



REMARKS BY THE GOVERNOR OF THE
COMMONWEALTH OF PUERTO RICO
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PUERTO RICO'S PRESENCE AND PARTICIPATION IN
THE WORLD COMMUNITY, TWO LECTURES DELIVERED BY
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LECTURE I

DEMOCRACY AND DEVELOPMENT:

PUERTO RICO'S ROAD TO FREEDOM

Freedom is the basic test of all human progress. At this late date of record history, most of mankind unfortunately remains unfree. Claims of advancement add up to hyperbole in the face of the fact that the powerful prison of poverty incarcerates the overwhelming majority of the world's population. More than two billion people know little economic progress and less economic power. Instead they are jailed in the repressive environment of joblessness, overpopulation, pollution, rural stagnation, overcrowdedness, and, worst of all, hopelessness. Having broken no laws of any national state or the state of nature, the "impoverished masses"- many of whom live in our midst- are cruelly locked up, victims of the most subtle form of tyranny. They languish untried and neglected. They yearn to play a part of the liberating process of economic growth and economic equity. Those fortunate few outside the prison walls who have the elemental wealth on a basis of fairness and social justice are making only the slightest effort to free their brothers and their sisters. Finding formulas to swing open the gates of poverty's prison is freedom's greatest

challenge in the world today.

POLITICAL AND ECONOMIC FREEDOM

People around the globe applaud the words and worth of the world's present-day symbol of freedom, Aleksandr I. Solzhenitsyn. In the book The Gulag Archipelago; he tells of "those people" imprisoned in Stalin's Russia, "hostages" of a police state, "no accused of anything at all personally, those peaceful inhabitants no even listed by name and taken off to destruction only for the sake of terror". Solshenitsyn's recent revelations of the politics of his own society and his personal courage in trying to open up windows in order that freedom's wind can blow through the statecontrolled structure of the Soviet Union demonstrate graphically that mankind does resist such political tyranny.

But where is mankind's concern and intolerance of the fate of two thirds of the world's humans who suffer from the worldwide system of economic opperession? "Necessitous men are no free men." It is my belief that mankind can neither tolerate political nor economic "Gulag Archipelagos". Reaction and resistance to economic tyranny is overdue. Economic liberation calls. International economic development is a necessity.

The desire for political and economic freedom is shared universally. Individuals long for this genuine freedom; countries want associations with other countries that enhance political and economic freedom. The fact is, however that although both individuals and governments desire conditions that encourage open expression and fair and fruitful economic intercourse, efforts toward individual liberty and equility are frequently thwarted by mankind's own passity, undermining the global spirit of being free.

A look at how people exist today on each continent, subcontinent, and island scattered throughout the seven seas shows the extent of opperssion. Never before in history has there been so much political sovereignty yet so little political freedom. Never before in history has there been so much economic plenty to enjoy plus the means to make more, yet so little economic freedom. It is a fact that the disparity between those who have and the more than two-thirds who dwell day-in and day-out in backward economic circumstances increases rather than diminishes. Simultaneously, a realization on the part of those who feel the inequity accelerates; anger becomes keener. Expectation no longer rise, what does rise is the widespread acceptability to have and to take by force.

America's founding fathers proclaimed to the whole world that "all men are by nature equally free and independent and have certain inherent rights". The pages of history are filled with attempts by freedom fighters to provide equal opportunities and rights. Only infrequently has this goal been met and, when it has, it most often has been political freedom. But to have one without the other still leaves man unfree.

In the year 1974, it is necessary then for those who ardently love freedom, more than personal pursuit, to commit themselves to overcome the obstacles imprisoning our brothers and sisters on the archipelago Solzhenitsyn described as "that deformed world", and to find ways to let our people go. Adequate programs of progress are not enough. Not only must new means and a new willingness be found to manage the earth's environment and to distribute its resources more widely, but all us in positions of leadership must dedicate ourselves totally toward stimulating the human spirit, so that door bolted shut for centuries can be unlocked and human affairs radically reformed. Otherwise, the power of poverty to repress those who dwell within will maintain its ancient hold on the billions of its hostages.

True freedom is at stake. Somerset Maugham put this

point poignantly. "If a nation values anything more than freedom," he wrote, "it will lose its freedom; and the irony of it is that if it is comfort or money that it values more, it will lose that too". The practical lesson is clear. As men in past epochs have heroically shed blood to attain the precious goal of political freedom, the current course of heroics needs to focus on attaining the precious goal of economic freedom. Indeed, daily headlines of kidnapping and international terrorism do not disguise the fact that richpoor skirmishes are already in process in the developed countries. These encounters will inevitably increase over the next few years. Provocations will be performed for the purpose of achieving comfort and money for the equity or both. In providing the poor opportunities for freedom in the near future, therefore, we strengthen the possibility of preserving freedom to those that have.

Like Jefferson, I believe it imperative to do eternal battle against every form of terror and tyranny. The best way that I know to fight is to fight for the right for the people themselves to participate in making the decisions on how to best launch economic efforts that will improve their own welfare. And I hasten to add that not just a implementation of new global goals of human happiness and

well-being.

I would like now to turn and look, briefly, at the battles for popular democracy and economic growth that have been waged for a generation in Puerto Rico and then focus on what course the fight for full freedom, that is economic equity and participating in a global economic system, will take in the future. How Puerto Rico accomplished its economic transformation in such a short period of time and what my country now strives for, I believe, have profound importance not only for Puerto Rican's but for other peoples in the world community as well. Puerto Rico has very unique characteristics and therefore does not present itself as a model to be copied. Rather, the men, and women of my country are deeply involved in the dynamics of providing jobs and justice for themselves. Perhaps, in that process, there is a message or two worth passing on to the world community. How we got on freedom's road and accelerated our journey and where we are headed is the tale I now want to tell.

