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*The Governor of the
Commonwealth of Puerto Rico*

Rafael Hernández Colón

Fecha Sept. 14 de 1974

El Mundo ☐
El Vocero ☐

Handwritten signature
9/18

El Nuevo Día ☐
The San Juan Star ☒

Cordova's White House Meeting

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By HARRY TURNER
Editorial Page Editor



DEPARTMENT of the INTERIOR

news release

OFFICE OF THE SECRETARY

For Release November 18, 1973

JOINT REPORT ON CULEBRA CONSERVATION AND DEVELOPMENT FORWARDED TO SENATE

A report outlining a plan for conservation and development of the Culebra Island group, east of Puerto Rico's main island, has been filed with a Senate committee by the Secretary of the Interior and the Governor of Puerto Rico.

"The impending departure of the Navy from Culebra to the uninhabited islands of Desecheo and Monito presents both a unique opportunity and a new responsibility, not only for Culebra's residents, but also for the full enhancement and preservation of Culebra's remarkable natural and wildlife resources," said Secretary Rogers C. B. Morton and Governor Rafael Hernandez-Colon in a forwarding letter to Chairman Henry M. Jackson of the Senate Committee on Interior and Insular Affairs.

The study report was prepared in response to a resolution adopted by the Committee in 1971.

Culebra and several smaller neighboring islands lie in the Caribbean about midway between the main island of Puerto Rico and St. Thomas in the U.S. Virgin Islands. They are under the political jurisdiction of the Commonwealth of Puerto Rico, but there has been a major U.S. Navy involvement since about the turn of the century.

From 1941 until modified by President Nixon in 1972, an Executive Order restricted air and sea transit in and around Culebra Island unless authorized by the Secretary of the Navy. For many years Culebra was a prime component of the Atlantic Fleet Weapons Range.

About 1,000 persons live on Culebra Island, which is largely surrounded by coral reefs that support abundant finfish and shellfish. It has "spectacular concentrations of nesting seabirds" during early summer, the new report says, and numerous unusual ecological features.

(over)



DEPARTMENT OF THE INTERIOR

In 1971 the Navy agreed to give up some of its targets in the islands, and to study alternative sites for eventual relocation of its activities. The study resulted in a decision announced by the Secretary of Defense on May 24, 1973 that the weapons range will be relocated by July 1, 1975.

"Slow economic development and low population have largely spared Culebra's reefs, mangroves, and other remarkable natural assets from the destruction that has so often been a consequence of development elsewhere," the report to the Senate Committee says. "Widespread appreciation of Culebra's assets, heightened by growing popular awareness of past mistakes of the development process, creates a special opportunity to preserve the unique attributes and resources of Culebra and its surrounding waters, reefs and keys...."

Success in managing Federal, private and other lands "requires a unified program for all areas, private as well as public, in all parts of Culebra, including adjacent keys and seas," the report adds.

It recommends a Culebra Conservation and Development Authority be set up as part of the Commonwealth's Division of Natural Resources. The Federal Government should help the Authority develop management capability, and meanwhile insure environmental protection, the report says. Federal financial and technical aid and "back-up support in enforcing regulations and restrictions" are recommended.

Federal land transfers should begin "as soon as possible, but no later than January 1, 1974," by deeding the Culebra airport and vicinity to the Commonwealth, the report says, and lands best used for recreation should be turned over by January 1, 1976. Disposition of the remaining lands would be determined jointly by the Secretary of the Interior and the Governor on or before January 1, 1979.

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GABRIEL GUERRA-MONDRAGÓN

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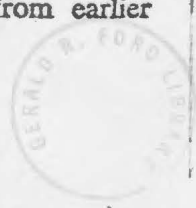
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Operation Bootstrap: The Advent of Industrialization

THE period after 1945 marks the turning point in the Puerto Rican transformation. The Tugwell governorship had set a pattern for legislative-executive cooperation in common tasks; and the Elective Governor Act of 1947 ended once and for all the distorting influence in local government of the nominated alien executive. The experience in the PRRA and later in the work of wartime organization had helped train a corps of administrative assistants who could become the timber of the Muñoz cabinets. The institutional machinery appropriate to organizing a radically fresh balance between output and people in an underdeveloped economy, to replacing stagnation with growth, had been set up by means of the far-reaching legislative program of 1942. The Social Science Research Center of the University made its own valuable contribution to the general problem—a contribution sometimes too easily forgotten—with the publication of specialist studies in the areas of labor economics, manpower analysis and occupational structure: Dr. Simon Rottenberg's *Labor's Role in Industrialization*, for example, or the study by Ray and Darling on *Manufacturing Occupations in Puerto Rico*. What remained to be done was to direct all of this into the creation of new income-producing processes by means of a planned industrialization program. This, simply put, was the purpose of "Operation Bootstrap," the "battle for production" that gathered its momentum slowly after 1945 and that had entered into a sufficiently rapid rate of growth by the middle 1950's to become the main stimulus in transforming a declining agrarian economy into an expanding industrial structure.

