

PUERTO RICO—1959

HEARINGS
BEFORE A
SPECIAL SUBCOMMITTEE ON
TERRITORIAL AND INSULAR AFFAIRS
OF THE
COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
HOUSE OF REPRESENTATIVES
EIGHTY-SIXTH CONGRESS

FIRST SESSION

H.R. 9234

A BILL TO PROVIDE FOR AMENDMENTS TO THE COMPACT
BETWEEN THE PEOPLE OF PUERTO RICO AND THE
UNITED STATES, AND RELATED LEGISLATION

SAN JUAN, PUERTO RICO—DECEMBER 3, 4, 5, 1959
PONCE, PUERTO RICO—DECEMBER 7 AND 8, 1959
SAN GERMAN, PUERTO RICO—DECEMBER 9 AND 10, 1959

Serial 14



do believe that a plebiscite will have not much sense until the economics of Puerto Rico reach the point where whatever the people vote for could be done without risk of economic ruin and disaster for Puerto Rico.

Mr. RIVERS. That would be true if you were going to ask them to vote on, Do you want or do you not want statehood? This triple choice idea I had in mind would probably clear it all up because the people would vote for Commonwealth, knowing it was the only one feasible for the time being.

Governor MUÑOZ-MARÍN. Supposing they do not, supposing they vote for statehood, the Congress of the United States could not do that to the people of Puerto Rico even if the people wanted them to.

Mr. RIVERS. It would only be information to the Congress. The Congress is not bound by the outcome of a referendum.

I agree with you, Governor, on your position in regard to debt limitation. Alaskans are very new as a State; when not we were under debt limitation for all those many years.

I was going to say, though, in reading some of the literature in regard to the proposal on court appeals, they say the Supreme Court is so busy that you probably would be foreclosing any very effective appeals procedure if the idea in the bill were adopted. Has that been taken into consideration?

Governor MUÑOZ-MARÍN. The Judicial Conference of the United States has recommended, as I understand it, in favor of direct appeal from the Supreme Court of Puerto Rico to the Supreme Court of the United States, and the judges of the circuit court, which happens to be the First Circuit Court in Boston, themselves, have recommended that this change be legislated.

I believe the Secretary of Justice could explain to you that situation.

Mr. RIVERS. Very well.

Governor MUÑOZ-MARÍN. More clearly, I think.

Mr. RIVERS. I notice another feature of the bill would be to create a certain flexibility on tariffs so that the uniform tariffs applying to foreign merchandise coming into the United States would not necessarily have to apply to Puerto Rico.

Governor MUÑOZ-MARÍN. Yes, but that is not a self-executing part of the bill. That just sets out the principle that the Congress may do this at the petition of the Commonwealth of Puerto Rico in regard to a given product. That already exists, I want to say, and has existed for many, many years, even before the Commonwealth, in regard to coffee. Puerto Rican coffee has a special tariff in Puerto Rico enacted by the Legislature of Puerto Rico by a congressional law of many years ago, permitting us to protect our own coffee from the cheaper foreign coffee in the local Puerto Rican market.

Mr. RIVERS. Then the part of the bill I am talking about—

Governor MUÑOZ-MARÍN. It would just provide that the same thing could be done in regard to other products.

May I give you, for instance, an example. One of the main articles of food consumed by the people of smaller incomes in Puerto Rico is codfish. Practically all of the codfish comes from Nova Scotia in Canada, and some from Norway, and it has a tariff. I do not know if it is 1½ or 2 cents. The tariff is collected by the U.S. Customs House in Puerto Rico, but it goes into the Commonwealth treasury. We would have no interest in collecting that money. We

would rather have our own workers and poorer people eat their codfish at a couple cents less a pound. But since it is a Federal law we cannot change it. That would be one of the things that could be changed under the clause we are discussing for the benefit of consumers in Puerto Rico without doing any harm to any producer in the States, as this is not one of the products of the mainland United States.

Mr. RIVERS. Thank you, Governor. That is all.

Mr. O'BRIEN. Dr. Fernós?

Mr. FERNÓS-ISERN. I will be very brief. On the question of contributions that may be made by Puerto Rico. It is your understanding, of course, that under article VI there is a mechanism for a sort of voluntary contribution. However, there is a mechanism in article III whereby Puerto Rico would begin contributing under a specific formula out of what we know as the rum tax. Is that your understanding?

Governor MUÑOZ-MARÍN. Yes.

Mr. FERNÓS-ISERN. The other question I would ask of the Governor is on the question of the plebiscite, just to clarify the issue of the whole idea. Would it be a fair statement to say that the idea of a plebiscite has been agitated mostly by the statehood party leaders; that after a great deal of activity on the part of that group you proposed that it be held, and that then your proposal was rejected because instead of being held under the laws of Puerto Rico the statehood leaders would have Congress enact the law so that Congress would be committed to implement whatever the result of the plebiscite would be. Is that a correct statement?

