



**REMARKS BY THE GOVERNOR
OF THE COMMONWEALTH OF PUERTO RICO
HON. RAFAEL HERNANDEZ COLON
AT A MEETING OF THE CARNEGIE ENDOWMENT
FOR INTERNATIONAL PEACE**

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Puerto Ricans: One nation, two abodes

We meet tonight to discuss an issue that Puerto Ricans have been trying to get on the radar screen of the Federal government for about a century. Plebiscite bills are positioned to work their way to the Senate and House floors before the October adjournment if they manage to resolve the question of participation of Puerto Ricans residing in the states and to survive the competition with bills relating to the budget and gulf crises plus a host of other pending legislative issues.

In our effort to resolve pending matters, the Government of Puerto Rico has worked closely with the Puerto Rican leadership in the states to work out a process for participation for the 2.5 million mainland Puerto Ricans. The statehood and independence factions in the island oppose such participation. With the help of the White House, a close ally of statehooders in this process, and the Republican leadership in the House they have managed to block action by the House Interior Committee on the plebiscite bill on account of this issue.

To us the issue is simple: Puerto Rican's constitute a nationality of 3.6 million in the island and 2.5 million in the mainland. The names and faces of those in the Island or on the states change everyday. The circulatory migratory pattern creates a fluidity in the physical existence of the Puerto Rican people that places them both in the continent and in the Island. This migration, this constant commuting back and forth between the states and the island, is inextricably linked to Puerto Rico's political status. Thus it is right and fair to expand the absentee voting procedures for the self-determination plebiscite, in order to extend the right to vote to those Puerto Ricans who reside in the states at the time of the plebiscite but who intend to return to Puerto Rico at some point in their lives.

The strength of the Puerto Rican nationhood was deeply felt by the House Interior Sub Committee which held hearing on this issue in New York this summer. Although Puerto Rico's Legislative Assembly could expand the absentee vote to cover a

greater number of non-resident Puerto Ricans than it does now, a Congressional finding of the existence of the Puerto Rican nationality and its extension outside the Island is necessary to empower our legislature to give the broadest possible range to the absentee ballot. My government is pursuing this vigorously, so that we may get on with the plebiscite bill.

In dealing with this plebiscite bill, Congressional Committees have had to consider --I was going to say face up to but that has not always been the case-- the fundamental issues regarding Puerto Rican statehood: 1) its economic and fiscal implications, 2) the issues of cultural and language differences, 3) gauging the political will for statehood.

The Senate Finance Committee did face up the economic and fiscal problems of statehood thoroughly and conscientiously. It concluded that the principal growth factor for the Puerto Rican economy is its fiscal autonomy, implemented through Section 936 of the U.S. -Internal Revenue Code. It

determined that the preservation of this section after statehood was constitutionally impossible, and consequently that it had to be phased out over a five year period before statehood sets in. In its comprehensive study the Congressional Budget Office concluded that with the imposition of federal taxes the Puerto Rican economy will stagnate, requiring ever-increasing federal social spending.

In its analysis of these fiscal and economic problem the Finance Committee has to face up to a very difficult philosophical question: Obviously, statehood is economically a disaster for Puerto Rico and will become a permanent burden (of around \$2 billion a year) for the United States. Is it responsible to offer this alternative so that Puerto Ricans may self-destruct the economy they have for so many years labored to put together and obligate the U.S. to pick up the pieces?

Should the U.S. Congress offer what is clearly an economically irresponsible choice?

Difficult questions, but life is full of hard choices. Freedom which is at the heart of self-determination empowers us to choose for better-or for worse. The Senate Finance did exceptionally sound work out the choices, and the trade-offs. But it is for our people to choose. Let us respect their right to do so, and their right to do so, and their judgement to choose the better course.

The question of culture came before Senate Energy Committee through a petition by the statehooders for a guarantee of the Spanish language as an alternate official language to English under statehood. Energy ducked. The statehooders were advised to withdraw the provision from the bill and they promptly complied so as to avoid highlighting the issue. This course of action is wrong.

The people of Puerto Rico deserve a clear answer on the question of language. We are a Spanish speaking country: 60% speak no English at all, another 20% very poorly. Language is the

heart of culture and identity. It is an unavoidable issue.

Another matter not properly addressed is international sports. Under the Amateur Sports Act the U.S. has only one Olympic Team. Puerto Rico as a Commonwealth has its own. Statehooders insist we will keep ours, but they have not moved for an amendment to the Amateur Sports Act. Again the question of culture and identity. Do they identify themselves as Americans or as Puerto Ricans? Where does their patriotism lie, with the United States or with Puerto Rico?

Hard questions, but important ones because the statehood movement in Puerto Rico has been preaching the fantasy of coming into the Union as a separate people with our own language, culture, identity and expressions of this diversity such as our Olympic representation the Senate Energy Committee provided no answers to these questions.

