

SPEECH DELIVERED BY THE GOVERNOR OF PUERTO RICO

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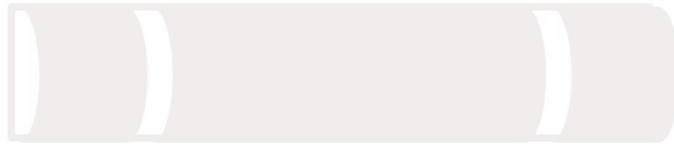
ON THE CELEBRATION OF THE 24TH ANNIVERSARY OF THE

COMMONWEALTH OF PUERTO RICO

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BIBLIOTECA

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Three weeks ago, the Commonwealth celebrated with enthusiasm the 200th Anniversary of the founding of the United States of America. We celebrate it as the key point of reference of liberty and democracy in the modern world.

Keeping in mind the differences in geographic scale, history and power, we say that today we witness a celebration with the same patriotic significance, equivalent in political dignity and of parallel consequences in terms of our people's liberty and welfare. Today we commemorate the 24th Anniversary of another great, creative, political act—the founding of the Constitution of the Commonwealth of P. R. Free as the will of the people who founded it, and associated with the great American people by our own choice by means of a compact approved by our people at the polls.

The recognition at the same time of autonomy and of interdependence ; the possibility of concerted and responsible action by the state to deal with the great problems of public welfare, while guaranteeing personal liberty; civil competition and free economic initiative, social justice together with personal freedom; all this is Commonwealth. And all this is guaranteed by our Constitution.

Very few of the world's peoples have been graced with the ability to transcend natural economic limitations, small geographic size, centuries of bitter colonial experience, an excessive population, a geographical location that puts it in the route of hurricanes, corsairs and pirates, of empires in conflict and of cold and hot wars, to place itself in the front row among the world's peoples for its development, its social justice, its innovative constitutional and for its high rate of productivity and consumption.

We have created a truly unique system of government based on practical, intelligent, peaceful, civic action, while turning our backs to the lure of empty phrases and obsolete juridical cliches. By means of the legal and political flexibility of Commonwealth, with creative leadership, and with the people's efforts, Puerto Rico has put itself at the economic and social vanguard of today's world.

In recent years many of the great industrial economies suffered dramatic set backs and had to be propped by injections of United States capital and by world financial institutions of the Democratic camp. To prove this you don't have to go any further than to see the purpose of the summit conference held at Dorado to verify what we have been saying for the last two years. In comparison, Puerto Rico's economy suffered a severe blow in 1973 and 1974 in the wake of the Arab Oil Embargo and the dramatic increase in food prices in the United States. Bu the rapid measures taken by our government-

some hard and unpopular, although fair and necessary have now put our economy back on the track toward its former levels of production, job creation, investor confidence. In short, toward visible and sustained growth into the future. For this, I feel proud of my people, of her Legislative Assembly and of the Executive that worked with me for its attitudes of responsibility, assuredness and firmness in the steady search for the best for the country.

We should learn an important lesson from this experience: that the opportunity and privilege of governing requires one to distinguish between easy superficiality which can lead to short-term, frivolous and irresponsible action from satisfaction which comes from real solutions the firm and difficult decisions as against demagoguery and the confusion of the times.

ECONOMY IS GROWING

Because we have chosen to govern on the basis of integrity and long term solutions, we can today be assured that the fiscal and financial situation of the country is solid and secure; that the Commonwealth enjoys a reputation for responsibility not only in the money markets of the United States, but also in Europe. By dealing calmly with the problems and on a long term basis we have been able to come up with solutions which now in the short run represent real, solid expansion.

The payroll of the manufacturing sector which in fiscal 1975 reached \$831 million, this year topped \$879 million. The industrial recovery, which began a year ago, continues at a good rate and the sales of the factories and their employment have been climbing rapidly. Fomento reports renewed industrial investment activity in Puerto Rico.

Tourism, recovering rapidly over the past six months, followed manufacturing in breaking out of the recession. And, finally, the construction sector, which remained depressed while the other sectors advance, bottomed out and in the past few months registered a slight improvement.