POPULAR POLITICAL PARTICIPATION

The course of action chosen by Puerto Ricans to escape from its imprisoning "Archipelago" began to take shape just before the Second World War.

At the time, Puerto Rico lay forgotten and stagnant as a viable society, labeled as the "Poorhouse of the Caribbean". Despair gripped most of the population. Others were even worse off psychologically, being beyond alienation as it is now understood; for to be "alienated" from something it is first necessary, in some measure to have been a part of it. In certain areas of the island, there were people who never belonged to anything in their lifetime from which they could withdraw. A contemporary poet, pessimistic at the fate of his fellow countrymen, described the situation this way:

Pity, Lord, pity on my poor nation

Where my poor people will die of nothing

However, in 1938, a new political organization was founded. The Popular Democratic Party, led by Luis Muñoz Marín, struck a chord among the citizenry when it called upon individuals to be a part of their own society and to find solutions to improve their own lives. Instead of focusing on political status as traditional colonial politics prescribed, the party pledged to face squarely the island's most pressing problems. Muñoz rallied the masses, providing the people with meetings, again and again, Muñoz told listeners, "nobody can really blame you for selling your vote, but you must look at this thing

clearly. Do you want two dollars or do you want justice? You can't have both and this time you have to make a choice. Vote for me and see what happens!" With the free vote and the luxury of hope added on, the Popular Democratic Party won, finding the road on which to travel toward freedom and beginning Puerto Rico's modern era.

The Puerto Rican government as a whole has worked to reverse the population's backward circumstances. "Opern Bootstrap", the program chosen to overcome poverty's oppression, represents a clear consensus of the Puerto Rican people to deal with massive dependency and a dynamic effort to diversify and develop the economy. Government's central role in the country's economic growth and industrialization expresses the national will. Integrating freedom with public planning has provided popular participation plus greater opportunities for personal originality and leadership, a phenomenon not thought possible for us during the first half of the 20th. century, but a reality in the 1970's.

July 1952 witnessed the authorization of a Constitution and the creation of the Commonwealth relationship between the peoples of Puerto Rico and the United States. This novel and far-reaching association, within the direction of an autonomist movement that

started in the last quarter of the 19th. century, was the basis upon which Puerto Ricans chose to break loose from the bonds of poverty that had enchained the whole country for centuries. It is the system by which Puerto Ricans have fully and voluntarily chosen for the purpose of governing themselves. The essential thrust of the economic compact involves a common market and fiscal autonomy.

Freedom is evaluated by the extent to which a people influence the efforts of government to work for the greatest good for the greatest number. In order to break out from behind poverty's bars, Puerto Rico decided that traditional political symbols of sovereignty such as flag and flagships were not sufficient means to liberate a people from the overwhelming misery in their midst. The discouraging experience of the new nations that have emerged over the last two decades clearly demonstrates this point. Legal sovereignty without the minimum of material well-being does not satisfy the impoverished masses of the world. The overwhelming majority of the voters, taking issue with the cry of one of Puerto Rico's earliest and most popular nationalists, José de Diego, who described sovereignty as "the chief and primary liberty of nations," rejected the tempting emotions of narrow

nationalism. It was felt that the political-economic combination of freedom provides Puerto Rico, considering its geographic and other realities, the best mechanism to free itself fully.

Experiencing an elastic political association and a dynamic economic linkage presents to the world a new form of freedom and international community. In March 1953, the U.S. government informed the United Nations that it had "decided to cease to transmit information on Puerto Rico under Article 73 (e) of the United Nations Charter", on the grounds that its new status removed Puerto Rico from "the category of non-self-governing territories." The governments' supporting memorandum stated, "... Puerto Rico has voluntarily entered into the relationship with the United States which it has chosen to describe as a 'commonwealth' relationship." After the U.N. Committee had considered the relevant documentation, discussed the issue, and concluded that the transmission of information on Puerto Rico was no longer required, the General Assembly voted to concur in the decision. Its resolution expressed the General Assembly's recognition "that in the framework of their Constitution and of the compact agreed upon with the United States of America, the people of the Commonwealth of Puerto Rico have been invested with

attributes of political sovereignty which clearly identify the status of self-government attained by the Puerto Rican people as that of an autonomous political entity." Thus the world's political assembly conferred the charter of international legitimacy to Puerto Rico's political status.

This community of cooperation between the two countries was demonstrated when Governor Muñoz and President John F. Kennedy, on the 10th anniversary of the creation of the Commonwealth, recognized that the time had come to start a new initiative in order to enlarge Puerto Rico's political autonomy. A joint U.S. and Puerto Rican Commission deliberated and studied the status between the two countries and came to the conclusion that "The norms that govern the relations between the United States and Puerto Rico are based and will always be based on the principle of mutual consent and free determination." In addition, the Commission recommended the holding of a plebiscite to provide the people the opportunity to express their preference pertaining to political status. On this basis, a referendum was held on July 23, 1967; in which Commonwealth, providing Puerto Rico broad political powers concomitant with common defense, economics, and citizenship, was voted for by 60.4 per cent of the populace voting, 38.9 per cent preferring incorporation as

a federal state, and the insignificant remainder voting for severing structural political ties with the U.S. President Nixon and I, complying with the 1967 plebiscite, have appointed another Joint U.S. Puerto Rican Commission; it is presently at work refining the political formula chosen by both countries and recommending specific measures which would optimize Puerto Rico's selfdetermination.

QUANTITATIVE ECONOMIC DEVELOPMENT

True economic development combines both greater growth and greater equity by which the results of growth are widely distributed. Through open political processes, for 34 years, Puerto Rico has concentrated on raising living conditions rapidly, freeing a majority of families in every municipality out of the depths of extreme poverty that was pervasive, taking Puerto Rico into the threshold of the developed countries of the world.