The House is addressing the problem more forthrightly provided the statehooders with the classical definition of statehood: "E Pluribus

Unum". No differences, plainly American just as California, Florida or New York, where you may have many ethnic backgrounds but all moulded into one people, with common symbols, a unifying language and no ambiguity as to their identities or loyalties.

The cultural question is very much tied up with the question on the political will necessary to bring Puerto Rico into the Union and the consequent disposition to admit it as a State on the part of Congress.

Senate Energy started out with a self-executing bill: Congress offers the three alternatives, the People of Puerto Rico choose and if there is a majority vote for statehood, that's it: a new state had come in. This quickly raised eyebrows in the Committee and in the Senate. The House leadership immediately sent a message to Chairman Johnston that such a procedure was unacceptable to them. Congress ought to have a second look said the House; either that or a super majority for statehood must be required.

How this will play out? At this point it is uncertain, but one thing is: Whatever bill comes out will not be self-executing. Probably the House provision for a second look will prevail. A second look which may imply rejection if the numbers are not there to show a substantial and sustainable body of public opinion expressing a fervent desire to form not only a State of the Union but also a part of the American Nation and of the American Soul. Given experiences around the world with the Quebecois, the Northern Irish, the Basques, and the fragmenting Soviet Republics we can be sure that the second look at statehood for Puerto Rico will be a very hard look indeed if statehooders get past the first round in Puerto Rico. Towards preventing this latter occurrence you may be assured of my unwavering determination.

These are hard choices indeed, not just for Puerto Rico but also for the United States. Basically the United States Congress history will face the question if, contrary to American history and tradition, it will incorporate a nation into

the Nation; two people that will remain two people within the body-politic of the United States. Is there not a sense of historical irony in that Puerto Rico would force that choice on the Congress, when it is precisely the Puerto Rican experience in democratic development that proved the need to break old molds in the relationship between peoples, and the positive, self-evident results of creating new ways to accomodate unity and diversity?

The Evolving World Architecture: Towards new Dimensions of Unity and Diversity

We meet at a time when change is swirling around us. Rarely, if ever, has the end of a century so closely coincided with the end of a whole system of international relations. The underlying forces precipitating this change are not new.

Reflecting on the history of civilizations, French historian Fernand Braudel mused:

Civilization is not equally distributed. ...By opening up the fan of human possibilities, progress has also widened the range of differences... The triumph of civilization in the singular does not spell disaster for civilizations in the plural. ...The world is violently being propelled toward unity, while at the same time it remains fundamentally diverse."

This juxtaposition, this counterpoint, this dialectical relationship between unity and diversity is a constant in human history. This becomes particularly evident now that the winds of change will thrust us not just to a new century, and a new millennium, but to a new era in world affairs.

Let us take Europe as an example. On the one hand, the European Economic Community is rapidly leading historic rivals toward unity, in the forms of greater economic and political integration. The outline of the new European architecture envisions a full common market, a common European currency,

the ECU, a strengthened common defense, common citizenship rights. All of this within an organic institutional framework that accommodates the distinctive features and idiosyncrasies of its constituent members, the diverse nationalities that comprise this union. Parallel to the drive for European unification, there are thus forces that move toward recognition of its underlying diversity. Be it the autonomous regimes in democratic Spain, decentralization in France, or devolution in the United Kingdom, the organic counterplay between unity and diversity is as evident today as it has been in centuries past.

Are these simultaneous movements contradictory, does one necessarily deny the other? I would submit not. I would submit further that they are both necessary and complementary. They must go hand in hand so that as we move jointly towards the common goals that we as one mankind share, we also preserve and foster the heterogeneity that is such an enriching part of our

past and must also be an enriching part of our future.

As we look towards a future that will continue to harbor both unity and diversity, it becomes increasingly obvious that the structures through which mankind has attempted to achieve one or the other --the universal empire, the nation-state-- will find themselves incapable of accommodating the new forms that each will take in the years to come. Old premises are being discarded, traditional verities, revised.

The present developments in the Soviet Union are a case in point. The challenge of establishing a federation of truly autonomous republics can wait no longer. Decades of a totalitarianism failed to dissolve the fundamental national identity of the many peoples that comprise the Soviet Union. Will the last remaining empire be simply fragmented into numerous competing and conflicting nations-states, or will a new structure, truly recognizing its inherent national diversity within a looser economic and political unity emerge?

The imperatives of a new era call for creativity and innovation. The formulas of the past will no longer hold or adequately channel the realities or currents of the present, much less the possibilities of the future.

The Commonwealth Political Formulation

The Commonwealth relationship between Puerto Rico and the United States was born of a similar act of innovation and creativity almost fifty years ago. It harmonized what were at the time the two main imperatives of a poor, backward, underdeveloped colonial polity: the thrust towards economic and social development and the thrust toward political freedom and dignity. While the political options available to Puerto Rico were understood to be limited to the traditional formulas of statehood or independence, the simultaneous achievement of both thrusts seemed inevitably beyond the reach of Puerto Rico. The full range of Puerto Rican potential appeared to be

trapped in the inexorable choice between two and only two pre-ordained options.