Thanks to new approaches which we implemented in 1973 and the eminently local nature of our Agriculture, this sector was not affected by the recession. Starting in 1973, the agricultural sector began to expand significantly. The results are eloquent. During the decade previous to this Administration, total Agricultural production dropped 29%; while during the first three and a half year of this administration, it has increased by 18%.

As a result of the strong monetary currents, the country doubled during the last three and a half years, its share of federal funds thus benefitting sectors like retail businesses and the services, which did not experience losses because of the recession. Now that the recession is over the dynamism of these sectors is obvious.

\$86 MORE MILLIONS FOR THE BUDGET

As a result of these healthy expansions in economic activity, the Secretary of the Treasury has informed me that on the basis of these last months' tax collections, he is in the process of increasing the estimate of available resources \$86 million for this fiscal year.

It would be very easy and very tempting to make use of some of these resources to grant salary increases to a group of a public corporation who has lately been exerting pressure to this purpose.

However, because we had to shorten the budget this year, there is need for funds to cover essential services given by the government. This need has to be taken care of before, and with priority to anything else.

But even if there would be funds left to grant those increases, there would not be enough resources to grant raises to all government employees.

It would be unfair that because one group can exert pressure on us, depriving citizens from an essential service at critical moments, we should use general government funds to grant, as it is expected, higher raises than those that the public corporations could afford, while those other public employees who receive their pay from the general funds are left without any raise.

Public Corporations can grant those salary raises which their resources will allow them; but their Unions cannot pretend that in the absence of those own resources, salary raises be taken from general government funds, if similar consideration cannot be given to other public employees because those funds are not enough for everyone.

Before anything else, we have to think of our people's basic needs; we have to think about those services that we cannot cease to give; about the main demands of our conscience, and about our responsibility with the country.

Thus, I propose to ascribe additional funds to the Department of Health for the obtainment of doctors, the recruiting of nurses and paramedical personnel, the buying of medicines and surgical material, and the opening of such recently finished hospitals as those of Aguadilla and Humacao.

I propose: To strengthen the Department of Education so it can keep 1,100 teachers, so it can buy textbook and materials needed for the new school year beginning in August, and to reinforce the budget of the University of P. R. so that it will be able to accept 3,000 students in August.

I propose to ascribe resources so that our police force will be able to recruit 400 additional members so they can go on with their battle against crime, and so that other activities within their

reorganization can take place, such as the moving of the Bayamón Police Station to the Santa Juanita area and to increase patrol service in this dynamic city where we are celebrating today the twenty fourth anniversary of the Commonwealth.

I propose to ascribe resources to the Economic Development Administration to achieve, through its new incentive plan, the creation of new jobs in increased enterprises.

I propose to strengthen a plan to rehabilitate those 60,000 families who live in extreme poverty in our country. In my July 25th message of last year I indicated the painful situation of these families who receive an annual income of less than \$100 a year.

The new strategy which I propose to encourage is that of moving ourselves towards those families instead of waiting for them to ask for help, and to coordinate within their homes a rehabilitation plan through inter agency services, which will involve the whole family. The aptitudes and potentialities of each one of these family members can be explored in such a way that they can be integrated into the employment market of their community; in this way they will come out of their inability and their dependency as soon as possible.

Because it has to do with \$86 million resources, I do not intend to make use of my authority under the transfer of funds law to ascribe them. When this law was approved, it was not anticipated that new

resources of such magnitude would appear. For this reason I am convening the Legislative Assembly to an extraordinary Session beginning next Wednesday, July 28th. with the purpose of revising the Commonwealth budget to take care of the vital areas of health, public education, the university, citizen protection against crime, social service, economic development, and other basic needs of the government.

I don't want to leave unnoticed the fact that I wish to congratulate the Department of the Treasury which has contributed significantly to the improvement of the income of the treasury by means of its efficient work in the investigation and collection of taxes.

I also wish to reiterate that, in view of the solid expansion path of our economy, it will not be necessary to renew the 5% charge known as "La Vampirita" in our income tax for the next fiscal year.

