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THE MacNEIL/LEHRER REPORT

"Puerto Rican Statehood"

In New York

ROBERT MacNEIL

Executive Editor

SUSAN CANTOR

Journalist

In Washington, D.C.

JIM LEHRER

Associate Editor

JAIME BENITEZ

Former Puerto Rico Resident
Commissioner

RICHARD COPAKEN

Counsel to Puerto Rico

Producer
LINDA WINSLOW

Reporter
CRISPIN Y. CAMPBELL
JIM WESLEY

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ROBERT MacNEIL: Good evening. President Ford loosed a small bombshell on New Year's Eve, suddenly and unexpectedly calling for the admission of Puerto Rico as the fifty-first state of the United States. Today that proposal ran into a slight snag. The White House said the government may not be able to get a statehood bill drafted before Mr. Ford leaves office on January 20.

JIM LEHRER: And that would leave the statehood issue in the hands of President-elect Carter and the Democratically controlled Congress, all of whom were as surprised as the government and people of Puerto Rico by the timing of the President's proposal. Tonight we examine that proposal and the reaction to it, beginning with the President's statement which he issued last Friday from his vacation retreat in Vail, Colorado. The President said in part, "I believe that the appropriate status for Puerto Rico is statehood.... I will recommend to the ninety-fifth Congress the enactment of legislation providing for the admission of Puerto Rico as a state of the Union." The President said he had reached this conclusion after studying the existing relationship between Puerto Rico and the United States.

MacNEIL: Since 1952 Puerto Rico has been living under a compact making it a commonwealth, or associated free state, of the United States. That means Puerto Ricans enjoy some, but not all, benefits of American citizenship but are free of some of the burdens, like federal income tax. What was intended as a showcase of democracy in the Caribbean has, however, become a showcase for economic problems. Unemployment is more than twice that of the U.S. average; the per capita income is less than half the U.S. average. Sixty percent of Puerto Ricans live below the official U.S. poverty level of \$5500 a year, five times the percentage in the mainland U.S. More than half the three million Puerto Ricans qualify for food stamps. Jim?

LEHRER: Most observers think the economy was the main reason Puerto Ricans turned out Governor Hernández-Colón out of office this fall and voted in the Statehood Party candidate, Carlos Romero Barcelo. He downplayed his preference for statehood during the election campaign, and after his swearing-in ceremony yesterday professed to be surprised, as everyone else was, by President Ford's announcement. The Hernández-Colón administration was also apparently caught off-guard. Jaime Benítez is the outgoing Resident Commissioner of Puerto Rico, the island's non-voting representative in the United States Congress. Commissioner, did the government of Puerto Rico know the President was going to make this proposal?

JAIME BENITEZ: We had absolutely no indication of that.

LEHRER: Why do you think he did it, then?

BENITEZ: We really are puzzled; we don't know. We had submit-

ted this report fifteen months ago, to which presumably he was answering now. We believe he was trying to make a parting gift, ill-conceived, I think -- perhaps well-intentioned, but certainly throwing a basic bombshell politically in Puerto Rico to his friends the Republicans who have supported him in Kansas City and who favor statehood for Puerto Rico. We think that group that are the hawks, who want statehood now; others that know that statehood now is an impossibility.

LEHRER: When you say "bombshell," what could be the effect in Puerto Rico and internally, politically?

BENITEZ: It may provoke irritation, as a matter of fact; it is basically outrageous that the President, instead of answering the commendation of the people of Puerto Rico -- of the plebiscite of Puerto Rico -- of the joint commission which contains...

LEHRER: Which calls for a continuation of the commonwealth...

BENITEZ: And an improvement thereof. And instead of doing that just forgets it and takes it as an occasion to favor something which is meritorious in itself but which is supported at present in Puerto Rico by no more than thirty percent of the people.