Governor MUÑOZ-MARÍN. That is correct, yes.

Mr. FERNÓS-ISERN. That is all.

Mr. O'BRIEN. Thank you very much, Governor.

Governor MUÑOZ-MARÍN. It has been a great pleasure to have you here. You are most welcome.

Mr. O'BRIEN. If there is no objection, the study "A Survey of Historical, Economic, and Political Affairs of Puerto Rico," by Mr. Robert J. Hunter, staff consultant to the Committee on Interior and Insular Affairs, will be made a part of the file of this record.

Hearing no objection, it is so ordered.

(The document will be found in the files of the committee.)

Mr. O'BRIEN. Our next witness, who will discuss the role of Puerto Rico in the Caribbean, Arturo Morales Carrion, under secretary of state.

We will have a 30-second recess.

(Short recess.)

Mr. O'BRIEN. The committee will be in order.

Mr. Secretary, you may proceed.

STATEMENT OF HON. ARTURO MORALES CARRION, UNDER SECRETARY OF THE STATE OF THE COMMONWEALTH OF PUERTO RICO

Mr. MORALES CARRION. Mr. Chairman, members of the committee, I am very appreciative of your invitation to submit my views on the Commonwealth contribution to Caribbean affairs. As I stated in

my reply, our educational and technical exchange programs encompass not only the Caribbean area, but Latin America as well. A fuller explanation of the broad scope of our activities might provide the committee with a necessary background to understand the part Puerto Rico is playing in U.S. international relations.

Congressional interest in the Commonwealth programs in this particular field is a source of satisfaction to us. There is already a fine "Report on the Technical Assistance Training Center in Puerto Rico," published in Senate Report 139, 85th Congress, 1st session, by Mr. Francis R. Valeo, staff consultant of the Subcommittee on Technical Assistance Programs of the Senate Committee on Foreign Relations. That is this volume I have before me. This report was undertaken at the suggestion of Senator Mike Mansfield. Such outstanding Senators as Alexander Wiley, George W. Smathers, and J. William Fulbright as well as some of your distinguished colleagues, among them Henry S. Reuss and Clair Engle have also brought to the attention of the Congress how Puerto Rico has become a demonstrative center of American anticolonialism.

As a self-governing Commonwealth, freely associated with the United States, Puerto Rico has become a cultural link between the United States and Latin America and, indeed, a psychological outpost in the developing world.

I submit that this young, pioneering Commonwealth status has already shown its true mettle and worth not only to the people of Puerto Rico but also to the people of the United States. I hold, gentlemen, that its contribution to basic aspects of U.S. foreign relations and to a proper understanding of U.S. democratic ideals in Latin America and in developing areas, is more significant to the people of the United States, to the long-range position of the United States as a leader of the democratic world, than the over \$600 million we buy in the American market each year and the strategic location of the island in the American security system. Up to 1952, and including the two World Wars, Puerto Rico's main asset to the United States was its strategic value. With the establishment of Commonwealth status and the growth of the Commonwealth significance in U.S. international relations, a change has taken place. The United States has in Puerto Rico not merely a Rock of Gibraltar or a Caribbean Malta. It has, above all, a friendly partner, a body of fellow citizens and a warmth of affection. Puerto Rico's strategic value is changing into a moral value of the first magnitude, at a time when the United States greatest need is not to conquer the moon but to conquer the friendship of mankind.

How has this change come about? What is the new role that Puerto Rico is playing ever since the founding of our Commonwealth? Allow me to discuss briefly the historical background. Shortly after U.S. rule was established over the island, some thoughtful Americans began to realize that Puerto Ricans, because of their Latin American traditions and way of life, could begin playing a useful role in the field of inter-American relations.

President Theodore Roosevelt, for instance, appointed the Puerto Rican Delegate to Congress, Mr. Tulio Larrinaga, as a member of the U.S. delegation to the Pan American Conference held in Rio, in 1906. But Mr. Larrinaga was not a U.S. citizen and President Roosevelt

used this appointment to pressure Congress unsuccessfully for an early granting of U.S. citizenship to Puerto Rico.

Five years later, Harry H. Stimson, at that time Secretary of War, clearly understood, after a trip through the Caribbean, that Puerto Rico's usefulness as a tie between the United States and Latin America involved the recognition of basic political rights, including the basic right of self-government. Appearing before a Senate committee, he had this to say, after praising Puerto Rican loyalty:

Last summer I traveled through the West Indies and saw a good many Latin-American peoples, and I found that when they would speak to me frankly they regarded this attitude of the United States toward Puerto Rico as an evidence that we regarded not only the people here, but Latin-American peoples in general, as of a different class from ourselves, and of inferior class. And, therefore, not only in respect to our political relations with Puerto Rico itself, but to our diplomatic relations with other countries of the same blood, it seems to be a very deep-seated sore and irritation.

