

Puerto Rico Taking a Close Look At Proposals for Statehood

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Puerto Rico, "the land that has bypassed nationalism" in the words of its Governor, Luis Munoz Marin, is facing a new test. Since 1952 this West Indian island has been a Commonwealth, a "Free Associated State" to use the Spanish term, a self-governing integral part of the United States. The success of the Commonwealth, politically and especially economically, has been phenomenal.

But statehood in the American Union—long the goal of a small but determined minority in Puerto Rico—has been achieved by Alaska and Hawaii. For the first time, territories outside the continental limits of the United States have been admitted to full-fledged membership in the Union, the 49th and 50th stars in the blue firmament of the flag.

Hawaii's admission was a shot of adrenalin to the lethargic statehood advocates in Puerto Rico. Long had they fought against the contention that the historical, linguistic, cultural and racial differences between Spanish Puerto Rico and the predominately Anglo-Saxon mainland made statehood inadvisable if not impossible. Now they were able to point to Hawaii, a melting-pot of races with Orientals predominating, and declare with persuasive logic that Puerto Rico, surely, was not less assimilable than the Pacific's paradise.

The Governor's Position

To Gov. Munoz, the revived statehood clamor is the most worrisome problem he has encountered since the Commonwealth was established in 1952. The Governor, himself once a vigorous advocate of independence for his native island, is not opposed to statehood as such. "Who," he asked this reporter, "can be opposed to motherhood, or health, or a star in the Flag?"

But, in the case of Puerto Rico, there is much more to be considered than the prestige and portfolios of statehood. Here is an island that was known for many decades as "the poorhouse of the Antilles." It's 2.5 million people

lived in the murky shadows of starvation. A sugar economy, affording employment some three months of every year at low wages, made the island, again in the words of Munoz, "a factory worked by peons, fought over by lawyers, bossed by absent industrialists, and clerked by politicians."

In a decade—since the establishment of the Puerto Rican Economic Development Administration known familiarly as "Fomento," the economic situation has been revolutionized. Net income has more than doubled. Industrial production has more than tripled. Average income per person has leaped from \$121 in 1940 to \$443 (at present dollar purchasing power) in 1958. Family incomes have gone from \$1,495 to \$2,215 plus. And life expectancy has in so short a time gone from 46 to 68 years, with a death rate lower than that of the mainland United States.

The Island's Resources

These spectacular advances have been made possible, for the most part, by the Commonwealth's arrangements with the United States. Puerto Rico is an island of no resources—"except people," remarks the Governor wryly, "and there're plenty of them."

The Fomento program has attracted thousands of industries to Puerto Rico, most of them plants eager to utilize the skilled handcraftsmanship of the island people. Without oil, coal, iron or other basic ores, Puerto Rico could not develop a fundamental industry. But it could—and did—attract and establish industries that depended on assembly, or handcrafts, or production of finished parts from components shipped from the mainland.

To attract industry, the Commonwealth has established a five-year tax concession. After a brief experiment with government industry, the leaders of Fomento quickly concluded that the solution was not in state capitalism, but in the attraction of private investment. This has become the kernel of the economic resurrection of Puerto Rico.

Here, then, is the heart of the

statehood dilemma. For if Puerto Rico does become a State, the whole basis of Fomento must vanish. Statehood would mean that plants locating in Puerto Rico would have to pay the same taxes as any plant in existing States.

Industries Delay Plans

Already, according to the New York office of Fomento, many industries which had signified formally their intention of locating in Puerto Rico have reconsidered, or put in abeyance, their plans pending a resolution of the statehood question. At least 12 out of a potential 60 plants have been postponed or canceled since the Congress received a bill, introduced by New York's Democratic Representative Victor Anfuso, to make Puerto Rico the 51st State.

Also pending in Congress is a resolution, submitted by Puerto Rico's Resident Commissioner Dr. Antonio Fernes Isern, which would provide for a greater sharing of Federal responsibilities by the Commonwealth itself as resources warrant. The proposed legislation, which defines the Commonwealth status as "the permanent association of the people of Puerto Rico with the United States," would simplify and clarify many details of the Federal-Commonwealth relationship such as appeals from decisions of the Puerto Rican Supreme Court, debt limits, trade agreements and tariff rates.

Gov. Munoz, pleading the cause of the Commonwealth, has nevertheless left the final decision up to the people of his island. But in accepting the proposal for a plebiscite he made two important conditions: (1) that the decision of the electorate be accepted as final; and (2) that the voters must choose between the Commonwealth as it exists, statehood, or independence. To hold a plebiscite on the question solely of statehood, Gov. Munoz insists, would be to cloud the question by requiring what would be, in effect, a choice between patriotism and separatism. Puerto Ricans are good American citizens, says the Governor, and what kind of an American would oppose statehood if the issues were so unrealistically presented?