

COMMONWEALTH OF PUERTO RICO

OFFICE OF THE GOVERNOR

LA FORTALEZA, SAN JUAN



AN ADDRESS BY GOVERNOR HERNANDEZ COLON
BEFORE THE SALES AND MARKETING EXECUTIVES ASSOCIATION
JULY 21, 1976

PETER NOBLE, PRESIDENT OF THE SALES AND MARKETING EXECUTIVES
ASSOCIATION OF SAN JUAN, HONORED MEMBERS AND DISTINGUISHED
GUESTS:

IT IS AN HONOR FOR ME TO ACCEPT YOUR KIND INVITATION TO
ADDRESS SUCH AN IMPORTANT GROUP. AS YOU ALL KNOW, THE PAST
THREE YEARS HAVE BEEN A PERIOD OF TRIAL FOR THE PEOPLE OF
PUERTO RICO. THE RECESSION, WHICH HIT THE MAJOR INDUSTRIALIZED
NATIONS, WAS PARTICULARLY HARD ON US. HOWEVER, THE ECONOMY
SHOWS SOLID SIGNS IT IS MOVING TOWARD AHEAD. THE ROAD AHEAD
NOW LOOKS FAR BETTER THAN THE ROAD BEHIND.

AS YOU ALL KNOW, ECONOMIC RECUPERATION DEPENDS ON A
SERIES OF COMPLEX AND INTERLOCKING FACTORS, WHERE THE SUCCESS

AND PROGRESS OF ONE PART IS DEPENDENT AND RELATED TO THE
SUCCESS AND PROGRESS OF ALL THE OTHER PARTS. NATIONS MUST
WORK TOGETHER JUST AS DIFFERENT ECONOMIC SECTORS WITHIN A
COUNTRY MUST MESH AND INTERRELATE. WITHIN THIS SYSTEM ONE
CANNOT UNDERESTIMATE THE IMPORTANCE OF SALES SELLING, WHETHER
IT BE GOODS, SERVICES OR IDEAS, IS THE FLY WHEEL OF OUR
ECONOMIC MOTOR. BUT THE OPPORTUNITY TO CONVERSE WITH YOU
TODAY IS DOUBLY SIGNIFICANT BECAUSE AS YOU ALL KNOW I TOO AM
AN EXECUTIVE DEDICATED TO "SELLING". BASICALLY I AM SELLING
PUERTO RICO, SELLING FAITH IN HER FUTURE AND IDEAS WHICH WILL
ENRICH OUR COUNTRY, BETTER OUR AND BRING A FULLER,
HEALTHIER LIFE TO OUR PEOPLE.

FROM ANY POINT OF VIEW, THE COMMERCIAL SECTOR OF OUR
ECONOMY IS A VITAL FORCE IN THE ECONOMIC DEVELOPMENT OF PUERTO
RICO. GOVERNMENT AS WELL AS THE PRIVATE SECTOR ARE COMMITTED

TO WORKING TOGETHER TO BRING MORE EFFICIENCY TO THE COMMERCIAL SECTOR, EFFICIENCY WHICH IN THE END MEANS MORE BENEFITS TO THE BUSINESSMAN AS WELL AS TO THE CONSUMER.

THROUGHOUT THE VARIOUS LEVELS OF OUR ECONOMIC SYSTEM, THE FIGURE OF THE SALESMAN STANDS OUT AS THE VITAL LINK BETWEEN THE PRODUCER, DISTRIBUTOR, RETAILER AND CONSUMER. TO STRENGTHEN AND FORTIFY THIS LINK, IT IS IMPORTANT THAT YOU SALES EXECUTIVES INCREASE YOUR TRAINING AND ORIENTATION OF ALL MEMBERS OF YOUR PROFESSION SO THAT BUSINESS, SALESMAN AND CONSUMER MAY ALL BENEFIT.

ALTHOUGH GOVERNMENT HAS CONCENTRATED ITS EFFORTS TO PROVIDE TECHNICAL AND FINANCIAL HELP TO SMALL BUSINESSMAN, WE ARE NOT AGAINST BIGNESS; BUT ON THE CONTRARY, WE WANT OUR SMALL AND MEDIUM SIZED BUSINESSES TO GROW IN ORDER TO MAINTAIN AND PROMOTE COMPETITION, THE ESSENTIAL ELEMENT OF OUR FREE ENTERPRISE SYSTEM. WE HAVE ALSO BEEN ABLE TO STRENGTHEN THE COMMERCIAL DEVELOPMENT COMPANY AS THE FINANCIAL ARM OF THE COMMERCE DEPARTMENT TO DEVELOP NEW COMMERCIAL CENTERS AND MODERNIZE EXISTING ONES.