He spoke of the need of obtaining—

that sympathetic relation with the island which must be the foundation of a satisfactory government.

The solution did not lie in ultimate statehood, which Stimson observed—

would not be of benefit either to Puerto Rico or the United States.

A way had to be found which should avoid a position of drifting, and he insisted that—

our attitude toward Puerto Rico and the relation of the two communities being deemed to be permanent should be definitely formulated as far ahead as we can.

The young Republican statesman favored a frank expression of views on the subject by the different branches of the Government. He advanced his own personal views with remarkable clarity:

I see myself—

he said—

no inconsistency in the grant of American citizenship to Porto Rico; no inconsistency between that and the ultimate ideal that Porto Rico shall have practically an independent local self-government. I think that is what most of the people of the United States would prefer to have them do—that is, a relation where they exercise supervision over their own affairs, over their own fiscal and local self-government; with the link of American citizenship between the two countries as a tie, and in general such relations between the United States and Porto Rico as subsists, and as has been found perfectly workable in the case of the various self-governing portions of the territory of Great Britain—Australia, for instance, and Canada, to the mother country.

The awareness that Puerto Rico could play a fruitful role in hemispheric relations was not limited to the Federal administration in Washington. American educators in charge of the Puerto Rico school system, and particularly of the university, looked ahead to a time when Puerto Rico could act as a meeting ground of the Anglo-Saxon and the Latin-American cultures. And one of the most farsighted chancellors that the University of Puerto Rico ever had, Thomas E. Benner, tried to translate these thoughts into reality by inviting to the young educational institution outstanding scholars from the United States, Spain, and Latin America.

This trend of thinking became official policy under Gov. Theodore Roosevelt, Jr. (1929-31). Roosevelt was a firm believer in self-

government for Puerto Rico, but under a status that would exclude both statehood and independence. He thought that such a status would not only be best for Puerto Rico, but also most advantageous for the United States.

We, as a Nation—

he wrote—

must look in all probability on the countries of our hemisphere as our closest associates in the future. Of these, all below the Río Grande have Latin traditions and a greater or lesser amount of Latin blood. Puerto Rico might well be our connecting link. She might be, so to speak, our show window looking south. Her educated people, though primarily Latin in culture, blood, and tradition, would speak English and be acquainted with America and America's method of thought. Under these circumstances they would be ideally suited for representatives of American banking or industry in the Latin-American countries. Some special arrangement might be consummated whereby they would be available for consular or diplomatic work.

Why did this policy fail to make any significant progress? The facts are not hard to find. No matter how benevolent and paternalistic U.S. rule was over the island, Puerto Rico's political status was still a colonial status, a negation of the basic American principle of "government by the consent of the governed." And Puerto Rico's economic condition went from bad to worse, as the island suffered not only from the depression but also from the devastating force of two hurricanes. A poorhouse, a stricken land, living in political inequality, could hardly make any contribution to good understanding in the hemisphere. The "show window looking south" was a very distressing sight. And even more distressing than its poverty, was its hopelessness, its despair.

It is not incumbent upon me to discuss the full nature of the great Puerto Rican upsurge after 1940. This is a subject that will be gone into by other speakers. Governor Muñoz-Marín has aptly summarized it in the following words:

A people that had been floundering in hopelessness began swimming toward the shore. Hope, indeed, became one of the natural resources of the people, and dedication to the salvation of the country an attitude not too unusual. Voters stopped selling their votes. Compliance with political pledges began to be something that could be really demanded of successful candidates for office. And there began to be a feeling that there was strength in the people that made hardship a training for abolishing hardship, rather than an illustration of the need to bow to ineluctable fate. The idea that something could be done by workers and businessmen and farmers and political leaders and teachers besides waving for help from a raft lost at sea began to catch on.

We began a long, stiff, uphill fight against Puerto Rico's stubborn enemies: extreme poverty, ill health, inadequate education and, worst of all, hopelessness. In that fight we have used different approaches, and a diversity of weapons. We have not been afraid to experiment with an open mind and a resolute heart. We were at a dead end. We found a way out. We created Operation Bootstrap to break the hard crust of insufficient economic and social development. We started Operation Commonwealth to solve what to many seemed an impossible dilemma. Everything we have done has been the subject of intense, fruitful, democratic controversy at home. Time and again the people have voted, for the ballot is to us the supreme argument.

When the United States proclaimed in 1949 its policy of technical assistance to the rest of the world, our Governor proposed that Puerto

Rico be used as a demonstration center of what courage and hope could do to a society, emerging from a low economic and social level. We earmarked funds for this operation, even before Congress did and, with the support of the Federal Government, began another pioneering experiment.