All this was naturally not self-evident at the end of the war in 1945. With a few exceptions due to wartime developments there had been little change in the insular economy, and reports on its sicknesses, like the Bartlett Technical Paper on *A Development Plan for Puerto Rico* of 1944 or even Harvey Perloff's volume of 1949 on *Puerto Rico's Economic Future*, were not much different in their analysis—although startlingly different in their policy recommendations—from earlier

data cc. 1940-1945 - F.T.



reports such as the 1934 *Report of the Porto Rican Policy Commission*. A land-use pattern centering around the sugar monoculture still prevailed, with all of its hazardous consequences—concentration on a lucrative cash crop, the use of the best lands thus for export purposes, the failure to produce subsistence crops for local consumption, the continual extension of cultivation to increasingly marginal soils. The situation had been rendered even more precarious by the fact that by 1940 the competition of mechanized beet and cane sugar both in the continental states and in the duty-free offshore areas (Hawaii and the Philippine Islands), combined with relatively high production costs as compared say with the Cuban industry, had caused the Puerto Rican industry to come to a relative standstill. It could thus no longer provide a positive stimulus to the other sectors of the economy. The tobacco industry likewise was in a state of decline as a consequence of long-term changes in world smoking habits as the cigar came to yield in popularity to the cigarette during the 1920's. The traditional high-class Puerto Rican coffee, again, once the delight of the European gourmet, never recovered from the loss of its world markets during the First World War, and the loss was not compensated for by a United States tariff protection wall (coffee not being an American industry). Nor had any of this created, in response, an effort to exploit, by the planned development of a local truck farming industry, the export possibilities latent in the Puerto Rican fruits such as avocados, pineapples, papayas, grapefruit (once a flourishing industry until it was practically destroyed by the competition of United States domestic producers), guavas and mangoes; the exaggerated dependency upon the United States export market had thus created a gross violation of the principle of regional specialization.

Two additional factors helped to aggravate the situation. The first was that, apart from the corporate sugar latifundia, the insular agriculture was characterized by an almost feudal pattern of technical equipment and skills, since the family-oriented farm structure inhibited the growth of a rationalistic-competitive spirit. "Puerto Rican agriculture," the Bartlett Report observed, "is a picture of extremes. On the one hand are large sugar corporations employing modern techniques of scientific management, and on the other is subsistence farming based on primitive methods. Between these two extremes there are small-scale commercial agricultural enterprises."¹ The second factor relates to the unbalanced character of an economy that had very little to show of pure industrial activity. The cultivation, processing and distribution of agricultural products remained the chief activity, with some 39 percent of the employed population directly engaged in farming and more than 25 percent of those being employed

in so-called "manufacturing" occupations which dealt in fact with the processing of agricultural products. Most of the banking, finance, and large-scale commercial activities were likewise concerned with the servicing of the agricultural sector. Nearly half of the labor force, moreover, classified in the "industrial" sector were overwhelmingly the women employees of the evil sweatshops of the home needlework industry financed by absentee mainland capital and managed by local business entrepreneurs. Nor were the wholesale and retail trades any more genuinely industrial, being in fact little more (as the ubiquitous Puerto Rican highway grocery store showed) than monuments to a high level of disguised unemployment and an extreme inefficiency of distributive arrangements within the island. The hazardous dependency upon agricultural production was graphically illustrated, finally, in the statistics of the insular export trade, with sugar contributing (in 1946) some 48 percent of the total, tobacco some 13 percent, rum just over 7 percent, and needlework products nearly 16 percent.² Puerto Rico was clearly in the general category of primary-producing countries exporting for a world market and subject to international price fluctuations and political arrangements beyond their power to influence. Nor was this offset by any sizeable public sector of economic activity more within local control; by 1944 the governmental enterprises of the insular regime accounted for only 1.2 percent of total net income—proving, incidentally, that the characterization by its critics of the Puerto Rican economy under the New Deal as one of "state socialism" constituted an extravagant example of poetic license.³ Furthermore the society was marked (in 1946) by an income distribution so grossly imbalanced that 11 percent of its families received over 42 percent of its total income while some 2 percent of families commanded 18 percent of the same total.⁴ Though not a "sugar island" as perfectly as Barbados or Martinique, Puerto Rico was at the mercy of the same Caribbean sugar industry, and it was just about as true to say of its condition as Márquez Sterling had said earlier of Cuba that "Sugar cane does not make colonies happy, or a people cultured, or republics opulent; and the independence we won in the war against Spain we must consummate in a war against sugar cane, which perpetuated in the golden island, as an inexhaustible tradition, the despotism of the major-domo and the hatred of the slave."⁵

