Mr. Chairman:

I am glad to welcome you and Chairman Aspinall and the members of the Committee to Puerto Rico. I am glad, also, to welcome the members of your able staff who are here with you.

In the last seven years many visitors have come from all over the world to look at this "show window of America" as Puerto Rico has been called. With hardly any exception, they approve of what they see. They see:

Progress in terms of freedom:

An attack upon the great evils of humanity: poverty, disease, ignorance, narrow nationalism, spiritual subjection.

You can be proud as we can be proud.

Much remains to be done. Puerto Rico is no "model village", Communist style. It is a real community, with a full quota of problems. It is a truly democratic community, so that there are vigorous differences of opinion amongst us, which you will hear about. These differences, however, are acted upon at the polls.

In the statements that will be presented to you, you will hear both the good and the bad, the accomplishments and the failures, the achievements that are plain before the eye and the goals that are still far ahead of us.

The basic facts, however, are good. Here all the world may observe the true spirit of America and Puerto Rico, their conception of freedom, their rejection of colonialism, their
expression of the need of a people for a status of dignity and self-respect, and the ability to make great material progress despite tremendous handicaps.

Commonwealth officials will discuss with you in detail with respect to employment, education, finance, health, industrial and agricultural development, and similar factors.

All these factors are inter-related; each dependant on the others, and all, in turn, deriving energy from a spiritual and political attitude: the sense of freedom.

It is the same as in the United States: the United States could not have achieved greatness in all expressions of civilization, without a sense of freedom, without their genius for democracy and human dignity. This sense of freedom, this genius, drove its pioneers in developing a continent, in the creation and growth of an original federal system. The history of the United States has been a history of continuous growth -- material, moral, political, constitutional. Its capacity for constitutional growth is borne out by the political process regarding Puerto Rico.

For many years Puerto Ricans searched for a political status in which we possessed what we believed to be the natural right of all human beings: to give or withhold consent from government. It was an acute need of our people.

But, by the 1930's the debate on this had become, through sheer frustration, a stereotype, a sort of idealistic excuse for evading pressing and painful economic and social problems.

In 1940 we decided temporarily to set this debate aside, to concentrate all our energies on critical economic and social problems and on the modernization of the government that had to
deal with those problems. We felt that the long economic neglect required, first, a postponement of what had become a superficial search for a political answer; and then, that deeper and more original thinking be applied to that search. The political answer, we felt, need not be a choice between an impossible dichotomy (the dichotomy of Statehood or Independence): it could be an enterprise in political creativeness. We knew that, in the long run, the full energies of our people would never be liberated until a spiritually sound political status could be founded. After economic solutions had been started on their way, the development of a political status was imperative. (For this reason, a clear and unmistakable understanding and agreement as to the Commonwealth political status is essential.) This was a need from the viewpoint of the United States also. The United States did not want to keep Puerto Rico in the position of a colony, to govern the internal affairs of Puerto Rico, to have unilateral authority in Puerto Rico, either as a matter of reality or as a matter of form.

The United States is the leader and hope of the aspirations of the peoples of the world for freedom on the basis of self-determinations, and of release from the tyranny of great poverty.

As enemies of the United States (the Nazis and then the Communists) were using the terms of political relationship between the United States and Puerto Rico as material for hostile propaganda.

But beyond all this there was the spiritual force constituted
by the American genius to create new forms of liberty. This genius was not exhausted when the last comma and period were placed in the Constitution or any of its amendments.

It is primarily because the people of Puerto Rico first sensed, and then understood this, that we with our own heritage of freedom (long frustrated) inevitably and whole--heartedly have a deep sense of devotion and dedication to the United States, to our common citizenship.

As I have said, political status had been set aside until a program of economic progress had been set in motion. Also, it was a matter we did not want to bring up while democracy was engaged in World War II.

In the meantime, however, knowing the impossibility of both Statehood and Independence, and the deep Devotion that I have mentioned of Puerto Ricans to their United States citizenship, the search for a form of political freedom in association, that would fit Puerto Rico's unique situation, had been in progress.