With the full achievement of Commonwealth status in July 1952, we were ready to enter into a period of considerable expansion. We thought that what our friends and neighbors from Latin America would discover in our island was this spirit of self-reliance, this creative energy to do a job well and fast enough in the face of hard odds, this conviction that only in freedom can the goal be achieved. We wanted them to see that this was done with American encouragement and support, with no strings attached, save those of mutual trust and respect. We held that Puerto Rico was an acid test of U.S. attitudes regarding colonialism and economic imperialism. If the United States succeeded in Puerto Rico, and the fact was known to all, the U.S. image could shine brighter in the Caribbean, and in Latin America and, indeed, throughout many other underdeveloped lands.

This is, therefore, a Commonwealth program, in which we have put money and effort and hard thought, not essentially for Puerto Rico, but for the good name of the United States and for the prestige of its moral democratic leadership. The stakes are great, for what foreign visitors are measuring here—especially visitors from countries bedeviled by the crosscurrents of fierce, absorbing nationalism—is the quality and mettle of the U.S. spiritual greatness, and not just the scope of its economic and political might.

Now, what are the existing programs? What are the results? What is their impact on other lands?

The first program I want to mention is the Caribbean program, a program through which we cooperate with the nonindependent Caribbean countries, served by the Caribbean Commission. We have taken an active leadership in the work of this organization and have pioneered in a revision of its structure to make it more responsive to the needs of the governments and people served by it.

In 1960, the seat of the successor body to the Commission—the Caribbean Organization—will be established in Puerto Rico. As a technical advisory body to the countries served by it, the Caribbean Organization will undertake the old functions of the Commission, but will have available the pool of Commonwealth technicians to help implement its work program for the betterment of social and economic conditions in the area. As proof of our interest in cooperating with the new Organization, we shall recommend to our legislative assembly very soon that an appropriation to be made of a yearly contribution of \$140,000. Funds will no longer be required from the Federal Congress as we are now willing and ready to share this burden, in order that economic and social cooperation continue in this area, which is crucial to U.S. interests and security.

I should add that we have had in operation since 1950 a Caribbean technical assistance program, jointly sponsored by the Commonwealth and the International Cooperation Administration in Washington. Instruction and training are given in our Commonwealth agencies in the following fields, among others: Trades and industrial education, vocational teacher training in agriculture, training in

extension practices for community education, home economics, co-operatives, social work, community education, and public health. We have so far received over 900 trainees and plans are underway for a considerable expansion of this project.

I have mentioned the Caribbean program. May I now refer to our technical cooperation program, in general. This has developed into a vast and complex operation, as shown by the accompanying graphs. A substantial part of our effort is devoted to a joint work program with the ICA, under a 3-year agreement, although we are also cooperating with international organizations, such as the United Nations and the Organizations of American States and their specialized agencies, as well as various individual foreign governments. Between the program's inauguration, in May 1950, and the end of fiscal year 1959, nearly 6,500 trainees have come to Puerto Rico from 118 different countries.

Please note three striking facts:

(1) Over 6,000 of those trainees have come after Commonwealth status was declared, thus emphasizing the meaningful value of the new status to underdeveloped countries.

(2) Over one-half have come from the Caribbean area and Latin America.

Here you have another graph that would show the distribution by areas.

While the emphasis is, naturally, in Latin America and the Caribbean region, our technical cooperation program is a magnet for most of the underdeveloped world; we have a number of people also coming from the Far East and Africa and south Asia.

(3) Two-thirds of the visitors have been sponsored by ICA, but one-third came under non-U.S. programs, either under the auspices of international organizations or upon the initiative of individual governments or private institutions.

The program covers a variety of fields and projects. We have academic programs in public health, public administration, labor relations, education, home economics, social work, and others. We have observation programs in agriculture, industry, housing, country development, natural resources, planning, economic development, and civil service. We may have a specialized group training in the police academy or in mutual aid housing or in banking. We may have, for instance, six police officers from Ecuador following a 3-week training course in traffic control; or a 1-week observation program for 50 sugar industrialists from Brazil; or a special observation program for 12 bankers from Brazil, Ceylon, Turkey, Iraq, Costa Rica, Pakistan, Israel, Formosa, and Liberia. A man from Bolivia may be studying sanitary engineering while an educator from Costa Rica is observing our vocational system or a man from Nepal is engaged in studying our community development program. From the Sudan a specialist wants to find about our agricultural extension work, or there is a fellow from Indonesia interested in our town and country planning, while a Chilean expert analyzes our labor laws. The Commonwealth of Puerto Rico—our creation, your creation—has turned into an open house for the world to see, and especially for our close friends and neighbors in this hemisphere.

There is another phase of our operation—the educational and cultural exchange program—which has been responsible for the visit to

Puerto Rico of over 1,400 leaders and specialists and students from 79 countries. More than half of these have come from Latin America. The main purposes of the program is to provide the foreign visitor with a general idea of the Commonwealth, its way of life, and its social, cultural, economic, and political development. One basic objective is to help create better understanding of U.S. policies and democratic practices in an area where these policies and practices are easily observed.