The transformation of all this into a burgeoning neo-industrial society, and the resultant transformation of the entire island climate of opinion from one of despair to one of hope, is by now a well-known story frequently retold.⁶ By 1953 the governmental program of aids and incentives known familiarly as Operation Bootstrap had brought

over 300 manufacturing plants to the island; more than 25,000 new jobs had been added to the island payroll; and the average annual net income per capita had risen from \$122 in 1940 to some \$426 thirteen years later. By 1957 industry had supplanted agriculture as the major income-earning ingredient of the economy; by 1958 the total of new factories established had reached 500, and over 660 two years later, providing altogether 45,900 new jobs; while by 1959 the establishment of two oil refineries, along with the Union Carbide Company decision to manufacture ethylene glycol in the island (to be followed, possibly, with the growth of a synthetic fibers and plastics industry), had laid the basis of an industrial petro-chemical complex which promised to relieve the economy of a dangerous reliance upon tantalizingly mobile light industries. The latest available statistics indicate that per capita income has risen to the level (in 1960) of \$677 in comparison with \$341 in 1950 and \$122 in 1940: still below that of the lowest of the states of the Union, Mississippi, but nonetheless a remarkable improvement. The Commonwealth government planners have postulated for themselves the goal of a family income of \$2,000 for the island population by 1975, an income sufficient, in their view, to provide incentives powerful enough to bring about the final cessation by that date of the out-migration of island citizens to the state-side employment market. By any standards, even that of a post-war world economy generally expansionist, it has been an impressive achievement. And particularly so when one recalls the prevalent note of harsh despondency about the island's future in most of the literature, official and otherwise, that dealt with the issues barely a generation ago.

For that literature had assumed, almost without exception, the static character of the insular production and consumption processes and so could advocate little more, in its varied prescriptions of cure, than variations upon the twin themes of birth control and migration. The Brookings Institution Report (1930) observed that "population has outrun the capacity of the present economic resources and organization to furnish full employment and satisfactory living conditions."⁷ The report of the Puerto Rican Policy Commission (1934) referred to the pressure of population increase as "appalling" and "implacable." The Zimmermann Report (1940) flatly stated that "the people of Puerto Rico have reached an impasse—overpopulation."⁸ The Report of the National Resources Planning Board (1942), finally, concluded that since the island was presumably deficient in mineral resources it would have to continue to rely upon an agricultural economy.⁹ All these conclusions in one way or another stemmed from the grim pessimism, natural enough in a way, of observers con-

fronted with the spectacle of a dense and growing population on an island with few natural resources. Even so, they tended to carry certain generalizing assumptions about Caribbean "human nature" and "tropical" economies quite belied by subsequent experience: that tropical countries are unsuited to manufacturing enterprise, that the state ought not to interfere with economic processes, that successful industrialization requires the presence of local raw materials for processing, that—more fundamentally—agricultural pursuits are somehow "natural" while manufacturing ones are "artificial"—the latter presumption nicely exemplified in a sentence in the Chardón Report that "these emigrants should go to settle farm lands, not to be exploited as wage laborers." Dr. Arthur Lewis has pointed out how this laissez-faire philosophy, borrowed incongruously from a prosperous Victorian British free-trade capitalism, has crippled the capacity of official circles in British West Indian society to look at their own economic problems with fresh imagination; and the report on *The Development of Primary and Secondary Industries in the Caribbean Area* presented in 1949 by the British section of the Caribbean Commission helps one to realize to what a degree the official mind in the colonial islands of the region has been until only very recently the prisoner of this ideological naiveté.¹⁰ The Puerto Rican achievement since 1945 must be seen in the light of the fact that until only yesterday the architects of insular policy were caught in the same obsolete framework of ideas.

The Puerto Rican planners saw from the first that they had to make do with what they had. They saw, even more, that what they had should be converted into an asset rather than being deplored as a liability. The tariff assimilation of the island economy into that of the parent country had compelled Puerto Rico to buy its imported goods almost exclusively from American exporters; but at the same time it opened up avenues of a duty-free Puerto Rican export trade to a ready-made market. By the same token American investment capital could be attracted to the island with the assurance that it could sell its products in the familiar continental market rather than merely in a restricted local market; conversely Puerto Rico would benefit vastly, since all available experience in the formation of capital in underdeveloped economies goes to show that success largely turns upon the ability to break into an established foreign market and that this in itself is normally an expensive and hazardous undertaking. Finally, the population excess of the island could be seen, not as a frightful neo-Malthusian danger to demographic stability but as the potential reservoir of a low-cost factory labor force. It could be used as a means

of attracting the large-scale labor-oriented industries which had already exhibited a readiness (in the movement of mainland industry from the major United States manufacturing belt into the southeastern states area after the late 1930's) to shift the location of their operations on the basis of labor-cost differentials. The manual dexterity and the demonstrated eagerness of the average Puerto Rican worker to acquire new industrial skills made the prospect seem all the more feasible. All that was needed to convert these possibilities into going realities was an initial breakthrough from a static to a dynamic economics. "In general," observed Perloff in his incisive study of the situation at just that point in its history, "the poverty, the crowding, the prevalence of diseases, the malnutrition, the lack of adequate educational, recreational and cultural facilities—in short, the conditions under which the vast majority of Puerto Ricans live—are not conducive to a high degree of individual development. As is true in so many other places, the poverty of the Puerto Ricans creates the very conditions which are in large measure the cause of their poverty. To break this circle and create the conditions for human improvement is the goal toward which strenuous efforts in Puerto Rico are currently being directed."¹¹