The Commonwealth concept was an exercise in imagination, an experiment in political innovation, and a breakthrough in constitutional thinking. Chief Justice Earl Warren called it "An experiment... the newest experiment and perhaps the most notable of American governmental experiments in our lifetimes." In the words of Harvard professor Carl Friedrich, Commonwealth represented "an unprecedented development within the ancient constitutional structure of the United States... but it is also a novelty within the history of western constitutionalism in its entirety." What made it so notable in Friedrich's mind? "The status of Puerto Rico creates a new dimension of the federal principle in that it places the old principle of unity and diversity on a new basis." The flexibility of Commonwealth status has given Puerto Rico the tools to achieve dramatic economic and social progress, resulting in the peaceful transformation of the society. Productively

utilizing the unique advantages of the Commonwealth political framework --full fiscal autonomy, which provides exemption from federal income taxes, combined with low levels of local taxation and free access to the U.S. market-- Puerto Rico has set an example of how a small, densely populated island with limited natural resources can improve its condition and advance its economic development through its association to a larger state.

A Partner in Democracy

It was not just the economic success of the Commonwealth that attracted attention. It was also the democratic quality of its institutions and Puerto Rico's commitment to democracy in Latin American and the Caribbean. In 1980 Romulo Betancourt of Venezuela wrote: "During the decade of the 1950's Latin America engulfed by dictatorships, Puerto Rico became a haven for all free men of Latin America and Europe."

Puerto Rico's experience in democratic development served as an example to other

developing countries. When President Harry S. Truman first proposed the Point Four Program, the Governor of Puerto Rico told him: "I have no come to ask, but to offer our assistance." In fact, the Puerto Rican Legislature approved funds for the technical assistance programs before the United States Congress did.

A Partner in Progress

The path of success that I have just outlined has contributed to the U.S. as much as it has benefited Puerto Rico. As part of the common defense, Puerto Ricans proudly serve in the U.S. armed forces. Moreover, Puerto Rico's political stability and economic strength have served as a vigilant guardian of democracy in the Caribbean region.

Economically, Puerto Rico is one of the world's largest trading partners of the United States. Of our \$14 billion in total imports, almost 80 percent originates in the U.S. Puerto Rico's purchases of U.S. products exceed the

combined purchases Argentina, Brazil and Colombia, the leading U.S. customers in South America, with an aggregate population of 228 million. It is estimated that Puerto Rico's purchases generate 140,000 jobs in the United States.

Puerto Rico's progress under Commonwealth has also served to fuel economic growth in the Caribbean. In an ever more interdependent world economy, Puerto Rico cannot exist as an island by itself, disconnected in geography and separate in its future and fate from its neighbors. Thus we are using the policy tools of Commonwealth and playing a vital role in promoting the economic development and political stability of the Caribbean Basin.

Puerto Rico has contributed more than its share to make the Caribbean Basin Initiative a working reality. Through our Caribbean Development Program we have actively promoted the establishment of complementary or twin plant production and the investment of low-cost 936 funds. This has resulted in close to 100 new industrial projects in

12 Caribbean countries with a total investment of \$410 million, creating over 15,000 new manufacturing jobs.

Though our efforts at promoting the 936 funds/twin plants initiative we have played a critical role in fostering the requisite approval by 6 Caribbean countries of Tax Information Exchange Agreements with the United States.

The New Commonwealth

The achievements of Puerto Rico offer a sound and proud base on which to build the New Commonwealth that will thrust it forward towards the final decade of the first one hundred years of formal relation in 1998, and beyond, towards a new century.

The New Commonwealth presents a political model for the 1990's when new accommodations are being sought for nationalities all over the world. It goes beyond the traditional models of the past, the solutions of the fifties, and charts a path of union with pride and respect towards the future.

It is defined in terms of core principles with the reaffirmation of the bilateral nature and permanence of the relationship, the recognition of the sovereignty of Puerto Rico over matters governed by its Constitution; its powers of self-government amply broadened; and its citizens assured equal protection including full participation in the federal safety net programs.

Towards new dimensions of unity and diversity

New vistas emerge when old models are broken. New forms of harmonizing what would otherwise be irreconcilable elements of one reality. Puerto Rico stands today proud of its permanent political union with the United States. That is our legal, political, constitutional reality. To develop that relationship to its full potential allows Puerto Rico also to develop other constituent elements of its own reality, elements, in fact, which antedate its political relationship; its membership in the community of Iberoamerican nations. Today, Puerto Rico participates fully with the other members of

that community as we prepare to celebrate jointly five centuries of history in 1992 and beyond.

The Commonwealth allows us to harmonize both parts of our reality, to build and develop fully from it, and thus to give a new and future dimension to the enriching recognition of that constant in human history, unity and diversity.

Thank you.