In terms of Puerto Rico's quantitative accomplishments, the basic economic statistics are flattering. Taking 1971 World Bank figures, its latest comprehensive compilation shows Puerto Rico's gross national product at market prices amounting to \$5,050,000,000. During the last fiscal year, the gross

national product increased to \$6,430 million, a jump of 11 per cent over the previous year. Our net income per capita is now \$1,834 which represent more than six times that of 1950 and three the 1960 figure. In fiscal year 1973, the real growth rate was 6.6 per cent. To put these statistics into some perspective, a valid trans-continental comparison can be made with Singapore, another island country closely connected with its larger mainland neighbors. With 25 per cent less people than Puerto Rico, Singapore's GNP at market prices in 1971 was \$2,530,000,000, about 50 per cent lower than ours, and its per capita income was \$1,200, one-third below that of Puerto Rico. Another comparison, our Caribbean neighbor Cuba, had a GNP at the end of 1972 of \$4.8 billion and net income per capita of \$545. The economic growth rate during the whole Castro era has been less than two per cent per year.

The earning of the Puerto Rican salaried workers has increased dramatically during the last two decades. From 1953 to 1973, the median weekly earnings for all wage and salary workers increased by 512% from \$13 to \$77. Among mayor industry groups, percentage increases were as follows: services, 667%; manufacturing, 416%; construction, 300%; trade and transportation, 300%;

agriculture, 300%.

Even after accounting for purchasing power loss during that period, the real income of the median worker showed a 330% increase; that is, from \$13 to \$43. The average hourly wage in manufacturing went up from \$.50 in 1953 to \$2.07 in 1973. This rate was higher than that of any country in Latin America-the rate in Argentina was \$.61 per hour-and even of France, where the rate was \$1.71 in that year.

A comparison of Puerto Rico's foreign trade with that of other Latin American countries enables us to better understand the strength of the Puerto Rican economy and the tremendous job of development that has been done over the past three decades. Puerto Rico which in the forties ranked along the poorest of Latin American countries in 1974 with its population of 2,712,000 had more exports and imports (1,974-3,108) than Mexico with a population of 55,867,000 (1,825-2,935). Venezuela had more exports because of oil but not more imports (3,155-2,301). Only Brazil with its 103,548,000 inhabitants had both more exports and imports than Puerto Rico (3,991-4,783).

Marked health improvement blesses the island. The life expectancy for an average Puerto Rican is now over 71 years, one year higher than in the U.S., and the death

rate is even lower. A major reason for the exceptionally rapid rise in just three decades is due to an effective public health program plus a significant change in our diets, both in caloric and balanced food consumption. Since 1940, the birth rate has dropped from 39 per thousands to 24 per thousands. This does not, however, offset the increasing longevity and the rapid decrease in the rate of infant mortality. The warning flags are up. Puerto Rico's population is still increasing; indeed, if the birth rate, which is now holding, does not drastically drop, the population will double in just 27 years time.

Education is the instrument to break out of the chains of poverty and begin the pursuit of equality. Puerto Rico spends one-third of its entire budget on education. Much progress has been made by producing a literate population, but the present day gap between education and economic and social needs is wide.

Puerto Rico's rapid growth is founded on three industries -manufacturing, construction, and tourism-accounting for over 80 per cent of the island's primary income. Manufacturing, stimulated by the aggressive Economic Development Administration, has outstripped agriculture as the leading source of wealth, employing about 20 per cent of the labor force. Some 2,000 highly

diversified and modern manufacturing plans dot the landscape; 88 new ones went into operation last year. Manufacturing is and will continue for many years to be the main economic propelling factor in Puerto Rico and as such must receive all our stimulus and support.

In his book, Puerto Rico: Freedom and Power in the Caribbean, British historian Gordon K. Lewis has written: "Puerto Rico produces what she does not consume, and consumes what she does not produces." On a more philosophical plane, compared to a generation ago, we have everything. Yet, I wonder, do we have anything? Similar inquires are being raised worldwide about the quality of the life standards and style man has created on his small planet. It is here that I want to take a look at another set of statistics which show a bleak side of Puerto Rico's economy.

Puerto Rico has two basic limitations that are unchangeable. The island is physically small, only 100 miles long and 34 miles wide; it is distant from other sources of materials and markets. To offset these limitations, Puerto Rico must import most of the goods and products it needs and even some of the services. In order to pay for these, it must produce and export a necessarily much narrower range of products and services, but it

comparatively large volume and preferably at high prices. Indeed, Puerto Rico exports and imports more than Argentina and Mexico, and is the third largest Latin American trader, only behind Brazil and Venezuela. But our exports of several hundred agricultural and industrial products plus tourism and other services must be of sufficient value to pay for the thousands of products and services that cannot be efficiently produced locally and yet are part of our high level of living.

Our human resources, that is population density, the proportion of dependent children and young people, and a low employment rate among working age people, have limited our economic growth. After the Second World War, overpopulation and underemployment were alleviated by large numbers of Puerto Ricans emigrating to the United States. In the 1960's, however, the outflow was offset by a bigger inflow of returning Puerto Ricans plus Cuban refugees. The prevalence of people in Puerto Rico, especially in the crowded cities, retards development and dilutes many of development's benefits.

With our natural wealth limited, it is necessary to maximize our manpower, our materials and our minds. We need better trained laborers and workers with sophisticated skills plus greater technological ingenuity

such as the Japanese and Israelis have displayed.

Puerto Rico needs a high rate of investment, both in capital goods and in education. Consumption expenditures are high because the number of dependents per worker is so large and because of the driving force of conspicuous consumption. This keeps personal savings at a low level or even at a negative level. Economic growth remains highly dependent on investment from external sources. Amounts invested in education are diluted by the large numbers of young people to educate, which in turn contributes to high drop-out rates, especially beyond elementary school, and results in the present and future scarcity of the professional and technical personnel required in a high technology economy.