INFLATION HAS DECREASED

In the inflationary front, the quick and firm action of the government, working in various fields, has lowered the inflation index in P. R. to just 6% during last year; and during the first three months of this year the price index went up only three tenths of one per cent in the cost of food as compared with the first three months of 1975. While more powerful and advanced economies in Europe and America continue to register inflation in two figure numbers, we, here in P. R., have

been able to lower it to levels of a relative increase of the acquisitive ability of the family as well as of the government's budget, compared to the high ones of 1975.

These indications of progress which I enumerate today, do not mean that we have to feel completely satisfied and that we have to stop taking our measures.

Neither total hazard has past, nor am I as satisfied as to fall into complacency. No.

THE STRUGGLE CONTINUES

We have to continue the struggle until total victory is achieved. In order for it to be so, we have taken the following additional measures to stimulate the construction industry, which is the area that still continues to be most affected. We have extended tax exemption for two more years to home builders on those housing units which have not been sold and to the buyers of these housing units. We established a program of insured interim loans for builders up to \$50 million; we lowered the depreciation period of housing intended to be rented from 50 to 30 years; we are offering public land at reasonable prices for the building of moderately priced housing, and we are examining the way to lessen construction costs by eliminating certain non-essential requisites demanded today for the development of housing.

In order to enlarge the funds of public and private economic activity in P. R. , we have obtained from Congress, because of our Commonwealth Status, the enclosing of Section 936 in the Tax Reform Bill.

The new conditions established by this section, which allow the return of profits to Continental United States, will bring great stimulus to industrial investment in P. R. It is expected that the Senate will approve the law this year. That will mean more jobs for our economy, and it will represent a new impulse to industrialization, the main stem of our development.

If so far the expansion of our economy and the measures used to support it are reasons for optimism, we must not lose track of those problems which the process of our development could not solve in the past and which require a special treatment in this new future which unfolds before us. One of these problems is that of unemployed youths between the ages of 15 and 25 who have not been able to finish their secondary school, who sometimes have not even been able to start it, and much less to go on to university level. These young people represent a great potential resource for Puerto Rico, a resource which is not giving any profit. We owe these youths an opportunity for education, for some vocational training, for employment; we owe them a part of the future.

We have designed a new-fashioned Camp Program for the training and education of these youths in the form of cooperative workshops to train them, to educate them, and to enable them to get jobs and to participate in the civic life of our country. We have called this program "Parallel Economy". The first camp or workshop to be established will be inaugurated this month in the sector of Río Abajo in Arecibo; it will be directed in its free studies academic aspect, by the Department of Education and in its vocational and agricultural ones by a group of specialists in different fields recruited specially for this task.

We hope to be able to take care of a group of 30,000 of these young people within a period of 5 years. We shall enlarge university level opportunities for those who can proceed to them, the same as we have just done by increasing the number of admissions to the university by 3,000 more students by means of a special designation of funds.

To further our reforms and to raise the quality of the future of our young people and of P. R. itself, a total reform of our Education System in all its levels, is imperative. The Commission on Educational Reforms is working towards that end. We have to revise the obsolete ideas and the irrelevant programs. We have to reform the total administration system and the relation between students, teachers, and directors.

A real decentralization of the administration of our education, of its programs, and its curricula is urgent. It is also urgent to

incorporate students and teachers to the process of deciding what type of curriculum is the most convenient under certain circumstances, and to find out which experiences prove at the end to be the most educational. It is imperative also to prepare our young people for jobs and opportunities within reality. It is necessary to establish a live relationship between the school, and the university and the realities of civic life in the Commonwealth and in the job market, without a lessening in intellectual and cultural interests.

We cannot possibly leave behind the responsibility of offering children, as early as possible, integral educational and health services. It is urgent to expand special educational services for children who begin their studies at a disadvantage with the rest, due perhaps to the extreme poverty of their parents or to other reasons.

Education, the vote, public security and a system of justice and equity constitute the non-economic sectors that make possible the betterment of our economic indexes. They represent the social and spiritual framework of Puerto Rican solidarity.