In the campaign of 1948, the Popular Democratic Party submitted to the voters the outline out of which eventually the Commonwealth evolved. The Popular Party was opposed in that election by the Statehood Republican Party, which, allied with other parties favoring Statehood, polled 184,000 votes, and by the Independence Party, which polled 65,000 votes. The Popular Party polled 390,000 votes.

It was with this general mandate that what became Law 600 was introduced in the House by Commissioner Fernós and in the
Senate by Senator Butler of Nebraska. You know the steps leading to the establishment of the Commonwealth on July 25, 1952. I will recount them briefly:

Acceptance of Compact June 1951.

Election of Constitutional Convention August 1951.

Approval of Constitution by the Convention and then by the people of Puerto Rico March 1952.

Approval of Constitution by Congress with certain amendments July 4, 1952.

I will refer to one significant incident. The Senate had passed an amendment to the bill saying that the Constitution of Puerto Rico could not be amended without the consent of Congress. As this was not in the House version, it went to Conference Committee. This amendment would have made the document not a Constitution at all. A majority of the members of the Constitutional Convention, of all parties (I was one of them) sent a communication to the Conference Committee opposing this amendment and saying that the words "fully recognizing government by consent" did not mean "partially or meagerly recognizing government by consent." The Senate withdrew its amendment.

Of course, the Constitution of Puerto Rico may not be amended in any way that contradicts the compact or the Constitution of the United States. If it was so amended, the Courts could annul that action.
We have had seven years of experience with the Commonwealth. They have been good years, years of economic growth and social advancement. The facts, as I have said, will be presented to you during these hearings. In these years, of course, differences have arisen of understanding and interpretation, and evaluation. They were to be expected. We all remember that differences arose in the early days of the Federal Union despite the greatness of the drafters of the Constitution, and I believe that they still occasionally arise. There are those, and you will hear their arguments, who profess dissatisfaction with the Commonwealth. Some say that it is too closely associated with the Federal Union, that Puerto Rico should be independent. Some say that it is not close enough, that Puerto Rico should be a Federated State. But, as you listen to these gentlemen, I know you will also sense the views of the vast majority of the Puerto Rican people who profoundly wish permanently to continue in close association with the Federal Union, but who know that Federated Statehood is an economic impossibility at least for a time far enough in the future to make it improper for the present generation to take a decision in it.

It is to carry but the wishes of these people that Commissioner Fernós has introduced the bill that you have before you at the request of the Puerto Rican Legislature.

This proposal is also in accordance with the Popular Democratic Party platform of 1956 (and I might say incidentally with the platforms of both the Republican and Democratic Parties of the United States in 1956).
My opponents claim that the overwhelming victory of the Popular Democratic Party, 435,000 votes (63% of the votes, against 172,000 (24% for the Statehood Republican Party and 86,000 (12%) for the Independence Party, does not mean an endorsement of Commonwealth status and the legislation proposed by the Legislature of Puerto Rico and the Resident Commissioner. I am flattered by this view of my opponents that the majority of the people of Puerto Rico favor their ideas on political status, but think so highly of the Popular Democratic Party that they vote for it anyhow.

The Ferro's bill, also introduced by Senator Murray in the Senate, is mainly a clarification of what has been already created. It is true that the Commonwealth idea is unique; but it is also true that Puerto Rico has always occupied a unique position in the United States. It came into the system as a civilization already developed, ready-made. A new concept was developed to recognize the new situation: the concept of un-incorporated territory was set forth by Congress and sanctioned by the Supreme Court. Before that the American system had consisted entirely of States and incorporated Territories. There being no room for the new situation in the American system at the time, the dynamic nature of American institutions develop the new concept. It was because of this development, that a greater one, the Commonwealth idea, could be created later.

It made it possible for Congress to authorize the people of Puerto Rico (as by an enabishing act) to create their
Commonwealth on the framework of Law 600, approved "in the nature of compact" by both the Congress and the people of Puerto Rico.