I realize that such a set of mutually aggravating problems is not unique to Puerto Rico. With variations in detail, it is to be found in most developing countries and in backward areas within the United States as well. But Puerto Rico's situation is distinguished by the magnitudes involved in relationship to its size. Our economists point out that the population pressure on our resources is unusually severe, the population structure is unusually distorted, dependence on outside capital is unusually great, and educational requirements are unusually high.

To produce a per capita level of income approaching that of the United States, for examples, Puerto Rico would have to reach comparably full employment and a level of per-worker output nearly double the U.S. average. This means that investments per worker would have to be much above the U.S. average and the labor force much better educated and more highly skilled than now.

The most enduring deficiency of our attempts to free the people from poverty's imprisonment, is unemployment and underemployment. Over the last three decades, we have succeeded in raising the number of employed persons from 512,000 to over 783,000, a yearly increase of more than one per cent, but the unemployment rate has persistently hung around 12 per cent. This chronic burden has nagged us ever since "Operation Bootstrap" began. Another 18 per cent are not accounted for in official labor statistics, the people either having lost hope of ever being employed or just not looking for jobs. There is evidence, too, that another 12 to 13 per cent are less than fully employed, with totals an estimated 300,000 Puerto Ricans that are jobless. There can be no justice without jobs; there can be little income distribution with so many not generating income.

Our chronic unemployment problem cannot be left to

economic growth to make for new jobs alone. Puerto Rico's leadership needs to seize every opportunity to create employment. However, at the same time, we must face up to the factors adding to the continuous increase in the number of employed Puerto Ricans, such as our high birth rate which I mentioned before and immigration. As a result of those born in 1957-35 per thousand people-28,000 persons entered the Island's labor force this year. Added to this inordinate population growth, during the last two years, Puerto Rico has had a net reverse migration, mostly Puerto Ricans coming back after having established themselves on the mainland. This represents an increase in labor force, too.

Should this tendency prevail, our population will continue to bulge way out of proportion with the resources available to support it. The urgent need for a firm and vigorous population planning policy is clear and foremost in my thoughts, as I would think such a policy would be in the minds of other leaders in the developing world.

QUALITATIVE ECONOMIC DEVELOPMENT

It was not my intention to saturate you with Puerto Rico's quantitative success and shortcomings, but I think the extent of our economic growth should be duly noted.

Within the parameters of this development, the most striking single change that has taken place in our society since 1940 is the emergence of a collective will to achieve. However, freedom's future depends more on the extent of our qualitative accomplishments, than on the competitiveness of our society, more equally distributing our accumulated wealth unjamming not only our traffic but the stresses on our social structure as well, institutionalizing out total developmental processes economically sound and socially just society. Puerto Ricans want quality; the leadership is under pressure to produce plans and services in order to achieve the goals both of continuing economic growth and of realizing economic equity. My energies are devoted toward abolishing poverty and transcending wealth values, towards unleashing human potentialities by encouraging everyone's participation, toward deepening the extent of human freedom on our small global spot.

It is my belief that to realize a society of greater justice and equality, our dignity and worth as a people are on trial. So is government's worth as a structure of and for freedom. So is the preservation of earth's essential life - support systems of atmosphere and water.

The future of economic development rests on the

ability of our society to plan and to follow through on plans in a reasonably and flexible manner. The key is to integrate our objectives-full employment, a healthy and aesthetically appealing environment, quality education, and family planning. Creating jobs is fundamental. Encouraging industry to come into an area or expand its facilities needs to be thought out and regulated in terms of pollution-control and population density as well as the human skills necessary for running the operation. Educational training on and off the job, placing maximum limits on population, strict land use laws, deciding which kinds of manufacturing plants to attract, supplying sufficient fuel and social service requirements are all essential elements to be taken into account in any development planning.

It is my desire to reshape Puerto Rico in such a way that it becomes a highly integrated society and system, so that in case of conflicting demands among the various sectors of the economy, decision-making will be based on serving the public interest of the society as a whole and not that of a particular sector. Only in an integrated political-economic system can quantitative and qualitative measures combine and economic development take place. There is abundant evidence in Puerto Rico that adopting

the right kinds of policies to increase integration and thus equity will not inhibit growth, but in fact will actually contribute to it.

CONCLUSION

I would like to conclude my lecture with a few summary thoughts. The growing global interdependence among countries, as the energy crisis demonstrates, will not long permit any of us to "go it alone". There are a host of ways in which countries can associate themselves more closely to each other. Persistence in maintaining sovereign pride without the reality of economic growth and equity only prolongs dependency. I am not advocating the establishment of "economic zones of influence". That is more of the colonial mode of operation. But I am advocating genuine means of cooperation among countries, such as free associations, to enhance each others needs and to assist in solving urgent problems.

Puerto Rico's leadership, in its commitment to the peace and progress of and for the people, is pursuing in a democratic context human values-individuals liberties, economic material well-being, equality of opportunity for all citizens, spreading as widely as possible increased income, quality of life. "The world was always yours, you

would not take it." Archibald MacLeish once said in a speech. The poet's appeal was for leaders to freely assume responsibility in order to radically reorganize a society as a whole. Puerto Rico's leadership eagerly assumes responsibility to direct Puerto Rico to a decent and just present, and also the preservation of a viable hope for a decent and just future. That is our popular choice; that is the basis of our decisions of activity in the internal and international arena. For over a quarter of a century, Puerto Rico has learned a lesson which now should be altruism: That if people are to overcome the imprisonment both of imperial dependency and the social scourge of poverty, as well as other forms of domination, only the people, fully aware of their circumstances, through their own imagination an interpretation of responsibility, can free themselves. The Brazilian Bishop, Don Antonio Batista Fragoso, expressed this new direction. "We do not need paternalistic redemption. We need conditions so that those who are now abandoned may free themselves from their own underdevelopment with their own united force."