LEHRER: All right. Now, let me ask you this, Commissioner. I know it's maybe a simplistic question from your viewpoint, but outside Americans would normally think, "My goodness, this was a great thing"; everybody wants to be a state of the United States, and the negative reaction, I think, has caught a lot of people off-guard. Why is it that many people are opposed to statehood for Puerto Rico?

BENITEZ: First, let me say that we appreciate the difficulty of really conveying to our fellow citizens in the United States that those of us who are the majority of Puerto Rico, who favor commonwealth, are fully identified in citizenship, in war, in common defense, in basic democratic ideals with the United States. However, commonwealth has been the resolution of a very difficult relationship over the years -- I may say that originally, in 1900, the people of Puerto Rico supported statehood and it was then, of course, denied -- and there has been a basic accommodation in economics, in respect for Puerto Rican culture, in autonomous development, all of which have provided what we regard as a new vision of the future in the relationships of the strong and the weak of an economy that needs to have its own peculiar and particular arrangements which would not fit into the uniformity of the United States. Certainly it could not fit at present.

LEHRER: I see. Thank you very much, Commissioner. Robin?

MacNEIL: In the general election on November 2, Puerto Ricans ousted Mr. Benítez, whom you've just heard, as their delegate in Washington, and replaced him with Balthazar Corrada del Río of the New Progressive Party, which favors statehood. Mr. Corrada is in Puerto Rico and unavailable to us tonight, but on this program last June, Jim Lehrer asked him why he favored statehood and how it would help the Puerto Rican economy.

(June 29, 1976)

BALTHAZAR CORRADA del RIO: ...and I believe that as United States citizens we should exercise our full prerogatives; and what we Puerto Ricans need, essentially, is political power at the national decisional level -- that we should have two senators in the Senate, six or seven Congressmen that will be a great instrument in the hands of Puerto Ricans toward improving our participation at the national level at the same time that we keep local self-government within the concept of autonomy that you find in each and every other state of the Union. I believe in autonomy for Puerto Rico comparable to that of the states of the Union and greater participation in Washington that will help us then develop our economy through internal stimulation of agriculture, tourism, industry, commerce, manufacturing; and at the same time have full share and participation in all federal programs, which now we do not have. For instance, it's unbelievable that at the same time we are getting -- even though we are getting five hundred million dollars in food stamps, which is all right with me, we are only getting thirty-six million dollars for education for our seven hundred thousand children. And there must be something wrong when you have to give this kind of priorities. I would keep the five hundred million dollars in food stamps, but I would try to obtain more federal funds for education because education is the keystone for the social and economic development of the people.

MacNEIL: Susan Cantor is a free-lance journalist who specializes in Latin-American affairs. She is now working on a Ph.D. dissertation on Puerto Rico and the Caribbean for the Institute for Policy Studies in Washington. Ms. Cantor, how do you, as somebody who has really thought about this a lot, explain Mr. Ford's sudden call for statehood?

SUSAN CANTOR: Well, quite frankly, I can't explain it. I called everyone I knew in and around government today asking them to explain it, and I think that it came as a shock to everybody; no one seems to quite understand where it came from. I think that what we have to look at is the political context within which that statement came, which is increasing discussion of Puerto Rico; both the status of the island on the island, which primarily has come from a discussion of the economic crisis, and the fact that the commonwealth status has not resolved the economic crisis of the island. I think that the second important point is that Puerto Rico is increasingly being raised in international forums, in the U.N., at the Non-Allied conferences, as a point which has to be viewed in terms of colonialism. And within the context of historic events today, Portugal and Africa in particular, I think that Puerto Rico is being viewed as a colonial case; and I think that that is why the United States at this point has to address that issue -- and probably Ford's response is a response to that.

MacNEIL: I see. Would statehood, from your studies, be an improvement over the present commonwealth status economically for the island?

CANTOR: I really don't believe so. I think that the problems on the island are structural problems, institutional problems. Originally, when the commonwealth was set up, it was the industrial plan for the island; and I think that it hasn't worked. Why this whole issue is being raised is because it has not worked. What you mentioned at the beginning of the program about the unemployment rate on the island, which has hovered around forty percent for the past year or so; inflation is tremendous...