Under the Commonwealth educational exchange program the participants are precisely those people who are leaders of opinion in their respective countries. They stay in Puerto Rico for a relatively short period in which they get a general view of our development programs and learn how this development has been made possible.

The program operates in close cooperation with the U.S. Department of State, the United Nations Organization, the Organization of American States, and with other private organizations in the United States interested in exchange activities.

Besides receiving individual visitors, the educational exchange program conducts special group projects in various fields of major interest. Fourteen groups of Latin American journalists have come to acquire firsthand information on the Commonwealth relationship with the United States. Several groups of Argentine labor leaders have come to observe labor relations in the Commonwealth, as well as legislation concerning the field of labor as it exists here.

The educational exchange program is responsible, too, for a series of teacher development workshops for educators from Central America and the Caribbean region which are held in Puerto Rico in cooperation with the International Educational Exchange Service of the U.S. Department of State.

A third program has been in operation: the conference program. This program is based on a unique, psychological fact about Puerto Rico—Puerto Rico is a place where people from the United States and people from Latin America do not feel as strangers. It is a place where the Latin American feels at home, where he sees the great impact of U.S. industrial civilization on a Hispanic land, and yet feels that the land and the people have retained their language and tradition and have not been culturally obliterated, as the Communists claim.

It is a place where the North American sees the old roots of Spanish civilization in the hemisphere, and yet feels that the people are his fellow citizens, not just juridically, but in the profound sense of believing in the same basic principles and ideas and values that sustain American democracy. And he also feels at home.

We are, therefore, taking full advantage of Puerto Rico's unique position as a place for cultural exchange in the hemisphere. The Commonwealth Government has cooperated in the holding in Puerto Rico of over 20 conferences, round tables, and seminars, which have brought to the island over 2,200 people from 56 countries to discuss a wide range of subjects from public health, to economic planning, a social work, sanitary engineering, history teaching in the New World, community development, and such specialized fields as otorhinolaryngology and bronchoesophagology. There is, as you see, a grand total of over 10,000 people coming under all these different programs from 120 different countries.

To several of these conferences, where the U.S. Government is the official host, Puerto Ricans are appointed as U.S. delegates. We have just closed one such conference: the third meeting of the Inter-American Cultural Council, one of the three technical organs of the Organization of American States, devoted to promoting better understanding in the hemisphere. The Commonwealth Government contributed approximately \$30,000 to the cost of this meeting.

Indeed, our general contribution in money and services to the programs—I mean the Commonwealth contributions—I have outlined has been estimated to amount at present to over \$700,000 a year. With the establishment of the Caribbean organization and the expansion of our technical assistance in the different Commonwealth agencies, our contribution will soon reach a million dollars' worth in money and services.

But this effort to help create a better and truer image of the United States abroad cannot be measured solely in dollar terms. Let us see some of the reactions by prominent people or distinguished visitors who have taken a look at the program.

In the past—

wrote Mr. Valeo in his report to the Senate Committee on Foreign Relations—

Puerto Rico was portrayed throughout the world as something of a backwash of the Western Hemisphere, with a disease-ridden illiterate and starving population. This condition was generally attributed either to the inadequacies of the Puerto Ricans themselves or the exploitation of the United States. Many trainees under the technical assistance program arrive in Puerto Rico with a preconception of this kind. They are often skeptical both as to the adequacy of the island's training facilities and its utility as an area for the observation of the techniques of economic development.

What they find on arrival must come as something of a shock to them. Those from underdeveloped areas discover standards of living in Puerto Rico which are already higher than most Latin American countries and are rising rapidly. Instead of an exploited American colony, they find a democratic self-governing Commonwealth with an effective government, independent in internal affairs and strong in its support of the present ties with the United States. In fact, Puerto Ricans were largely responsible for establishing the nature of these ties which were set forth in Public Law 447, passed by the 82d Congress of the United States in 1952.

And he concluded:

To sum up, the training center in Puerto Rico appears to me to be an important asset for the United States in carrying out the technical assistance program. Its direct value derives from the excellent setting which the Commonwealth provides for the observation and study of problems of development, its education facilities, and the skill and sensitivity of the employees responsible for carrying out the program.

The training center also has an indirect value in that exchangees, who sometimes have a negative view of U.S. policies, are likely to be favorably impressed by what they find in Puerto Rico. The better understanding of mainland Commonwealth relations which they obtain may contribute to an improvement in their attitude toward the policies and international motives of this country.

Senator Alexander Wiley had this to say in bringing before the Senate in July 1957 Puerto Rico's contribution to the U.S. technical assistance program:

I had asked for this material, because it is universally recognized that the great achievements on the island represent a source of inspiration to all of Latin America, and, indeed, to the whole underdeveloped world.

Visitors from the underdeveloped areas are often far more impressed with Puerto Rico's progress than they are even with progress in the mainland United States.

The principal reason is, of course, because Puerto Rico has started to build itself up only within the past relatively short period, whereas the United States headstart was much longer and older.