Human beings will not make the social investment needed to build a society if all they can see ahead is more economic servitude. Not only do people need a

personal economic stake but a sense of personal dignity as well. Paradoxically, freedom is the precondition for political, economic, social, and cultural development because society depends upon the individual and freedom is essential to personal development. A sense of community based on an elementary belief in the justice of the social order is essential to development.

If what Puerto Rico has and hopes to have over the next few years can be successful, it is my dream that our united force, our road to freedom, will be heard and understood by our neighbors and others in the world at large, Puerto Rico's self-and global-interest is a greater degree of economic growth and social justice among all peoples. Only then will the globe change from Solzhenitsy's "deformed" description of the world to that in which there is a chance for the whole human family to enjoy freedom and its multiple satisfactions.

LECTURE II
PUERTO RICO AND GLOBAL
COOPERATION AND COMMUNITY

How to best use remaining global resources has become a decision of critical importance. Both the resources and the decision are internally and globally interrelated.

The economic events of the last 12 months make it dramatically apparent that world resources are not so vast and boundless that we can continue on the uncontrolled trajectory of selfishness, nationalism, and waste that has characterized human history to date. Developed and developing countries alike have been rudely awakened to the fact that the problems are universally severe. The current food and fertilizer shortages plus the oil shortage join into one global energy crisis. A population explosion goes onward and upward. There is the overexploitation of many renewable and nonrenewable resources, pervasive pollution, the disruption of the world monetary system, physical and psychological terrorism, and uncertain peace. The gravity of these issues highlights the fact that it is in the present interest of all countries around the world both to stress and strengthen self-reliant development and to raise

rapidly the level of interdependency among themselves in order to begin coming to terms with common problems. Without economic freedom and planning at the domestic level, however, there can be little effective economic interdependency and planning at the global level.

Since the Second World War, there has been a modicum of interaction in terms of an international economic order and ideological political alignments. However, the result of this interaction has been patterns of domination by the industrial over the low-income countries. At least 40 per cent of the world's poor are left out. New needs urgently require a greater growth of genuine global cooperation and community. Only areal understanding of the fragility of our planetary life can strengthen our sense of each other and the seriousness of the economic and technological challenge that we face, and strengthen still more our awareness of our moral responsibility. Otherwise, as Barbara Ward has warned, "It is the planet itself that will pass on its final judgment—the extinction of that greedy, careless, unheeding species we call man."

GLOBAL INTERDEPENDENCY

In some ways, as the rich countries become more overtly dependent on foreign fuel and raw materials to

keep their industrial progress in working order, a new interrelated process is taking place. Those less developed countries with basic resources are banding together to deal -on their terms- with the wealthier countries. There is widespread discussion of international economic justice. Unfortunately, as worldwide economic growth expands, widespread competition between countries for the fuel and the scarce raw materials grows, too.

Jean Monnet recently remarked that "We must attack our problems, instead of each other." This comment by the principal proponent of European unity points up the pressing problem that a confused world of parochial patriots faces. Do we meet our common concerns by only modifying the old politics of the bilateral economic world? Do we add to the old weapons of war the new weapons of oil, food, bauxite, copper, tin and other basic resources? Or do we meet our common concerns by practicing the new politics of an inter-related economic system? Do we engage in fair and just economic cooperation?

It is my belief that it is more advantageous that each country, large and small, those blessed with agricultural bounty or minerals or both, share in an

understanding of the world's mutual vulnerabilities and work together toward a common management of resources, research and redistribution, in short, of a common solution in a world community before the crisis takes the form of famine, vast unemployment, drastic inflation, and ultimately the world at war again. Human survival itself necessitates each country coming to grips with the nature of these problems and requires effective action by the global community as a whole.

If we are to improve civilization let alone maintain the level we already have, there is no alternative to global cooperation and community. The tumult that all of us -electors and elected- have been living through since mid-1973 has made this dramatically apparent. A worldwide food scarcity raised its ugly head. Grain and soybean prices doubled and tripled, gravely detrimental to the poorest peoples in the world and beneficial to America's farmers and balance of payments. And, then, with the Arab-Israeli war in October came the energy shock-oil embargo, production cutbacks, deference diplomacy on the part of Japanese and Western Europeans to buy a deal for themselves, and price increases that economists warn threaten the world economy more than any other event since World War II.

Energy makes crystal-clear the very real economic interdependence among countries of the world. Your and my destinies are increasingly intertwined with that of the actions taken by our neighbors in aluminum-rich or manganese-rich or tin-rich countries. Already, our destinies are dangerously affected by those in industrialized countries who pollute the rivers and oceans with mercury or by those who threaten our very existence by the potentially catastrophic pollutant of nuclear weapon systems. Neighbors not rich with any basic commodity eagerly desired by the consuming world are just as fully cognizant of the importance of global consultation, global coordination, and global cooperation on the urgent economic issues of mutual concerns. Such a realization on a worldwide basis, only being perceived now, must be foremost in the future planning of the planet's leaders. And there must be well-designed plans.