The basic change that has taken place is political, juridical and moral (of course, the political relationship of common citizenship remained untouched).

It can be seen that the practical changes from the elective governor law were relatively small, what was basic was the moral change. Under the elective governor act of 1947, the government of Puerto Rico had almost the same powers that the government of the Commonwealth was later to have. But in for, and as a matter of law, it was still subject to the essential features of colonial rule. That is, in theory, under the elective governor act, the federal government could at any time enact laws to govern Puerto Rico's internal affairs, no matter how internal and local they might be, and it could at any time override any action of the Legislature of Puerto Rico. Furthermore, the government was not based upon the consent of the people of Puerto Rico; the organic Acts, however benevolent in a number of their features, had been enacted by Congress unilaterally without people that the approval of the were to be governed by them. Commonwealth represents a sharp break from these essential features of colonialism. It is based upon the consent of the people of Puerto Rico, freely given in democratic referenda.

Under the terms of the consent most federal laws run in Puerto Rico, but the terms of the arrangement itself may not
properly be changed without mutual consent. The power of the people of Puerto Rico to organize their own government is made secure; and the complete and final authority of the Commonwealth government to enact laws, within its jurisdiction, assured, subject only to the Constitution of the Commonwealth and of the United States Constitution. This is, of course, a notable fundamental advance. The United States did not regard itself impotent fully to abolish a colonial situation regarding a community of American citizens for whom Federated Statehood would have meant economic disaster.

After seven years we know several things in relation to the Commonwealth status that I should like to list:

1. We know that the people of Puerto Rico wisely and constructively organized their own government under a Constitution of their own adoption which received the approval of the Congress and which has been widely commended as a sound, forward-looking charter.

2. We know, beyond doubt, that the people of Puerto Rico have wisely and constructively used the freedom and authority which they acquired as a result of Public Law 600 and their own consent. Their use of their freedom - their governmental achievements - have been acclaimed throughout the world and have brought thousands of students to Puerto Rico to study and profit from their efforts.

3. We know, that the United States has benefitted greatly in world opinion for its action in the authorization of the Commonwealth. The final and decisive answer to the charge that
the United States held Puerto Rico as a colony was given by the United Nations: You will recall that in the Spring of 1954, the United Nations, on petition of the United States, determined that the creation of the Commonwealth terminated Puerto Rico's status as a non-self-governing community under the stewardship of the United States. It held that Puerto Rico had achieved "a new constitutional status", and that within "the framework of the compact agreed upon with the United States of America, the people of the Commonwealth of Puerto Rico have been invested with attributes of political sovereignty which clearly identify the status of self-government attained by Puerto Rico as that of an autonomous political entity." On this basis, the General Assembly recognized that the United States need no longer submit reports to the United Nations concerning its administration of Puerto Rico and that the provisions of Article 73 of the United Nations Charter regarding nonself-governing territories "can no longer be applied to the Commonwealth of Puerto Rico."

It is interesting to note that a vigorous attack on the resolution was led by the communist bloc of nations. They fully realized that the creation of the Commonwealth destroyed one of their favorite weapons against the United States in the vital struggle for the good-will of the people of the world. They knew that unless they could successfully attack the good-faith of the creation of the Commonwealth and the fact that it truly represented the creation of a new government, a government by consent within the framework of a compact, the United States
could no longer be accused of colonialism with respect to Puerto Rico. It is sad but true that their arguments, advanced without sincerity, have since been repeated by people in Puerto Rico who are not communist and many of whom advance them sincerely.

4. We also know, on the basis of experience, that the creation of the Commonwealth has given the people of Puerto Rico a new and vital sense of freedom. It has unleashed great sources of energy dedication. This has been reflected in a tremendous revival of interest and accomplishments in art, music, literature and other cultural pursuits, and enormous economic progress. The people of Puerto Rico have been invigorated by the sense that they are working with a government of their own creation. They have been inspired by a feeling that they, themselves, have the responsibility for their own destiny! They have been conscious that the eyes of the world are upon them: and that they will receive credit for their own achievements through their own government. In short, they have received the powerful stimulus of freedom.