A secure, healthy, educated, and democratic community equipped for work and for continuing education is by definition a solid and potentially happy community. This is the type of community the people of Puerto Rico want for themselves. This is the community we are building together.

Fellow countrymen, the signs of the times are positive. Positive also are the attitudes and behavior of the Puerto Rican people, who have confronted and conquered adversity over the past few years with courage, strength and serenity - hand in hand - with their government. The government, the people and individual sectors have conquered together. Why have we conquered? Because of your confidence in yourselves and because of the responsibility of your government; because we have together created a climate of work, of productivity; of austerity in public and private consumption and by the frankness in communications between the governing and the governed. This is the raw material of liberty and progress.

COMMONWEALTH IS THE FRAMEWORK OF PROGRESS

Above all, we have been able to achieve economic recovery and civic revitalization, of which today we are all witness,

because Commonwealth, as a constitutional formula, allows us to use all of our energies in positive work to create a better life for all instead of using them in negative efforts which diminish and divide puertorricans.

Commonwealth acts as a great wall that prevents a fratricidal struggle of the extremes like the ones now going on in Lebanon and Ireland, where the democratic center, broad, generous, and friendly like the roads of our countryside, has been destroyed by ideological polarizations. The shortcuts, low roads and elysium fields that promise instant salvation are always dangerous and only lead to historical confrontations because they are not based on economic or political realities.

Without the Commonwealth's fiscal autonomy, we would not have been able to achieve the industrialization of Puerto Rico nor the economic and social levels which we now enjoy, even within our limitations. Without the Commonwealth's flexibility for obtaining worthwhile measures at the federal level it would have been very difficult to deal with events of the past years.

Without the democratic tolerance of a government that believes in Commonwealth, there would not have been civil peace and social fraternity among those Puerto Ricans of opposing political and social ideologies. All of this is also valid for the future. No other status can make such assurances.

Fellow countryman, today let us celebrate Commonwealth as the status of economic and social progress and of civil peace in true liberty for all and in voluntary and useful association with the United States.

COMMONWEALTH EMBODIES SOCIAL JUSTICE

And let us celebrate that the lives of the people of Puerto Rico are firmly committed toward the aspirations of social justice which move our consciences and that our Constitution preserves, as the fundamental rights of man; the right to life; the right to liberty and the right to enjoy one's property.

Social justice means to fully honor these rights: to make them a reality for all Puerto Ricans. To bring about progress and at the same time to do justice is the way to practice these rights in a country of limited resources like Puerto Rico.

The right to individual liberty has as its goal the person's right to full realization while respecting that same right in others.

The economic advance we have achieved, and which is the base of a well founded optimism, should be directed and will be directed toward the development of better opportunities for all Puerto Ricans. This equality of opportunities to which we aspire is the only way to give substance, content and life to the right of liberty and to social justice.

A SOCIETY OF EQUAL OPPORTUNITIES

Our goal lies in progressive equality and betterment of opportunities so that individual liberty has meaning in the life of each Puerto Rican: to equalize and to better opportunities to create a more just society; to equalize and to better the opportunities to achieve greater social justice. It is toward this end that we are directing our economic growth; it is toward this end that we are

directing our programs dealings with education, jobs, health, housing, in short, all of the fundamental programs of government. It is toward this end that we are directing those new resources available to us.

We are going toward the creation of equal; good opportunities for all Puerto Ricans: equality in all that is basic and indispensable for a full human existence: good nutrition, home ownership: education, health, productive labor. So that each person goes as far as his will and potential permit. So that no one lacks the basic opportunities of life with dignity to carry out for oneself all the potential the Creator gave him.

The progress that we have achieved to create a society of equal opportunities ever since Commonwealth was established until the present have been extraordinary. But the distance that remains to be covered is still great. The successes of the past should serve us as stimulus to redouble our efforts and determination in the present. To make these ideals of the Puerto Rican civilization a reality.

We are proud of what we have achieved.

Our challenge is what remains undone.

What we accomplish will be the mark of this generation in the history of the Puerto Rican people.