Interdependency is not abstract. It is not confined, as it might have seemed previously, to a normal need of many countries to obtain from others their products and technology to assure steady progress toward higher living standards. Interdependency is brutally real. For instance, hardest hit by the quadrupled cost of oil and soaring prices for fertilizer and food are the less

developed countries which comprise over two-thirds of mankind. The Overseas Development Council in Washington has studied the fate probable of the 30 poorest countries if the energy crisis, especially the exorbitant price level holds or goes up even further. For peoples in Sub-Saharan Africa, South Asia, the Central America-Caribbean area, in other places as well, a category of countries containing some 900 million people, which is half the population of the Third World, the report states that "the consequences of the changes from 1973 are overwhelmingly negative." These countries "have the most dismal growth prospects for the future. Their net share of the identifiable adverse effects of the recent increases amounts to some \$3 billion." In low-income countries, the recent price increases will aggravate the already serious and growing problems of population explosion, income distribution, and rising unemployment. Higher food price in particular impose a greater relative burden on the poor. The overriding challenge, the Overseas Development Council foresees, "is not only how to cope with the present staggering problems...but how to do so in a manner that will also permit progress on the massive social problems which were already posing a major threat to the poor majority of the population of most developing

countries."

A hopeful note resulting from the Arab action, that may in the long run compensate for damage done to the global poor, is that it might hasten the day when all countries confront their problems peacefully within an interdependent framework. Puerto Rico, perceiving the desirability of participating in a genuine global economic system, wants to pursue this kind of internationalism. It wants to share the country's technology and development techniques plus lessons learned from our successes and shortcomings so that other countries may benefit from our experiences. For instance, for two decades, Puerto Rico has been the meeting place of more than 30,000 persons from the developing countries concerned with "point-four" type projects. In short, Puerto Rico strives for its own security further developing its well-being within the new constraints of a global economy.

In the United States and in Europe, the energy shortage has set in motion some planning for the creation of alternate energy sources. Interrelated planning is necessary in other major areas as well. Prognosticating the problems of the 1980's is not difficult. What is critical is how, and how effectively these are tackled; it may mean the difference between war and peace.

First, there is the future of food. Dr. John Knowles, president of the Rockefeller Foundation, calculated last month that "23 million people could be without expected food due to lack of fertilizer" in the near future. He warned of widespread starvation. Others frequently flash warnings of the "Hungry Eighties", of global food scarcity being chronic.

Second, the raw resources scramble will be intensive with most materials and minerals to be several times more in demand than they are today. A fierce struggle could develop over finding, extracting, and pricing resources that are needed to fuel the fires of world-wide industries. Over the last 20 years, for instance, the world used up more raw materials than in all previously recorded history. According to the President's Materials Policy Commission, it is estimated that in 1980 the United States alone will need to import-in 1971 dollars about \$100 billion worth of six basic minerals annually. Associated as we are with America's economy, for Puerto Rico, it is clearly in our interest to avoid any scrambles and to partake in the giving and taking of the new politics of cooperative international economic intercourse. Neither we nor other countries whose per capita consumption is approaching ours can really profit

by anything but a mutually negotiated and mutually derived global system. Neither can those countries whose major struggle is to achieve economic freedom and well-being.

Looking at where exportable raw materials must come from, experts make the important point that in almost every case the pattern of oil is repeated-often with more dramatic concentrations. Only a very few countries account for the bulk of a major resource. For instance, Chile, Peru, Zambia, and Zaire control more than 80 per cent of the world's copper and they have agreed to restrict exports if the present favorable international copper price structure threatens to collapse. The principal producers of bauxite recently discussed such an arrangement. Zaire and Zambia, suppliers of 70 per cent of the world's tin exports, may also band together. And the pattern could be repeated by the four countries controlling more than 50 per cent of natural rubber. In short, many OPEC's are ahead of us, and in each case, the target of the commodity cartel will be the richer countries.

What will be the commodity cartel will be the richer countries. Foreign Affairs, Germany's Finance Minister Helmut Schmidt raises the possibility that when economic stability is threatened, "the irrational use of force

might ensue..." Confrontation economics has its limits. But so does the patience of poorer countries not to break out of their poverty. Ultimately, the central issues of our lifetime - poverty, pollution, population, and renewable and non-renewable resources- will decide the fate of world peace. Besides moving in a cooperative fashion on these issues, however, each country -and I certainly include Puerto Rico here- must broaden its parameters and reset its priorities in order to function in the world economic community and to produce global environmental harmony. Economic interdependency can only come in a genuine when each country faces up to the crucial choices confronting its own society in terms of self-reliant development. This requires values that give redefinition to life's standards and systems, the forces of science and technology, and to social justice.

DEFINING DEVELOPMENT

On Tuesday, I spoke about the definition that Puerto Rico gives to development and freedom, a total effort to achieve economic growth and economic equity. In this context, the Puerto Rican people have defined the terms upon which external investment would be invited to come into our country. Puerto Rico aims to live within a

reasonable degree of development by finding a middle practical ground between unlimited "stages of growth" and the Club of Rome's call for placing wholesale "limits to growth". This is the best way to achieve conditions of quality.

Modern Malthusians see only rising populations, destruction of the land, extinct species, urban sprawl and deterioration, and increasing gaps between rich and poor. Contemporary "no growth" advocates would say that Malthus was correct both in his time and today in his observation that, "the pressure arising from the difficulty or procuring subsistence is not to be considered as a remote one which will be felt only when the earth refuses to produce any more but as one which actually exists at present over the greatest part of the globe."

Serious concern and policy decisions are overdue to save and replenish the environment, to plan for land usage in urban and suburban areas, to equitably distribute national and personal income, and to alleviate joblessness, social afflictions like social dislocations, drug addiction, and boredom. Economic enrich and emancipate but paradoxically can also enchain. The "growth and regeneration" metaphor of Western civilization needs to be eliminated from our thinking. Progress, yes,

but with clear purpose and careful planning, combining both economic and social pursuits as determined by the countries themselves, not by outside models or arrogant outsiders.