Dr. Teodoro Moscoso has divided the development program into two phases.¹² The first phase, from 1942 to about 1950, was one of government-built and operated plants (cement, glass bottles, shoes, etc.) undertaken primarily as a means of proving to private capital the feasibility of profitable industrial enterprise in the island. Some of the plants—the glass bottle center, for example—were probably conceived erroneously after a false mental image of American capitalism as being an economy of typically huge mass production plants only. In any case, the effort decisively proved the point that if (as in Puerto Rico) the available local capital fights shy of industry and if in turn (as again in Puerto Rico) the government is unprepared to recruit that capital by coercive measures, the sole alternative lies in the invention of measures to persuade the established United States manufacturer to locate in the island. The elaboration of such measures constituted the second and more lasting phase of the program. This has involved the introduction of tax exemption to new industries established in 1947 and after, especially designed in its clauses to benefit the American manufacturer who moves from the continent to the island. It involves also the rental of industrial buildings; the recruitment of specially trained personnel; the negotiation of labor contracts; the maintenance of Commonwealth offices in the leading American cities; the issuance of an imaginative literature on the advantages of setting up shop in the island; and, not the least important, special aid

and guidance to the prospective client concerning the general environment of statutory regulation within which he will be obliged to conduct his enterprise. The considerable difficulties of making a real success of all this should not be overlooked. It has meant assiduous planning of a sort even more arduous than that undertaken, say, by Great Britain in 1945; for whereas the British welfare-state planners inherited an already mature capitalism with which to work, the Puerto Rican planners had to start almost from scratch. Established industry is notoriously conservative in the matter of new geographical location; indeed it rarely moves except under the pressure of vast economic dislocation, as in the major industrial societies after 1929. What Dr. Arthur Lewis has said on this score with relation to the British Caribbean applied with equal force to Puerto Rico in the beginning: "They speak frequently," he observed in 1950 of West Indian nationalist politicians, "as if manufacturing in the West Indies offered a large profitable market which greedy foreign capitalists are anxious to rush in and exploit. They discuss industrialization in terms of the close restrictions which they would like to impose upon such capitalists, and they oppose monopoly rights, tax holidays and other incentives which some governments are now considering offering. The facts are exactly opposite to what they suppose. The West Indies does not offer a large market. There are very few manufacturers who wish to go there. Having regard to the highly developed industrial centers which exist in many parts of the world, offering every convenience, and to the many governments which are now trying to attract industry, it would be surprising if any large number of manufacturers were willing to go to the West Indies without being offered substantial concessions."¹³

The experience of the subsequent decade in Jamaica, in British Guiana, and in Trinidad has amply proved the truth of these remarks. It is to the credit of the Puerto Rican leadership that its members did not permit such ideological rigidity to blind them to the realities of the world they lived in. They saw that, as beggars, they could not be choosers. They recognized, as the colonial nationalist movements are more and more recognizing, that both American reform liberalism and British Labor socialism had had very little need to preoccupy themselves with the difficult problems of initial capital formation and technological development because they came into power, in their respective societies, in economies where the problems had in large part been solved earlier. At least in the first stage of their economic planning, the underdeveloped economies would have to concentrate upon the issue of capital accumulation, something which, as Marx pointed out, had been solved for the advanced economies by their exploitation of colonial resources. The easiest way to solve it—al-

though it would seriously compromise later lines of public policy for the host countries—was to invite the overseas businessman. For this to be successful meant, in turn, again to use Dr. Lewis's words, that the potential industrialist would have to be offered an extra inducement and a friendly welcome rather than a maze of restrictions and an atmosphere of hostility and suspicion.