MacNEIL: We gave the official figures of about twenty percent; you believe it's double that?

CANTOR: I think that it probably is that; a lot of people are employed part-time. I spent the summer down on the island, and the conditions are really terrible -- seventy percent of the population is on food stamps, the environment is being destroyed by the petrochemical industry; and it's a structural problem. The government has gotten itself into a situation where the debt has been increasing each year because it has tried to employ the people who are not employed by the kind of chaotic structure of the economy, which is eighty-six percent in the hands of North American corporations. Now, the problem then is that the money is not going back into the country, that the resources of the country are not being used for the development of the country itself; so that all that statehood would really do would be to slightly change the name of the situation. Granted, it would give some more federal funds, but really would not change its structure in which the resources of the country are not being used.

MacNEIL: I see. And briefly, what do you believe is the best way to improve the economic situation in Puerto Rico?

CANTOR: I really believe that the best way would be to have an economy which is planned completely by the Puerto Rican people, which, to me, would imply independence for Puerto Rico. I think that just the situation of the destruction of agriculture and that sixty percent of the food on the island is imported from the United States at twenty-five percent higher prices than in New York, if Puerto Rico would produce for itself what it consumes it not only could consume it much cheaper than it is now but also would provide a whole lot more jobs. I think that the only rational way to have an economy which benefits the people of Puerto Rico is for the people of Puerto Rico to control their own resources instead of U.S. corporations, and for them to use those resources in the way that they see fit.

MacNEIL: Thank you. Jim?

LEHRER: The magic substance known as oil has also been mentioned as having a possible involvement in Puerto Rico's future, politically as well as economically. The man who raised the issue over the weekend is Washington attorney Richard Copaken, who represents the Commonwealth of Puerto Rico in such issues as offshore oil rights. Mr. Copaken, how does oil figure into all this?

RICHARD COPAKEN: Oil, of course, would be of absolutely critical significance to Puerto Rico if it can be found there. There have been a number of studies over the last several years that indicate there is a strong probability of offshore oil off the northern coast of Puerto

Rico. The issue, then, is who owns that oil -- Puerto Rico, or the United States? We have been doing extensive research on that question and are quite persuaded that Puerto Rico is a rather unique case in that Congress granted to Puerto Rico in 1917 rights to submerged lands; and under various Supreme Court decisions this has been construed essentially as a proprietary grant -- rights of ownership in that offshore oil, if it exists.

LEHRER: And that's under the commonwealth status, the status they have now?

COPAKEN: That is correct.

LEHRER: Would it change, though, if it became a state?

COPAKEN: It probably would; this is not absolutely certain, but at least insofar as existing states, states are entitled now to offshore oil resources out to three miles. In the cases of Texas and Florida they go out further to about nine or ten miles. This is under the Submerged Lands Act.

LEHRER: Now, this oil land in Puerto Rico is sixteen miles, is that right -- something like that?

COPAKEN: Well, essentially, what they have done is they have defined a huge bowl through sonar readings, and this bowl begins at about three miles and extends outwards beyond twelve miles. And no one will know whether there is oil in that bowl until a hole is punched in it and either oil is found or it's not. But this possibility of the existence of oil is so crucial to Puerto Rico that it has been raised by the Governor in a very strenuous effort over the past year...

LEHRER: This is Governor Hernández-Colón.

COPAKEN: This is the former Governor, Governor Hernández-Colón, in an effort to make sure that Puerto Rico's rights under existing law are in no way clouded or abrogated through subsequent action in the Law of the Sea Conference and the projected Law of the Sea Treaty. And this has precipitated a very difficult bilateral series of discussions, beginning with correspondence between the Governor and Secretary of State Kissinger back in February and continuing with a very extensive letter to Kissinger on July 3...

LEHRER: Excuse me; let me interrupt here a moment.

COPAKEN: Yes.