Interrelating basic industries with available resources, personnel, and planning offers the best prospects toward economic development. In this regard, Puerto Rico seeks to construct a deepwater super port in order to have available crude oil at the lowest possible price for its refineries -and expanded refineries to come from the Persian Gulf. Additional oil refining capacity could meet Puerto Rico's growing energy and raw material demand at a cost that would permit the survival and expansion of the present petrochemical and downstream industries such as fertilizer plants and plastic and synthetic cloth producers. This would give us a better base to manufacture end-products at a price that would make them competitive and place Puerto Rico on a truly international level. All this in a manner which will minimize possible risks to the environment. By expanding fuel facilities and crating more industries, for instance, a more mature and balanced economic relationship with Venezuela could develop, going beyond one-way oil trade into the exchange of petrochemical end-products.

An extensive deepwater terminal also opens the door for the world of shipbuilding to enter. My government is intent in providing Puerto Rico with its own merchant marine fleet. In the near future, vitally needed new vessels will be necessary to take advantage of the waiting trade markets in the whole Western Hemisphere and to delete from our deficits high payments to foreign commercial shippers. Right now, the increasing rates of ocean shipping are adversely affecting Puerto Rico's cost of living and making the competitive position of our industries more difficult.

Jobs are limited; the skills necessary for these jobs are not as sophisticated as they could be. However, the potential positive spin-offs from the core deepwater super port, planned in terms of employment and education, and protected in terms of the environment, would build a base for labor-intensive industries plus more high level technological industries.

Another development project with environment concerns involves exploiting two copper mines. The deposits are estimated at 1.5 million tons and the reserves could produce about \$2 billion in refined copper and \$4 to \$6 billion in fabricated products. With the mines as a core would be intertwined industries that would benefit Puerto

Rico, if planned properly, without gouging Puerto Rico's environment or patrimonial wealth. This would mean developing regulated smelting plants in Puerto Rico; establishing downstream industries such as cable, piping, wiring, and electrical hardware manufacturers. This would also mean training facilities offered on the job, which in general opens up the whole vista of working out with the industrial and commercial sectors plans to pinpoint needed specialized skills in the occupations of greatest demand in Puerto Rico. The utilization of industry as a laboratory for student training is being intensified along with the consideration of using industry also for the training of teachers in certain fields. Major global corporations interested in copper mining, processing, and refining in Puerto Rico are examining a joint venture with the Puerto Rican government.

I said before that the super port and copper projects are controversial. Some environmentalists argue that they will add not to Puerto Rico's economic growth and equity, but to its deterioration. I disagree, both projects involved will adhere to strict environmental rules Puerto Rican, Federal and International. In this way, strong enforceable transnational agreements hold the greatest promise to produce global environmental harmony.

One of the most significant advances made at the 1972 Stockholm Conference on the Human Environment is Principle 21, which states in part that "States have... the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other states or of areas beyond the limits of national jurisdiction". Puerto Rico is conscious of this principle; we will abide by it; we want to utilize our own resources such as copper for the benefit of its sole owner -the people of Puerto Rico. At the same time, we uphold the spirit of Stockholm as part of our role in the global community.

PARTICIPATION IN THE GLOBAL COMMUNITY

Geographically, Puerto Rico belongs to the Caribbean. Culturally, it is part of the community of the Hispanic-American peoples. Economically, it is a partner of the 50 American States. These three reference points -and the political status of free association- are the points of departure for defining Puerto Rico's presence in world affairs and its relationship with other countries and with international organizations.

Puerto Rico's relationship with the U.S. is to both countries' advantage. As part of the United States

Constitutional system, we exercise much flexibility and freedom. The choice involved in our Commonwealth status provides Puerto Rico alternatives: To negotiate with the U.S.; to initiate or to respond; to strengthen Puerto Rico's society; there is elasticity in our autonomy and we want to expand our political powers. We want to maintain the crux of the current compact - common economic union, common defense, and common citizenship. We want to possess maximum autonomy in other matters.

In turn, the United States receives from Puerto Rico certain security and economic benefits due to our continued close association. As events in Panama and Cuba change, requiring reforms in American military patterns at the Panama Canal and at Guantanamo, Puerto Rico takes on further importance in hemispheric defense. Although Puerto Rico is smaller in area and population than the State of Connecticut, it is the fourth largest overseas market for American goods following Canada, Japan, and the United Kingdom. It contributes more to the U.S. trade picture than Mexico which has a population 17 times as great. The relationship is mutually advantageous, you need our manpower, we in turn need your technology and capital, we both need each other's markets.

If the relationship that Puerto Rico with the U.S.

benefits both peoples and if that freely associated linkage is understood by other people as a creative and constructive international force, then the relationship may stimulate other countries to rethink their ties with neighbors and with larger powers.

Those ties heretofore have tended to reflect varying degrees of exploitation and parasitism. The exploitation of colonialism leads in the end to parasitism or dependency.

After exploiting for years colonies, metropolitan powers were quite ready to grant independence. After the Second World War, the movement towards independence was hailed as liberation by countless people across the world only to find that they had not arrived at the promised land, that economic progress did not necessarily follow from cutting political ties. The need for foreign aid from some source became quite apparent. Development displaced sovereignty as the primer international concern.

But the hard facts of international economic and political power struggles of countries and companies stifled growth in the underdeveloped areas of the world. Finally, last year the Arabs turned their oil into a fantastic political and economic weapon which heralded a dramatic change in the relationship between developed and

underdeveloped areas of the world. It promised for those countries with natural resources a rearrangement of the terms under which they have been dealing with the industrial powers, and a beacon of hope of their impoverished masses.

The message of Puerto Rico for the underdeveloped peoples of the world is not as dramatic as that of the Arabs but perhaps just as important.

Though we pursued freedom, we did not chose to follow the route of independence. We sought freedom through a political process that allowed our people to freely choose those who they wanted to govern Puerto Rico, a democratic system which gave the right to the men and women of Puerto Rico to choose whatever option they desired as to the type of relationship, if any, they wished to have with the United States, a system whereby they could express individually or collectively whatever they choose, whenever they choose to do so. This is how they established commonwealth.