New social policies of course require new institutional forms. The Elective Governor Act in Puerto Rico released the island governorship from its earlier humiliating status of executive agent to the President. But it left untouched the colonial machinery of government with which the elected governor was still expected to work. The revision of legislation and administrative regulations which had been outmoded by economic progress—the commercial code and corporate law, for example, or financial and insurance law—now became an urgent necessity. As early as 1942 the creation of the Planning Board, with its various powers of control and direction in the areas of urban development, slum clearance, fiscal planning and public works, testified to a willing recognition of the truth that the careful evaluation of pace and scope in an industrialization program, as well as a workable system of priorities based upon social need, was essential to prevent its benefits from becoming the monopoly of private influence and privilege. The Development Company, also formed in 1942, was reorganized in 1950 to become the present Economic Development Administration, popularly known as Fomento, in response to its change of character from being originally a body concerned with the direct corporate management of industrial enterprises to a regular department of the government, operating more and more as a regulatory and guidance agency. The Bureau of the Budget was revamped to provide the fiscal centralization appropriate to island-wide planning, and its Organization and Methods Division began the slow process of familiarizing a comparatively young and inexperienced civil service with modern management techniques and, more generally, with the concept of the service as a body of professional men and women concerned primarily with the public interest. Alongside these there was established a welter of new public corporations, such as the Land Authority, to take on the growing responsibilities of positive government; although it ought to be noted here that the device of the public corporation was in large measure adopted not so much because of a recognition of the flexibility offered by it (although that was there) as distinct from the orthodox government department, as because the controlling Organic Act had expressly debarred the creation of new executive departments. All these developments in administrative structure laid the foundations for the more far-reaching changes that were

to take place after 1949 with the adoption of a general reorganization bill by the insular legislature and the subsequent production of a series of reports made by the Rowe Commission for Reorganization in 1950.

How far has all this succeeded? To begin with statistical measurement, the application of a costs-and-benefits analysis to the general Fomento program confirms the impression that it is efficiently carrying out its purpose of generating additional net income for the economy, to the extent indeed of producing some 25 dollars of net income for every single dollar of invested program cost. The total cost of the program during the first five years of the life of the Economic Development Administration (1950-1951 to 1955-1956) amounted to approximately \$30 million, while during the same period the Commonwealth Treasury collected approximately \$106 million in public revenues as a result of the program. The record is uniformly impressive in direct benefits (by way of increased income figures) that accrue to the resident population, in the net additions to local government revenue created by the new factory enterprises, and in the indirect benefits which take the form of increases in the volume of activity in areas such as retail and wholesale trade, construction work, transportation developments, and other public services. In the economy as a whole, total production (in terms of 1954 prices) rose by 123 percent from 1940 to 1955, while the annual rate of growth from 1947 to 1955 was 6 percent, a rate in excess of those of most other countries for which data are available, and all the more remarkable in that the expansion was maintained during a period which covered the end of the Second World War and the Korean hostilities.¹⁴

The estimated costs of the Fomento program do not of course include the expenditures of governmental projects on highways, schools, electric power, and so on, nor were these projects originally undertaken for the express purpose of furthering the industrialization program. Nevertheless these expenditures have played an important role in attracting investment capital since they have provided the high capital outlay on basic services which an underdeveloped economy must inevitably spend during the early stages of industrial growth. Given the social welfare bias of the Commonwealth government, these expenditures would have been made anyway. But they have had the happy coincidental result of aiding the industrialization program, since Fomento plants, for example, may be able to choose their locations more freely because of the existence of a first-class highway system or, again, be able to hire a comparatively well-educated labor force because of the priority enjoyed by education in the local welfare expenditures. Likewise the tourism program (administratively a part

of the total EDA program) has generated a sort of psychic income for the economy, in the sense that its capital expenditures (for example, on the construction of the Caribe-Hilton Hotel in San Juan) have helped to produce a favorable atmosphere of physical comfort and pleasing surroundings for the visiting industrialist who is contemplating a business venture in the island. Some Fomento planners have tended to speak in terms suggesting that the welfare program could not have made its appearance without the prior success of the development program. Not only is this historically incorrect, but it also sets up a quite meaningless dichotomy between the two. For in an economically underdeveloped area, especially, increased productive employment is invariably conditioned by a large essential services program, and conversely the continuing enlargement of such a program comes to rely to a great extent upon the new wealth created by the increase in jobs and occupations. To think otherwise is to embrace, as it were, a heliocentric view of the problem in which all things revolve around the sun of the Fomento headquarters.

The exceptional character of all this development has in itself produced, in the form of official and quasi-official literature on the island, a peculiar commodity unique in itself. For it would be difficult, even in the field of modern governmental propaganda, to match the rhetorically self-congratulatory note of the Puerto Rican literature. The official side of it is perhaps understandable, for it is the function of every modern public relations office to persuade the public that they are living for the best in the best of all possible worlds. What is more difficult to condone is the sort of volume written by private authors that becomes a hymn of praise set in terms of a sycophantic adulation more usually reserved for the orthodox Communist appreciations of the Soviet Union. One example of the genre is Earl Parker Hanson's *Transformation*, characteristically entitled, in its second edition, *Puerto Rico: Land of Wonders*. The sincere enthusiasm of the volume, both for Puerto Rico and Governor Muñoz, is real and affecting enough. Its effective exposure, in addition, of the myth of environmentalism as applied to the tropics is a welcome rebuttal of the schools of medical and demographic thought which still seek to attribute the degree of retardation in tropical societies to climate or resources rather than to the nature of the prevailing social and economic structure at a given historical moment. To go, however, to the opposite extreme of a romantic subjectivism is no less an unscientific mode of analysis; and it is the chief weakness of the book that in a florid and overdramatized way it portrays the Puerto Rican "revolution" as a Herculean task carried through almost singlehandedly by Muñoz, in collaboration with the creative genius of the Puerto Rican "people."

