



**FUNDACION**  
REMARKS BY THE GOVERNOR  
OF PUERTO RICO TO THE BOARD OF DIRECTORS  
OF WARNACO, INC.

**MARCH 28, 1974**

Thank you, Mr. Clark. Good evening, ladies and gentlemen.

First, I should like to express my gratitude to you, Mr. Clark, for a gracious introduction and, speaking for my wife, for this opportunity to share a pleasant evening with so many good friends.

I am most pleased to welcome the Warnaco Board of Directors to Puerto Rico and to greet, personally, the members of the Puerto Rican Branch of the Warnaco family.

I commend and admire all of you for the faith and hard work that have helped make Warnaco such a valued and respected part of our industrial community and I hope you will continue to grow with Puerto Rico for many years to come. My administration stands ready to work with you.

Several months ago, following our meeting in New York, Mr. Clark sent me a copy of the latest Warnaco Annual Report. I found it, to say the least, very impressive. Warnaco, like our people in Puerto Rico, has the kind of spirit it takes to build and prosper.

We cannot and should not underestimate the value of this inner spirit, for in the life of an individual, a company or a whole people is so important as a readiness, a willingness to confront reality and meet challenge.

I can offer no better example of this simple truth

than the story of Puerto Rico's economic, social and political development.

There are those, in both the public and private sectors, who look at the challenges we face today and see only pitfalls and problems and who spend their time making pessimistic predictions. I think, however, that they forget too easily how far we have come over obstacles that, when measured in their original context, bring a new and even inviting perspective to those we face today.

Thirty years ago Congress had called our economic problems unsolvable. Our per capita income was less than \$200 a year. Our average life expectancy was under 50 years. We had no industrial tradition or experience, little capital and our infrastructure would have been more at home in the 19th century.

And, as if that were not enough to confirm the hopelessness of our condition, the reigns of government were not truly in our own hands.

Need and desire, however, are powerful motivators and, in the final analysis, we had only two choices. We could accept the status quo and perish, or we could choose to be responsible for our own destiny and find a way to help ourselves. We chose the latter course and the results were -- on the economic front -- our world famous

Operation Bootstrap Industrialization Program, and -- on the political front -- Commonwealth Status.

Operation Bootstrap pioneered the field of industrial development and gave us the economic muscle we need to move ahead. Commonwealth status gave us the political and fiscal autonomy we needed to make that program possible.

Today, Congress no longer regards Puerto Rico as an economic orphan, for our purchasing power is such that only four nations in the entire world spend more for U.S. products than this small Island. Today our per capita income is nearly \$1,900 a year and our average life expectancy is over 70 years. According to the United Nations we are among the world's 20 most industrialized areas.

Most importantly, we have proven that there is no challenge we cannot rise and overcome. That, my friends, is a record we are proud of and I hope each of you is proud of having helped achieve it.

This government is very much aware of the fact that a very large part of our industrial exports are made up of textiles and footwear -- and that, indeed, a ver large part of our manufacturing employment is concentrated in this particular industry. And we intend to continue competing vigorously to expand teh textile and footwear

industry in Puerto Rico. In fact, during the past year Fomento has intensified its already very active promotional efforts in this industry.

At the same time, however, we are also actively promoting and planning for the establishment of more labor intensive high technology industries. This effort has been misunderstood in some quarters to mean that we are putting our development emphasis on so-called "heavy" industry and its labor-intensive spinoffs. It has been further bandied about that as a result of this alleged emphasis the textile industry would receive secondary or even less importance in our job development efforts. This is, of course, utter nonsense. Our emphasis has always been and will continue to be to create jobs in manufacturing across-the-board. In other words, no one area is getting special attention to the detriment of another industry area. Let me stress that this government welcomes and values every single manufacturer who, within our rules of the game, will provide work for our people.

But what of the outlook? How is Puerto Rico going to meet the challenges implicit in its own development? Are we going to compete for new industry, hold the industry we have, weather the economic storms caused by inflation, energy problems, shifting markets and recessionary cycles?

These are legitimate questions and I answer the, first, by saying that we have no more choice in these matters than we had three decades ago when we were forced to choose between eternal poverty or the unknown path to progress.

In short, we have no intention of stepping back into the past and we don not propose to stand aside and watch while external forces undo all that we have accomplished.

Neither do we intend to settle for merely keeping pace with the rest of the world. We achieved an annual growth rate of twelve percent by taking the lead and opening new economic frontiers and we will continue to do so, through daring, through innovation and through sheer determination.

We are moving as far as we can within the framework of the present arrangement to make Puerto Rico a better, more attractive, more competitive place to live and do business. This effort encompasses such broad areas as comprehensive tax reform, transportation, communication, labor training, environmental control, maximum utilization of national resources, liberalized investment incentives, education and the complete modernization of our infrastructure.

There may be places now and in the future that can

offer a prospective manufacturer manufacturer lower wages that we can find in Puerto Rico -- for in this we are no longer competitive, thank God --but I believe that over the next two decades no manufacturer who compares one society with another from top to bottom will be able to say that there is a better place in the world to be producing than Puerto Rico. For in terms of services, productivity, profitablity, tax benefits, business climate, political stability and, most important, the quality of life we intend to be second to none.

That, ladies and gentlemen, is how I see our future and how I and my colleagues intend to shape it. None of it will be easy and me are reminded daily just how far it is we have to go. But I assure you the job will be done and I invite you to be part of it.

I thank you, once again, for this opportunity and close with one thought for those of you who are visiting Puerto Rico.

As proud as we are of the attractions of Dorado Beach, I would hope that on this or your next visit you will find time to travel around the Island, to see its scenic beauty, sample its foods and especially to meet and talk with the people of the small coastal towns and the mountains.

They are warm and friendly and have a wisdom that is the real source of our strength. They believe in simple virtues -- the liberty of man, democracy, the dignity of work, and compassion -- because they remember what it was like when there was no hope.

Talk to them and I think you will understand more fully why I believe so completely in the future of Puerto Rico.

Thank you.