The people of Puerto Rico in addressing their colonial problem did not turn their backs on the United States. They gaines power for themselves in Puerto Rico, and turned to the United States to fashion a relationship whereby they could use their freedom to transform a sick

feeble dependency into a healthy strong colaborator for progress. They had the vision to see that abstract concepts such as independence or statehood mean little in the development of man if they do not promote more important goals. They saw that human progress must be pursued by viewing man as a whole, by fostering his eduaction, his health, his job, his shelter, his relationship with others and his environment, his sensibility, and his spiritually. They saw that the forms of political freedom must be a means not an obstacle towards obtaining these ends. And above all, they saw that progress through freedom is not the work of magic nor does it occur overnight, nor without mistakes or setbacks in a relationship such as we have with the United States, it is a constant effort day in and day out to work together with thousands of companies and government branches or agencies each with its own purpose, each with its own responsibilities, which we must find the way of marrying with our own so that we may push ahead together. It is a task for character, for integrity, and clarity of vision as to where you want to go. It is difficult, but it can be done. It has been done, and if will continue to be done.

What is then our message to the impoverished masses

of the world? It is simple and it is directed not to their governments but to themselves: You must gain power on your own countries and establish governments that work for you. But, once this is done, face the world, not turn inward. Establish your own priorities, set the rules of the game, and you can get others more advanced to work with you. To do that you must carefully make their interests compatible with yours. In some cases this will not be possible, but it will be possible in enough cases so that your progress will be much greater than if you insist in going at it alone. Both pride and prejudice are poor counselors, you must rise above them.

Through this process, the underdeveloped peoples of the world can put an end to exploitation and parasitism or dependency and a new era of simbiosis of inderdependency will be unshered in.

In mid-March, Costa Rica's President-elect, Daniel Oduber, spent three days in Puerto Rico and we plan to meet again soon to strenghten our relationships. During his visit, he made it clear that he wants to sell his country's agricultural products and to buy our manufactured goods. Both countries are already united in the brotherhood of democracy and in a set of principles of social justice for our people. Along with Venezuela's new

President, Carlos Andrés Pérez, we plan to revamp and revitalize the concept of a democratic left in order to project a strong moral and political force within the Caribbean. Next summer, for example, the Venezuelan Health Ministry is sending two technicians to Puerto Rico for training with our Environmental Quality Board. Hopefully, countries like Colombia and Jamaica will join the Costa Rica, Puerto Rico, Venezuela triad in this important moral and economic effort. We want to pursue this course through our own examples of democracy and development, and through interchanges among ourselves. Our way of governing and our economic-social activities are on view. We want our brothers and sisters to see our forms of freedom; we want to share these with them.

Puerto Rico also seeks extensive economic ties with key industrial countries such as Japan and Germany where we have opened an industrial investment office in Tokyo and another will soon begin operating in Frankfurt; with Mexico and Canada in this hemisphere; even with more exotic but important democracies like India and Malaysia.

I have initiated actions to assure our entry into the Caribbean Development Bank, the principal financial organization of the recently created Economic Community of the Caribbean composed of member states of the

Commonwealth of Nations. Our participation in this regional financial center will be active and significant.

Professor W.M. Reisman of Yale Law School recently prepared a comprehensive analysis of the potentiality and desirability of greater participation by Puerto Rico in international affairs and specialized international institutions.

According to international law and on the basis of institutional practices, the Commonwealth of Puerto Rico can rightfully participate in international organizations such as UNESCO, WHO, ILO, UNCTAD. In the Inter-American system, for instance, Puerto Rico has been a part of various technical organizations and special agencies. Our experience in the field of economic growth and equity has enabled us to contribute, I think valuably, to the workings of different regional and international institutions, and to benefit at the same time from contacts and programs. For about 15 years, officials from over 100 countries have visited Puerto Rico to see its progress and study its methods.

CONCLUSION

Economics and international politics need to be viewed as a whole. Achieving cooperation among have and

have-not states will be difficult, but current global crises compel such cooperation. In fact our present fuel, fertilizer, and food dilemmas may be blessings in disguise, encouraging an opportunity to try to evolve new forms of relationships among countries. Could it be that the energy crisis is the birth of global interdependency?

Now is the time to reduce the conflict between the unilateral pursuit of narrow national interests and secure a greater equity in the world through interdependent means. By increasing the participation of smaller countries in the operation of a global economic system based on conscious cooperation -even with the forces of commodity country power- there is likely to be a psychological shift away from the prevailing Western view of developing countries and the prevailing passive view among poorer countries seeing themselves as only wards of the industrialized world. The Arabs have shown, crudely but clearly, that industrial countries do not have any divine right to take their exploitation of the globe's resources for granted. Those people dominated via their raw materials, underpaid for their labor, and whose economic sovereignty is abused only desire a peace that is not a prize of the privileged, but coexistence in well-being. It behooves each country to work for policies and

structures of economic justice within, so that global economic development will not be limited to the few industrial countries. However, the ongoing widening gap between rich and poor undermines the pursuit of world social justice. As Archbishop McGrath of Panama City recently wrote in Foreign Affairs, "The world... cannot long remain one-third rich and two-third poor. There are wars, and rumors of greater wars. International peace cannot be had without a minimum of international equity. The world's resources are for all, and their use must be planned for all, or we will die fighting over the fragments."

We need an adequate degree of global cooperation and community social justice where all peoples -rich and poor, large and small- may participate in the sharing of human and material values conducive to the wellbeing and happiness of mankind. None of this can be achieved unless self-reliant countries such as Puerto Rico and others, totally dedicated towards development, play a significant part in focusing the whole world's attention on pressing problems of the quantity and quality of our global life.