The implication that without Muñoz there would have been no change is a doubtful one, and it is possible that, with him or without him, the attenuation of colonialism would have occurred anyway. It is a pleasant change, of course, to read a book on Puerto Rico that does not purvey the thesis that its people are an embodiment of all the "Latin" defects. But it hardly seems any more persuasive to argue, as Mr. Hanson's enthusiasm frequently leads him to do, that they are a paragon of all the democratic virtues. It is unfortunate that the book should have been the major source of information on Puerto Rico for that large section of middle-brow America that likes to gain its knowledge of public affairs from the mentally undemanding magazines of the Luce journalism empire.

There are, particularly, three general considerations to be emphasized in evaluating Operation Bootstrap and the eulogistic literature—of which Mr. Hanson's book is only the most popular—that it has spawned. In the first place, the uniqueness of the development may be easily exaggerated. The Commonwealth government, after all, has done nothing much more than what most modern governments do in all ambitious underdeveloped countries by way of assistance to new industry. In one way, indeed, the policy is as old as the emergence of commercial capitalism in the Western European countries, for it echoes much of the way whereby the Tudor monarchs nurtured new industries in sixteenth-century England or whereby Colbert, in the next century, laid the economic foundations of the age of Louis XIV. Even compared to contemporary policies in the industrialization of backward areas the Puerto Rican program is in many ways conservative. It has not utilized the familiar device of direct subsidy. It has not itself supplied capital in any really lavish fashion; the Development Bank, like the local branch of the Reconstruction Finance Corporation, has pursued a conservative lending policy, with the typical banker's aversion to any policy of "dangerous" or "unsound" risk taking. The extent of direct government fiscal aid to the private investor has been certainly far more limited than the aid granted by the United Kingdom governments in their development program for the British depressed areas after 1945.

It is another way of putting this—and this is the second point—that the main outlines of the local industrial picture have throughout been those, at best, of a state-aided capitalism after the American fashion. If there has been a "revolution," it has been in the mild sense only of the gradual diversion of major capital enterprise from the agricultural to the industrial sector. There may not have been, as already intimated, any alternative to reliance upon the expatriate private investor. But the consequence, in part, of that reliance has been the

growth of a public policy that keeps public expenditures within the social welfare limits acceptable in the United States economy. The intervention of the state in the economic process certainly cannot be regarded as a radical development, unless it be seen within the ideological framework of the dogma of economic individualism which dominated European and American capitalism for only a brief period, historically speaking, between 1850 and 1900. Seen from the viewpoint of the deliberate recruitment of the state power by classical capitalism for the three centuries of its growth after 1500, the Puerto Rican economic-political complex takes its place as merely another exercise in neo-mercantilist public policy. And although there is much pompous talk in Puerto Rico about the function of "planning" in policy-making, there are in fact curious gaps in the actual planning that has so far taken place. There is, for example, as yet very little planned location of the new industry, and this has given rise to a real inequality of the benefits unleashed by industry between different geographic regions. Thus the small towns of the interior hold more than one third of the total population, yet only about one sixth of the new industrial jobs have been made available to them.¹⁵ The island newspapers are perennially full of stories concerning their economic plight, and the situation is not in any way remedied by the primitive method of political pressure that is brought to bear upon the insular government by the frequent visits of small town mayors to the office of the Governor in San Juan.

There is, then, a seeming paradox between the spectacle of the American cultural anthropologist seeing the island as practically the last primitive rural community in flux under the American flag and that of the Puerto Rican leadership proudly insisting upon the modernity of the society. The paradox, however, is seeming only, once it is remembered that the effects of industrialization have been unevenly distributed. The distribution has been uneven, indeed, in a dual sense. First in a geographical sense, for it is still possible for the visiting scholar to describe isolated rural communities, as does Dr. David Landy in his volume on *Tropical Childhood*, living out their lives in response to the traditional compulsions of the sugar-cane economy and only indirectly touched by the insular economic changes. Second, in a monetary sense, for there is much ready evidence to show that significant new income inequalities are rapidly growing up with the new wealth. Most of the available statistics, suggestively enough, concentrate upon absolute increases and say little about the relative distribution of "fair shares" between different income groups. For to report that between 1941 and 1953 there was a doubling of the average annual income of workers, or that while in 1941, 81 percent of

working-class families had an annual income of less than \$500 the percentage had declined in 1953 to 7.4 percent tells the student nothing about comparative benefits between different classes. In the absence of data it is fair to assume that the "income revolution" in Puerto Rico, as in the United States, means not a genuine redistribution of shares between the various income groups but (as the researches of Kuznets and Jenks have shown) a continuing inequality even when increased tax rates for the upper income groups are taken into account.