5. Further, on the practical side, we now know that the creation of the Commonwealth, with its assurance that Puerto Rico was a responsible, stable community and that its government could not be changed except by orderly, constitutional processes of the people themselves, has given great impetus to the flow of capital investment and know-how into Puerto Rico. As subsequent witnesses will show, since the creation of the Commonwealth, investors have purchased Puerto Rico's bonds and securities on terms more favorable to Puerto Rico that ever before; and long-term investments in factories, hotels and agriculture have been made at an unprecedented
I do not suggest that this was solely due to the creation of the Commonwealth; but without doubt, the assurances of stability implicit in the Commonwealth have given investors a sound basis for committing their funds with confidence in the stability of Puerto Rico and its relationship with the United States.

In the Fernós bill you are asked to adopt and submit to the people of Puerto Rico certain articles of permanent association. You will note that it is not the articles that are permanent: it is the association which is permanent. In other words, it is proposed that the Congress of the United States and the people of Puerto Rico declare that it is their present intention that they shall be permanently associated in whatever specific form might be agreed upon. This does not foreclose changes in the form of association. Obviously nothing in the Fernós bill forecloses a change in the future to Federated statehood if the Congress and the people of Puerto Rico should mutually desire that change. Statehood is a form of association and one should have forever the power to foreclose that possibility if the people of Puerto Rico may wish to become a Federated State of the Union.

But we should be utterly candid about statehood. Statehood is impossible for Puerto Rico at least for a long time. It would not only be a sacrifice, but suicide. The Bureau of the Budget has stated that Puerto Rico would have had to pay 138 million dollars in taxes if it had been a Federated State in 1959. We had made our own figures for 1957. In that year it would have been 156 million dollars. In that year, if Puerto Rico did not want to increase the load on its taxpayers, would have had to eliminate all Puerto Rican taxes, which came to about the same amount as the federal taxes it
I do not believe that either the people of Puerto Rico or the Congress would wish Puerto Rico to become a Federated State at the price of economic disaster. Statehood should be an avenue to better living, not a passport to disaster. Our task, which we have begun but not finished, is to raise the economic activity of the people of the United States. It is not our mission to set the economic clock back to the time when Puerto Rico was called "the poor house of the Caribbean", instead of "America's show-window to the world". Freedom with poverty is not freedom. Prosperity without freedom is not good civilization.

The Commonwealth is not a Federated State but it is not less in dignity than a Federated State, since it is based on free choice, the same as a State.

You will notice in the Fernós bill that we propose to begin, at our initiative, and in accordance with our means, contributing to the common financial burdens of the Union, as we have been contributing to the moral prestige of the Union.

Article XVI of the Fernós bill provides that when certain
economic levels are reached the Congress and the people of Puerto Rico would be in a position to review the whole arrangement.

The majority of the people of Puerto Rico today are aware that Federated Statehood at present is not a bona-fide issue. The proposal of a plebiscite, if it is intended as a tactic to retard consideration of the wishes already expressed by the people of Puerto Rico, does not deserve the goodwill either of the Committee or of the people.

However, I have proposed an immediate plebiscite if it will give reasonable hope that the sterile debate on status would cease until more realistic economic conditions for Federated Statehood have developed. But a plebiscite must be immediate, as otherwise the uncertainty generated in those not familiar with the attitude of the Puerto Rican people as a whole, would play havoc with investments and with the whole economic development program.

I urge you to require a bill of particulars: let those that propose Statehood or Independence present bills containing the full economic implications as they see them. We should have no objection to those bills being added as Titles 2 and 3 to the Fernós bill and submitted to the people of Puerto Rico.

Once again I welcome you to Puerto Rico to consider legislation proposed to the Commonwealth of Puerto Rico and general progress under Commonwealth status. If you find it satisfactory and meaningful for the United States as a whole, I believe I can assure you that the people of Puerto Rico who, in accordance with the bill itself, will pass judgment on it at the polls, will also find it to their satisfaction.