Underdeveloped peoples, especially Spanish-speaking peoples, naturally feel a kinship with Puerto Rico. It traditionally has, in time past, suffered from problems of overpopulation, insufficient education, unemployment, over-reliance on one crop, and all the other ills to which underdeveloped regions have usually been heir. * * * Under these circumstances, Puerto Rico has much to teach the underdeveloped world. So I hope that its facilities will be increasingly used by the International Cooperation Administration, the United Nations, the Organization of American States, and by other sources which are interested in exporting know-how to the underdeveloped world.

Senator George A. Smathers, another distinguished authority on inter-American relations has said:

Let me point out that the Puerto Ricans themselves sought this status. The relationship is one in which they are proud to stand before the world.

I think we have cause to judge the success of this innovation by the light of the flames from the Middle East and North Africa. Would that we and our allies would prove equally as creative as we and the Puerto Ricans have been.

Every year, visitors from all over the world come to Puerto Rico to judge for themselves how Operation Bootstrap has given a hydraulic lift to the Puerto Rican economy.

Government observers have flocked there from India, Ghana, Thailand, Morocco, to learn how it is that this island, once termed "the land without hope," has escaped the trap of poor resource endowment and a one-crop economy. We can be justly proud of their success for, as a result, they have made it possible for Puerto Rico to assume its full responsibility in the problems confronting the free world in efforts to achieve the goal of world peace.

Representative Clair Engle, after studying our Commonwealth experience, stated before the House in 1956:

Not only are these 2¼ million American citizens working together for economic progress, but the Commonwealth has proved itself to be one of the weapons in the United States arsenal against communism. It is significant that there is no problem with Communists in Puerto Rico. It is significant, also, that Puerto Rico is continually host to great numbers of visitors from South America and from all the undeveloped countries of the world to view this indisputable example of what is possible where there is given understanding and recognition of the freedom-craving heart that beats in every man, where there is cooperation, and where a helping hand is offered when it is needed.

Students throughout the free world are studying the commonwealth precept as exemplified by the case of Puerto Rico. Admittedly, it was a political experiment. Convincingly, it has proved successful.

We have a wealth of quotations from Latin America and other areas regarding the Commonwealth's contribution to better international understanding. I will just cite quite a few.

After having visited Puerto Rico, a distinguished Ecuadoran intellectual, Jose V. Ordenana Trujillo, wrote as follows:

The people of Puerto Rico deserve the gratitude of humanity because they have dared demonstrate, perhaps for the first time in history, that a country can base its political freedom on the idea of international fraternity instead of upon hatred and isolation.

And his fellow citizen, the essayist Benjamin Carrion, well known in Latin American letters, stated in an article published in several Latin American newspapers:

I'm going to Puerto Rico. I come from Puerto Rico. Such an announcement

means: I am going to, or have come from, a meeting of freemen of good will who will meet, or met, on that marvelous island to establish contacts, study problems, adopt resolutions in benefit of mankind in this hemisphere and of mankind in general.

"The truth is," wrote Andres Aburto Sotomayor, associate editor of the Chilean newspaper, *El Debate*—

that the Puerto Rican experience constitutes a political occurrence of world importance. In a moment of history when struggles for emancipation have become conflicts as complex as those of Algeria and Cyprus, or have been settled so cruelly as in Indochina, Puerto Rico, just a dot on the map of the hemisphere, but no less important on that account, has forged a variant solution capable of conciliating the poles of interdependence and sovereignty.

After having studied in Puerto Rico, under our Caribbean program, Windom J. Robertson, a noted educator from the British West Indies, wrote:

The leaders of the new West Indies nation are already facing diverse problems, and the rate of development in the unit territories will depend largely upon help from outside, particularly technical aid. It is already an established fact that the students trained in Puerto Rico are giving a good account of themselves back home and an increased number of scholarships to that American Commonwealth will quicken the rate of advancement in the West Indies.

The British statesman, Sir Hugh Foot, now Governor of Cyprus, addressed the people of Puerto Rico as follows in 1956:

* * * Of all the things we have to learn from you let me refer to two which are, I believe, the most important of all.

First, you teach that freedom is not a negative thing of narrowness or isolation, but a freedom to associate with others, a freedom of genuine brotherhood with freemen everywhere.

Secondly, you teach us to welcome and rejoice in change and experiment—in the need to find and test new solutions for problems, in the need to be constantly creative.

Before the meeting of the American Presidents in Panama in 1956, President Jose A. Figueres, referring to our Commonwealth status, had this to say:

In our time, especially, it is worth while to recognize the merit of peoples who find political formulas capable of solving their specific problems. The classic concepts of State sovereignty have failed in the worldwide task of terminating the vestiges of colonialism without causing serious or unfair maladjustments. The United States and Puerto Rico, by creating the Commonwealth, an associated free State, have blazed a trail.