Nothing perhaps testifies more to the ideological conservatism of the Puerto Rican program than the general state of the insular agriculture. It might have been thought that any felt need to appease the prejudices of the expatriate private investor would have been comparatively weak in the agricultural sector. Yet it is in this sector that the retreat from an earlier radicalism has occurred most strikingly. It had become evident by 1954 that the state policy of redistributing sugar lands as *parcelos* to the landless proletarian had not worked out. The life style of the rural squatter remained much the same as before; the promise of the "proportional profit" farms as the harbinger of a genuine rural cooperative organization had failed to materialize, itself the outcome, in part, of the failure of the earlier experiment of the land cooperatives of the nationalized Lafayette *central*; direct government aid, in the form of agricultural subsidies, as in the case of the coffee industry of the western highlands, had helped the farmer and the landowner rather than the agricultural laborer; while the entire southwestern country region remained still a stricken land, lacking the modernized road and communications system that its producers badly needed.¹⁶ It is true that achievements, as they are, have been remarkable enough. The program of bringing drinking water to the island villages, to take an example only, deserves the comment of the Ecuadorian delegate to the United Nations General Assembly in the course of that body's debate on Puerto Rico, that it was an achievement which many Latin American countries would be happy to be able to boast about. The general health of the rural population has also certainly improved vastly, especially if it is compared to the gruesome list of diseases afflicting the population, including tetanus, dysentery, asthma, gonorrhea and yellow fever, contained in the handbooks of rural medicine published during the last years of the Spanish regime. At the same time, even so, the island sugar industry remains in the doldrums, so much so that it has become almost an annual event for it to fail to produce the federally fixed quota. The depletion of the agricultural labor force has gone on without interruption, and agricultural leaders have begun to demand fiscal concessions com-

parable to those granted in the industrial field to pioneer enterprises. Public hearings within recent years have witnessed the growing popularity of the idea that the legal prohibition upon the employment of minors should be at least partially abrogated; employers in both the sugar and the coffee industries have endorsed the idea, socially retrogressive though its implementation would surely be. A comparable idea, equally reactionary, that the present tax on sugar employers that contributes to the insurance fund of the industry should be abolished, has also been mooted by the President of the island Farmers' Association.¹⁷

Agriculture, indeed, in all of its branches still awaits a separate agrarian code and possibly an autonomous Agrarian Institute which would guarantee it some sort of equal consideration with industry. It awaits the sort of bold reform program that would fit it as a separate entity into the insular economy as a regional whole. Yet all the evidence suggests that the readiness of the *Popular* leadership to consider unorthodox measures for the relief of agriculture has gradually given way to the precept that agriculture, like industry, must be judged by the orthodox yardstick of entrepreneurial profitability. The Governor's important speech of April 23, 1959, to the island legislature clearly revealed the bias that any future land reform will have to be estimated in terms of its ability to pay its own way and not primarily in terms of its social benefits.¹⁸ The leading idea of the comprehensive report of 1953 written by Nathan Koenig and his associates of the United States Department of Agriculture and related Puerto Rican agencies is the reversion to the family-size farm in agricultural undertakings; yet all experience, both within the Caribbean and outside, forcibly suggests that peasant agriculture based on the family holding constitutes the Achilles heel of all economic development programs. Practically every West Indian island bears the ravages of uneconomically small holdings worked on inadequate technical knowledge and part-time employment; while almost every minimum-wage committee hearing on agricultural industries in Puerto Rico testifies to the temptation of the private *colono* to offset heavy capital investment with low wages. Nor is the idea, propounded in the later report of Donald O'Connor, that agriculture should be rehabilitated, especially in sugar, by the use of the same devices that have been employed in the industrialization program, any happier from the public interest viewpoint. For it would mean the expenditure of vast amounts of public money (the O'Connor report anticipates a figure of \$100 million) more likely to benefit the rural employing class—as, indeed, has been the case with the subsidies already paid out to the sugar industry and with the large-scale irrigation projects carried out over the last few years—than

benefit the general public.