IF WE ANALYZE PERSONAL CONSUMER SPENDING FOR 1975
WE NOTE ^{THAT} FOOD REPRESENTED AN INCREASE OF 63.6% IN SPENDING
FOR NON-DURABLE GOODS. ALSO, OVER THE PAST SEVERAL MONTHS
THERE HAS BEEN AN INCREASE IN CONSUMER SPENDING FOR DURABLE
GOODS SUCH AS CARS, ELECTRICAL APPLIANCES, FURNITURE, ETC.
IT IS IMPORTANT TO NOTE THAT FROM JANUARY TO MAY OF THIS YEAR
PURCHASES OF BOTH NEW AND USED CARS INCREASED 26.8%; GASOLINE
37.17%; FURNITURE AND OTHER HOME ITEMS, 11.79%; WOMEN'S
CLOTHES, 13.57%, AND GENERAL PHARMACY PURCHASES, 13.89%.
MEANWHILE, SUPERMARKET AND COLMADO SALES HAVE STABILIZED WITH
AN INCREASE OF 5% FOR THE FIRST FIVE MONTHS OF THIS YEAR, AFTER
A 16.6% INCREASE FOR THE SAME PERIOD DURING 1974 AND 1975.
OTHER AREAS THAT HAVE SHOWN INCREASES INCLUDE RESTAURANTS, AND
CAFETERIAS,

HAS REACHED THE LEVEL OF THE CONSUMER. THE GENERAL IMPROVEMENT IN THE JOB MARKET, PLUS A RELATIVELY SMALL INCREASE IN THE COST OF LIVING OVER THE PAST YEAR HAS DONE MUCH TO RESTORE CONSUMER CONFIDENCE AND INCREASE SALES. TRUE, THE CONSTRUCTION SECTOR CONTINUES DEPRESSED, LIKE IN MANY AREAS OF THE UNITED STATES, BUT WE HAVE HOPE THAT THE RECOVERY WILL CONTINUE TO THE POINT WHERE WE WILL AGAIN SEE THIS IMPORTANT SECTOR IN NORMAL PRODUCTIVE ACTIVITY.

AFTER MORE THAN TWO YEARS OF DEALING WITH THE ECONOMIC CRISIS, THE MARKED RECOVERY ARE EXPERIENCING MEANS WE CAN BEGIN TO LOOK BEYOND THE IMMEDIATE TO WHAT KIND OF ECONOMIC DEVELOPMENT, AND, ULTIMATELY, WHAT KIND OF A SOCIETY WE WANT. OF COURSE, VARIOUS PROPOSALS OR SOLUTIONS ARE NOW BEING PUT FORTH. ONE CAMP BELIEVES WE SHOULD TOTALLY DISMANTLE OUR ECONOMY TO DISTRIBUTE WANT ON AN EQUAL BASIS. THIS

SOLUTION ENVISIONS PUERTO RICO IN UNPROTECTED COMPETITION WITH NATIONS OF THE WORLD WITH FAR GREATER RESOURCES AND FAR SMALLER POPULATION DENSITIES. OTHERS, SEE PUERTO RICO'S ECONOMY AS A SICK BED CASE HOOKED-UP PERMANENTLY TO A LIFE SUPPORT MACHINE CALLED FEDERAL AIDE OR FEDERAL GRANTS OR FEDERAL ASSISTANCE.

WE REJECT BOTH OF THESE SO-CALLED SOLUTIONS -- THE CALL FOR ECONOMIC ADVENTURISM BASED ON AN IDEAL CONCEPT OF HOW THINGS SHOULD BE AS WELL AS THE CYNICAL VIEW WHICH SEES PUERTO RICO AS A PERPETUAL ECONOMIC BASKET CASE.

PUERTO RICO MUST MOVE IN TWO DIRECTIONS AT THE SAME TIME. BUT THESE TWO DIRECTIONS FAR FROM BEING OPPOSITE ARE IF NOT COMPLEMENTARY, COMPATIBLE. FIRST, WE MUST STRENGTHEN OUR HOME BASE. I BELIEVE IT IS THE RESPONSIBILITY OF THE

ENTIRE PUERTO RICAN COMMUNITY TO UNDERSTAND AND TO WORK TOGETHER TO SPEED ALONG THE DEVELOPMENT OF OUR AGRICULTURE, INDUSTRY, TOURISM AND COMMERCE IN ORDER TO REDUCE OUR IMPORTS. IN OTHER WORDS, WE HAVE TO PRODUCE MORE THAN WHAT WE CONSUME. HOWEVER, THIS APPROACH DOES NOT MEAN WE ARE TALKING ABOUT ELIMINATING OUR IMPORTS. IN 1975, PUERTO RICO IMPORTED \$4.9 BILLION IN GOODS OF WHICH \$3.5 BILLION CAME FROM THE UNITED STATES AND \$1.8 BILLION FROM OTHER COUNTRIES.