LEHRER: The fact is that the administration turned down the request of Governor Hernández-Colón to include Puerto Rico in this Law of the Sea Conference. Now, getting to the issue before us now, do you feel, either in your gut or in your head or otherwise, that this oil issue may have played some part in President Ford's decision to suddenly go for statehood?

COPAKEN: Frankly, I find it inescapable to think anything else. I know that the President has now said that this did not enter into his consideration; that may well be. I can't believe that it did not

enter into the timing and consideration of his key staff. I know this issue was very much on the mind of Secretary Kissinger; I know that it was considered by the Counsel's Office to the President, by the National Security Council; indeed, the United States shifted its position at the Law of the Sea Conference after General Scocroft issued a study on the matter. So I have to believe that it's a factor there, perhaps one of several, and the timing also is something that is curious, because after the rejection of Puerto Rico's position by the State Department Governor Hernández-Colón wrote a very detailed letter to President-elect Carter on December 17 and I believe that letter has been given some consideration by the Carter people; indeed, they were the ones who approached Puerto Rico knowing about this issue and asking for its views.

LEHRER: And the word may have gotten back to the Ford people.

COPAKEN: Probably so.

LEHRER: Let me ask you, Commissioner, what do you think of Mr. Copaken's theory?

BENITEZ: No, I disagree with it completely. In my opinion, the factor of oil would not have entered into the determination of the President. I think that the whole history of the relationship with the United States, and with the Interior Department and others, has evidence that regardless of differences that we may have on a number of factors these differences are not motivated by any desire to expropriate Puerto Rico out of its rights, or to limit the possibilities of economic development of Puerto Rico. I disagree with the President in his statement that statehood is the ultimate goal; I disagree with many other things, but on this particular point I...

LEHRER: You don't think he did it to steal Puerto Rico's oil.

BENITEZ: No, I don't.

LEHRER: Ms. Cantor, you said you've been checking around all day today. Did you pick up any smell of oil, if you'll pardon the... whatever it was?

CANTOR: It seems to be the only answer that people can come up with. I frankly think that it's a factor involved, and certainly if there is oil it does mean a lot of money; but I really don't see it as the primary factor. I see the primary factor to be the impossibility of maintaining the commonwealth situation at this point, and Ford's attempt to find a solution to that, a solution which I certainly do not think will work and which not many other people think is going to work, either.

LEHRER: All right. Well, let's pursue that. Yes, Mr. Copaken.

COPAKEN: I'd just like to add on that...

LEHRER: Now that we've shot down your theory, go on. (Laughing.)

COPAKEN: Right. Again, I don't know what was in the President's mind. I do know certain facts, though. Two days after the election I had a brief occasion to raise this issue again with Secretary Kissinger.

He expressed a detailed knowledge of this issue and indicated to me "Well, we'll have to see; there's a new Statehood governor that's been elected." And he made the initial connection between a statehood status and the oil issue -- in fact, he practically...

LEHRER: You realize, Mr. Copaken, the reason this is so critical is if you were to unvarnish what you're saying, you're suggesting that the President of the United States did what on the surface appears to be a good thing for Puerto Rico but that he had ulterior motives, which was to steal the oil revenues. That's a very...

COPAKEN: No, I would not put it that way at all, and I think that mischaracterizes and overstates the position. What I'm saying is that there has been a very serious effort going back and forth between Puerto Rico and the United States with regard to these potential offshore oil resources; and the implications of that go far beyond oil. They really do relate to the ultimate status of Puerto Rico and the implications of it. Under international law, for instance, it's quite clear that an independent Puerto Rico would have all of its oil resources.

LEHRER: Sure.

COPAKEN: Our research has convinced us that it would have those resources under the commonwealth status; but there may be those who fear that if this issue becomes a focused one it could precipitate a drastic change in status that goes beyond the question of mere oil and therefore it's not a venal point, I think, that has been raised.

