cost of replacing the library's air conditioning to preserve the books it did have.

Yet not only is the library short of books - it has a total of 40,000 volumes whereas professional standards recommend public libraries contain 3 books for every person in the community they serve, or, in the CNMI's case, more than five times as many to serve the present population of 75,000 people. The books are also getting old, and replacements are needed, particularly for reference materials.

The Library Friends are planning to launch a lobbying effort to persuade lawmakers to not only approve the new library budget without cuts, but also to guarantee that the money budgeted for its book purchases will indeed be available when purchase orders for them are submitted.

There is also a need for better coordination between schools and the library. Too often a class of students is instructed to research a topic for which there is not enough material for all 25-30 students. Since the library has not received prior notification, the first few students are allowed to check out all the books, leaving the rest with nothing to work with, whereas, had the library known, it could have placed the books on reserve, or otherwise assured enough material for all.

Activism, on the part of students, teachers, school librarians, and readers in general, could ease the situation.