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For the Commonwealth of Puerto Rico

CONFIDENTIAL

SUGGESTED GOALS AND PROGRAMS FOR PUERTO RICO IN WASHINGTON

DURING NEXT ADMINISTRATION

Background. Any new administration will be more aware of, more sensitive to, and more appreciative of the role which Puerto Rico can play than the present one. Both Nixon and Kennedy (and their respective cabinets) can be expected to be more receptive to the counsel and programs of Puerto Rico than Eisenhower. Therefore, on the Administration side, there should be new scope and opportunity for Puerto Rico in Washington, both on the national and international scene.

At the same time, any new Administration will be almost immediately overwhelmed by foreign policy problems of an urgent nature. Some of these will involve Latin America. Others will concern policy toward underdeveloped areas in general. In both these areas, a new Administration will likely need help and counsel. In Latin America, it will probably welcome counsel and assistance on both the political level and on the technical one of economic assistance.

In Congress, on the other hand, Puerto Rico's position and opportunities appear to have deteriorated. Handling of the Fernos-Murray bill left many members of Congress puzzled and suspicious of Puerto Rico's motives and tactics. Also, it seems likely that any new Congress will be seized by a rash of high-priority legislation early in the next session, particularly if the Democrats sweep the elections.

General Goals. In light of the probable favorable ambiente in the next Administration, contrasted with the relatively less favorable one in Congress, it is our opinion that during the early stages of a new government, Puerto Rico's policy in Washington should accent what it can do to help the new Administration, while treading lightly on what it can get out of Congress.

Administration. We believe that the following assistance to the new Administration would be welcomed in Washington, and would be to the long-run interests of Puerto Rican policy:

- 1) that Governor Muñoz himself offer his counsel to the new administration at the White House level to help formulate a new and dynamic framework for U.S. policy and programs in Latin America;
- 2) that a high cabinet officer (Moscoso? Pico?) be available to counsel the Administration on economic development programs and low-cost housing programs in Latin America -- both urgent issues there;
- 3) that the Puerto Rican State Department undertake a modest program (or amplify its present one) to improve the image of Puerto Rico in Latin America, as a counter to growing Communist and Fidelista propaganda attacking Puerto Rico as a "U.S. stooge"; this would not be only to counter damaging accusations against the U.S.—Puerto Rico's prestige and leverage in Washington will decline if it is believed there that it is enjoying little confidence or esteem in Latin America, and therefore can realistically play no effective role in U.S.—Latin American affairs.

Congress. In general, it is recommended that legislative programs by the Puerto Rican government be concrete and well-defined, and that they be introduced only when sufficient lobbying and/or public relations preparations have insured reasonable prospect of success. Following are some specific goals for Congressional action:

1) Revision of maritime rates. (This project is already launched by Moscoso and Fortas,) Objective here would be, in close cooperation with Congressmen from Hawaii and Alaska, to seek a basic revision of the coast-wise shipping concept, obtaining in essence a

federal subsidy for such shipping, so that Puerto Rico, Hawaii, and Alaska would no longer be burdened with artificially high freight rates. Extensive lobbying and public relations preparations are indicated in order to insure success.

2) Minimum wages. Here the role of the Puerto Rican government is usually defensive. It is recommended that, whether or not there is specific legislation before Congress on this subject, that an educational program be undertaken (both through lobbying and public relations) to make more widely known the special conditions in Puerto Rico which necessitate a unique and cautious approach to raising federal minimum wages in the Commonwealth. Objective here would be to gradually indoctrinate enough key Congressmen and public opinion leaders so that future minimum wage legislation would find Puerto Rico in a stronger bargaining position.

It is specifically recommended that the Fernos-Murray bill, or any new version thereof of an embracing nature, <u>not</u> be introduced in the first session of the new Congress. It is our opinion, from our soundings in Washington, that it is far better to let the dust settle in this area, then take new readings of the Washington pulse in another year. By that time, it is reasonable to hope that Puerto Rico's stock would be high with a new Administration, and that the Administration itself would take a much more positive position toward a new bill than did the Eisenhower Administration.

If substantial innovations are contemplated for a new bill modifying the political compact, it is recommended that a bill to be eventually proposed be weighed ahead of time both for its probable reception by Congress and by the general public. It is worth pointing out that the original Fernos-Murray bill, framed without soundings by the Commonwealth's public relations agency as to probable reaction from the public, met an almost total and embarrassed silence in the press. Even our closest friends, such as at the WASHINGTON POST, declined to give the bill editorial support. Lack of press support (usually so valuable to Puerto Rico, which is obliged to operate in

Congress without any hard political bargaining power) compounded Congressional suspicion and Administrative indifference. In any new, major legislation, realistic evaluation of Congressional and public support, plus well-planned and executed preparation before introducing the legislation, appears to be essential.