LEHRER: I hereby withdraw the words I put in your mouth. Let's pursue the point, however, that Ms. Cantor raised twice now, which is that what's really at issue here, Commissioner, is that the commonwealth status, or the commonwealth operation, has been a failure in terms of coming to grips with the economic problems of Puerto Rico.

BENITEZ: I think that if that argument were to hold, certainly independence or statehood would be three times greater failures. The basic fact is that commonwealth provides -- and under the forms that we would like to reorganize the situation, would provide -- much greater flexibility and opportunity for Puerto Rico to develop itself. The basic problem is that here we have a community of three hundred and twenty persons per square mile, with one third of its land in mountains with little known resources, and forced to develop a technology and an industrial approach to life which necessitates shipping back and forth raw materials turned into finished products to the United States; and all of this requires special arrangements with the United States which would be eliminated if we were going to become a state. Under independence, this situation would be probably five or six times worse. The basic reality is that Puerto Rico has been hit harder by the recession in the States and by the oil problems than anyplace else under the American flag, and as a consequence of that we have not forty percent unemployed, as she would say -- we have twenty percent; it might be more than that, probably -- and we don't have seventy percent of people on food stamps, as she would claim. Seventy percent could qualify for food stamps; only fifty percent of the population is presently using them.

LEHRER: Let me ask you a question, Ms. Cantor, on behalf of the

stateside American taxpayer. Why shouldn't the Puerto Ricans pay federal taxes? I mean, that's one of the reasons cited why they don't want statehood.

CANTOR: Why shouldn't they?

LEHRER: Yeah. If they're going to get U.S. federal funds.

CANTOR: To me, the situation seems to be this: that there are a large number of corporations making tremendous profits; in 1974, I think it was, they made 1.4 billion dollars' worth of profit in Puerto Rico. What's happened is that because of the structure of that economy the people of Puerto Rico cannot survive, so they're on food stamps, and they're in public housing, etcetera, etcetera, etcetera. What happens then is that the taxpayers in the United States pay to subsidize a population because they cannot survive within the economic structure which exists. Which is really what my argument with Mr. Benítez is, which is that the structure doesn't exist, and that I don't think you could say that the commonwealth has provided a flexibility or has provided a structure which works -- that is not a situation which is working. When James Tobin, a Yale economics professor, was called in last year to do a study of the Puerto Rican economy -- he by no means is an independentista -- but very, very clearly in the Tobin report it was stated that the problems are structural problems; and the problems are problems which he suggested could not be solved in ways other than increasing U.S. investment in Puerto Rico once again, which is continuing that spiral, and cutting back the wages of Puerto Rican workers, which, I might add, was the major point of the Compact for Permanent Union which was supported by Mr. Benítez, that the minimum wage law be ended in Puerto Rico so the wages could be cut back, and that there be no environmental laws so that the petrochemical industry could continue.

BENITEZ: No, no, no. That was not the point of the Compact, and that was not my point. The point is not cutting back the wages; it's not increasing them in the form in which they are feasible in the United States. As a matter of fact, we have a system in Puerto Rico whereby we have at some points a higher minimum standard than the ones that are provided by federal law. But we cannot do that, as a general rule, for all industries or all activities in Puerto Rico; and what we have requested for is a flexibility which at present is no less than sixty percent of what is the situation in the United States.

LEHRER: Robin?

MacNEIL: Mr. Benítez, and you others, just to conclude this, I'd like to ask, the Compact that you've both been referring to, which was the product of this joint commission, which was a plan to improve the present commonwealth status -- it was presented to Congress, it got bogged down in committee, it's gotten nowhere, so far; now Mr. Ford has proposed statehood. What are we likely to see, politically? Are we likely to see, a year from now, Puerto Rico a state, still a commonwealth, or heading more towards independence because support for that, which is now so small, has grown as a result of frustration? First of all, what do you think we're likely

MacNEIL: I'm afraid we have to leave you there. I'm awfully sorry. Anyway, nobody believes that we're likely to see statehood very quickly. Jim Lehrer and I will be back tomorrow night. I'm Robert MacNeil. Good night.

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