From far off southern Rhodesia, the chairman of that country's industrial development program, Hubert Ponter, wrote:

The example of your country, its people, and their great will to succeed * * * which puts development as its first objective, but retains the influence of love of a people, may well serve nations of greater wealth and power in the world. Perhaps many have overlooked the supreme importance of people's freedom of mind and spirit * * *.

The lesson I learned will remain with me and will be used in the development of my own country.

And Charles Roberts, Assistant Secretary of Public Works from Liberia, summarized succinctly the Commonwealth impact on foreign visitors:

It is no wonder that Puerto Rico is making so much headway and that observers like myself come here by hundreds. The principal reason for that energetic headway, however, is not the fact that Puerto Rico has access to American capital markets, and grants-in-aid, or the fact that the Commonwealth is protected by the United States and doesn't need to spend money for an army

Such things are important of course. But the principal reason for the Commonwealth's energy is the working democracy under which every person is regarded as being important in his or her own right, regardless of station in life.

I could multiply these quotations which reflect the thinking of visitors to Puerto Rico from both developing and highly developed areas all over the world. They say eloquently what Puerto Rico is beginning to mean to our Caribbean friends, our Latin American neighbors, and, indeed, to that great family of peoples all over the world engaged in what has aptly been called "the revolution of expectations," the great revolution of our day and age.

It is Operation Bootstrap that is appealing to their imagination. It is Operation Commonwealth that is demonstrating the unique relationship in freedom that we have established.

To strengthen the Commonwealth, as the Murray-Fernós bill proposes to do, will strengthen—I hold—a unique partnership in modern history which honors the United States before the world.

Mr. O'BRIEN. Thank you, Mr. Morales, for a very scholarly, impressive contribution to our record.

Are there any questions?

Mr. ASPINALL. Mr. Chairman.

Mr. O'BRIEN. Mr. Aspinall.

Mr. ASPINALL. Doctor, would you furnish for the committee a short statement of your background education and experience?

Mr. MORALES-CARRION. I would be very happy to.

Mr. ASPINALL. I would ask it be made a part of the record following the statement.

Mr. O'BRIEN. Without objection, it is so ordered.

(The information follows:)

ARTURO MORALES-CARRION

A graduate from the University of Puerto Rico (B.A.); from the University of Texas (M.A.); and Columbia University (Ph. D.). For several years, chairman, history department, University of Puerto Rico. Worked in the Cultural Relations Division, Department of State, Washington, 1940-43. Has served as U.S. Commissioner in the Caribbean Commission since 1954; as U.S. Alternate Delegate to 10th Inter-American Conference at Caracas, 1954; also, as U.S. Alternate Delegate to Second and Third Meetings of the Inter-American Cultural Council, in 1956 and 1959. Member of the U.S. National Commission for UNESCO. Author of several books and articles, mainly on the Caribbean. Under Secretary of State of the Commonwealth of Puerto Rico since 1953.

Mr. ASPINALL. I have one question. I compliment all of you who have been in this program because I know its value. It has been very worthwhile. But the status alone of the Government of Puerto Rico would not have very much effect upon your work, would it? In other words, if you did have statehood, if you were a possession and the people of Puerto Rico desired statehood, you would still carry on this most beneficial and forward-looking program?

Mr. MORALES-CARRION. Sir, I am sure that we would continue to help and do our best to the programs that the United States is conducting in the technical cooperation field and in other fields. However, I have some doubt as to whether the impact of the program would be the same on foreign visitors. In other words, I would like to distinguish between our ability and our willingness to continue serving and the impact of Puerto Rico, as such, on foreign visitors

Mr. ASPINALL. But you see, you do not have the only Latin American people in the United States in your area. In other words, my own congressional district is made up of a great many Latin American people, and there are other States where the impact has also been great. It so happens, geographically, you have been very fortunate to have been situated in this particular area and your impact upon the Latin American people is far greater than it is in any other areas.

But is it your opinion that they draw any difference between the line of statehood and Commonwealth as far as you folks as citizens of the United States are concerned?

Mr. MORALES-CARRION. Regarding the impact of the program on them, which is what I am trying to mention at this point, I would like to read two quotations with the purpose of illustrating to the committee as to a Latin American reaction from people who are very friendly to the United States, and I would like to read both quotations in view of your questions.

Mr. ASPINALL. If not too long. Otherwise I would like to have them printed in the record.

Mr. MORALES-CARRION. I will just put them in the record.

Mr. ASPINALL. I assure you I shall read them.

Mr. O'BRIEN. Without objection, they will be made a part of the record at this point.

(The information follows:)

EXTENSION OF REMARKS OF DR. ARTURO MORALES CARRION, COMMONWEALTH
UNDER SECRETARY OF STATE

The idea that Puerto Rico might become a federated State of the Union is not attractive to responsible Latin American opinion, to judge from the statements made, not by enemies of the United States, but by writers or newspapers known as staunch supporters of American policies.