PART OF THE PROBLEM OF DEVELOPING OUR OWN RESOURCES AND ECONOMIC POTENTIAL IS THAT OFTEN A PUERTO RICAN WOULD PREFER TO BUY AN IMPORTED PRODUCT SIMPLY BECAUSE IT IS IMPORTED. HERE, I BELIEVE YOUR ORGANIZATION AND SALESMEN IN GENERAL HAVE A SPECIAL MISSION. AND THAT MISSION IS TO DEVELOP AND INSTILL A PUERTO RICAN PRIDE TO CONSUME WHAT WE OURSELVES PRODUCE.

ON THE OTHER HAND, PUERTO RICO, AS AN ISLAND, WITH LIMITED RESOURCES AND AN OVERFLOWING POPULATION MUST FORTIFY ITS EXPORT INDUSTRIES AND OUR SPECIAL RELATIONSHIP WITH THE UNITED STATES WHICH GUARANTEE THESE INDUSTRIES. WE MUST MOVE TO STRENGTHEN OUR EXPORT INDUSTRIES ON A FIRM, UNEQUIVOCAL POLICY BASED ON TAX EXEMPTION AND FLEXIBLE APPLICATION OF FEDERAL MINIMUM WAGE STANDARDS.

SUCH A FORMULA, WHICH SEEKS OUTSIDE CAPITAL INVESTMENT, WHILE AT THE SAME TIME ENCOURAGING AND HELPING LOCAL CAPITAL INVESTMENT TO PRODUCE GOODS AND SERVICES FOR LOCAL CONSUMPTION, IS THE WINNING FORMULA WHICH WILL SAFEGUARD PUERTO RICO FROM INTERNATIONAL ADVENTURISM ON THE ONE HAND AND THE DOLE ON THE OTHER.

LAST MONTH, THE HEADS OF STATE OF ENGLAND, GERMANY, CANADA, JAPAN, FRANCE, ITALY AND THE UNITED STATES MET HERE

IN PUERTO RICO TO DISCUSS MUTUAL PROBLEMS RELATED TO
UNEMPLOYMENT, INFLATION, RECESSION AND TRADE. THIS SUMMIT
CONFERENCE UNDERLINES A NEW AWARENESS AMONG THE INDUSTRIALIZED
DEMOCRACIES OF THE NEED TO WORK TOGETHER FOR THE GOOD OF
ALL MANKIND. IN THIS NEW DEMOCRATIC AND ECONOMIC ORDER,
I BELIEVE THE COMMERCIAL SECTOR WILL PLAY AN EVEN MORE IMPORTANT
ROLE THAN IT HAS UP TO NOW. I AM ALSO AWARE THAT THE JOB OF
THE SALESMAN WILL BE EACH DAY MORE IMPORTANT AND DECISIVE AS
INTERNATIONAL INTERDEPENDENCY LEADS TO GREATER LOCAL
INTERDEPENDENCY. THE AGENT OF A MORE INTEGRATED AND SOUNDER
PUERTO RICAN ECONOMY MUST BE THE SALESMAN WHO IS THE PERSON
WHO BRINGS TOGETHER THE PRODUCER, DISTRIBUTOR, WHOLESALER,
RETAILER AND CONSUMER.

IF WE UNDERSTAND THAT ECONOMIC DEVELOPMENT IS THE
BASE FOR SPIRITUAL, SOCIAL AND CULTURAL ENRICHMENT, WE

MUST CONTINUE OUR EFFORTS TO IMPROVE OUR AGRICULTURE,
INDUSTRY, TOURISM AND COMMERCE AS INSTRUMENTS AT THE
SERVICE OF THE INDIVIDUAL AND OF SOCIETY, NOT AS CONSUMERS
BUT AS PERSONS. THE RESPONSIBILITY OF PUERTO RICO'S
FUTURE LIES IN SUCH AN UNDERSTANDING AND IN THE WILLINGNESS
OF EACH OF US TO DO OUR PART. I URGE YOU THEREFORE TO
SERVE PUERTO RICO, EACH IN YOUR OWN WAY, BUT ALWAYS WITH
YOUR BEST EFFORT.--I URGE YOU TO TAKE THE LEGITIMATE PRIDE
YOU HAVE IN YOUR PROFESSION AND TO FASHION IT AS AN
INSTRUMENT TO FORWARD THE COMMON GOOD. WITH GOOD WILL AND
HARD WORK PUERTO RICO CANNOT AND WILL NOT FAIL. I AM
CONFIDENT THE SALES AND MARKETING EXECUTIVES ASSOCIATION
OF PUERTO RICO WILL DO THEIR PART TO HELP.

AND NOW I WOULD GLADLY ANSWER ANY QUESTIONS THAT
YOU THINK PERTINENT.

THANK YOU.