One of these Latin American newspapers is *El Tiempo*, of Bogotá, Colombia, an outstanding liberal newspaper of Latin America and highly regarded in U.S. journalistic circles. *El Tiempo* recently said in an editorial, quoted by the Spanish newspaper *La Prensa* of New York on August 7, 1959, that the idea of Federal statehood for Puerto Rico would be respectable if the people so wished but would not evoke enthusiasm in Latin America as it would mean "the absorption of part of our Latin tradition, without need or justification."

"Puerto Rico," *El Tiempo* added, "has a traditional personality, which can be preserved better, with greater dignity and decorum, in its Commonwealth status as an associated free state than as an integrated part of the United States."

Roberto Gracia-Peña, a distinguished Latin American journalist and a recipient of the "Maria Moors Cabot Award," given by Columbia University, wrote an article, published in *El Mundo* of Can Juan, June 13, 1959, in which he stated:

"The possibility that Puerto Rico might become a State of the North American Union is sometimes discussed. Such a step would be a serious error, certainly. The present status of Puerto Rico, defined as an associated free state, gives the island every possible advantage, while maintaining it in a condition of relative independence which is well suited to its economy and its way of life. Latin America would not view statehood for Puerto Rico with satisfaction, since such a change in status would mean a drastic break with the Iberian tradition of the Puerto Rican people whom we Latin Americans consider as one of ourselves since they represent a prolongation of our tradition and even of our history."

"Furthermore, we do not believe that legislation on statehood for Puerto Rico would prosper; nor do we believe that the United States is greatly interested in changing Puerto Rico's present status which reflects honor on the United States for its having done away with every vestige of colonialism, and serves as a hemispheric bond, affording an inter-American meeting place, one more link in forging the good-neighbor relationship which, though greatly deteriorated is,

The noted Chilean specialist in economic affairs, Rubén Corvalán, after returning from a visit to the United States and Puerto Rico, wrote in *La Nación*, of Santiago, Chile, June 12, 1959, as follows:

"Puerto Rico, as an independent Latin American Republic, could only offer to the islanders freedom and poverty. Unfortunately, it would be ruined as a State of the Union, subject, then, to the overwhelming burden of Federal taxes, and incapable of providing the incentives necessary for its industrial development. Puerto Rico could not then compete in the American market in view of the additional costs arising from the substantial imposition of Federal taxes. We hold, therefore the opinion that Puerto Rico, at this crossroads, would again insist in its determination to live as a Commonwealth, voluntarily associated with the United States."

In an article entitled "Puerto Rico Joins the Union Without Losing Its Own Characteristics," published April 16, 1958, in the well-known newspaper of Buenos Aires, *La Nación*, the noted Argentine writer, Juan S. Valmaggia, associate director of the newspaper, after carefully examining the different political trends in Puerto Rico came to this conclusion:

"[The solution is] in brief, neither an independent Puerto Rico nor a Puerto Rico incorporated into the Union as another State with the resulting impoverishing of its cultural entity; but a Commonwealth of Puerto Rico, as provided by the Charter of 1952, with the improvements in the system that time will allow, in order to emphasize the autonomous characteristics that were borne in mind when the Commonwealth was created."

Mr. O'BRIEN. Are there further questions?

Mr. POWELL. I have no questions, but I would like unanimous consent to speak off the record.

(Discussion off the record.)

Mr. O'BRIEN. Thank you very much, Mr. Secretary.

Dr. Fernós?

Mr. FERNÓS-ISERN. Since the present H.R. 9234 covers all the matters, I think H.R. 5926 need not be printed in the record, and I ask unanimous consent it not be.

Mr. O'BRIEN. Dr. Fernós states, in view of the fact that H.R. 9234, which he introduced on September 12, covers or is a complete substitute for H.R. 5926, that he asks unanimous consent that the printing of H.R. 5926 in the record be eliminated. Is there any objection?

The Chair hears none, and it is so ordered.

The committee stands in recess until 1 p.m.

(Whereupon at 12:10 p.m. the committee recessed until 1 p.m. this same day.)

AFTERNOON SESSION

Mr. ASPINALL (presiding). The committee will come to order.

The chairman of the subcommittee will be here in a few minutes.

The first witness this afternoon is listed as Mr. Condido Oliverias, president of the Planning Board of Puerto Rico.

I understand he is not here, and in his absence we shall have as our first witness, Mr. Rafael Pico, president of the Government Development Bank.

We are glad to have you as a witness this afternoon, and we will be glad to listen to your statement.

STATEMENT OF RAFAEL PICO, PRESIDENT, GOVERNMENT
DEVELOPMENT BANK FOR PUERTO RICO

Mr. PICO. The debt margin and Puerto Rico's financial resources.

My name is Rafael Pico. I have been president of the Government Development Bank since January 13, 1958. Previously, I was secre-