In this field of public policy, at least, there seems little readiness in San Juan to go beyond the ideas traditionally prevalent in Washington. The idea of land reform along the usual Latin American lines has exhausted itself, for the Puerto Rican experience has merely served to reinforce the lesson of the earlier experience of the Mexican reform movement, which is that, a redivision of lands once made, population increase upsets the new balance within the next generation; and that since agrarian conflict is thus only assuaged and not solved, the main result of the reform is to consolidate, in Puerto Rico as in Mexico, the new ruling political elite that has been the leading agent of the reform. Nor should sight be lost of the fact that, this being so, Puerto Rican agriculture has signally failed in offsetting the exaggerated dependency upon the American continental food market through the development of a flourishing local food production program. Part result, part cause of that failure is the high prestige value of the imported canned foods as compared with the low status of the frequently far superior fresh native fruits; a gross distortion of values fostered, in turn, by the food pages of the local newspapers that mostly concentrate on the continental dishes and menus as compared to the Creole ones, frequently, again, far more pleasing. Nor has the growth, since 1931, of domestic science courses in the schools, both urban and rural, done much to counteract this snobbishness. As a result, Puerto Ricans are driven to overspend on their food expenses; much, for example, of the thirty million dollars that they spend annually in importing frozen meats, butter, and eggs could be saved by the planned growth of a local farming industry. In the absence of such an industry, they continue, like many colonial peoples, to produce what they do not consume and consume what they do not produce.¹⁹

The third and final glossary to be made on the island experiment concerns its status as a representative model to be copied by other poorly-endowed areas as they seek to obtain their share of the wealth of nations. There is a recurring theme in the approbatory literature to this effect, and it is frequently tied in to the strategy of world politics with the claim that Puerto Rico is "the answer" to Communism within Latin America. The recent history of the territory is thus presented in terms of the "rags to riches" imagery so dear to the American imagination; a book like Ralph Hancock's *Puerto Rico: A Success Story* is a typical example. How far is this line of argument legitimate? The more one studies the Puerto Rican situation the more it seems to be an argument at once factually evasive and morally questionable. It is the latter because it reduces the island to the status of a pawn in American foreign policy making. It makes of what Governor Theodore Roosevelt, Jr., once styled "the America

show-window to the south." To the extent that the United States, for example, by way of federal expenditures, is willing to finance such a purpose it becomes difficult to believe that a prize exhibit can properly be regarded as a representative sample. And the argument is in doubt, factually, because it does not frankly admit to the special and quite unrepresentative factors that have accompanied, indeed in themselves made feasible, the Puerto Rican transformation. There is the fact, immeasurably most important and from which most others flow, that the island economy, in the words of the local Planning Board, is "in effect, an economic region" of the United States and "not a separate economy."²⁰ The economy thus has no foreign exchange or monetary problems, in the sense in which such problems afflict most independent nations making their way in the dollar-dominated field of international trade. It has the tariff-free American market wide open—within the limits of intra-market competition with the individual states—to its products. The American investor has the assurance that his capital, in going to Puerto Rico, does not go beyond the familiar hazards of investment within the Union itself. The economy even enjoys special arrangements—such as the mandatory return of federal excise taxes to the Commonwealth Treasury, and the extension of certain federal grant-in-aid programs to the territory without the concomitant responsibility to pay federal taxes—unknown to the individual states. This last item, in particular, cannot be underestimated as a potent factor in Fomento's success, since it means that, unlike any other individual segment of the United States economic complex, Puerto Rico is in exclusive command of its own public revenue system, so that it can offer complete tax exemption as an inducement to the American investor. The relative paucity of local savings available for investment in industrialization has in its turn exacerbated the reliance of the economy upon external, i.e. American, sources of financing; in the single field of housing, for example, it has been estimated that both private and public ventures have depended almost exclusively in their operations upon the American sources of capital formation, as the statistics of external loan assistance amply demonstrate.²¹

But above all, of course, there is the fact of the vast quantities of economic aid—in the form of grants, loans, credits, guarantees, and services, as well as the fiscal privileges here cited—which the peculiar political and economic relationship of the island with the United States makes it possible for the insular government to receive from Washington. No careful estimate has ever been made of the grand total of moneys that the island thus receives from the dozens of departments, agencies, and bureaus of the federal government that do

business with San Juan; but the total aggregate of all of the federal services and programs thus made available—welfare benefits, highway appropriations, sugar subsidies, low-cost housing project loans, federal employee salaries—must amount annually, at a conservative estimate, to something between \$150 and \$175 million. In addition, the federal government pays the full costs of the island's defense, its postal system, its weather bureau, and its commercial and diplomatic relations with foreign countries, with the consequence that, freed of such expenses, the Commonwealth government is enabled to spend all the more generously on its own elaborate education, welfare, health, and housing programs. One interesting aspect of all this is the emergence, over the last few years, of a feeling on the part of the federal staff in San Juan that the official Puerto Rican insistence on the indispensability of the association with the United States has gone hand in hand with an official policy of withholding from the insular electorate these facts of United States financial participation in the insular progress. The angry protest of the regional administrator of the federal Housing and Home Finance Agency to the chairman of the Commonwealth's Urban Renewal and Housing Corporation, referring to the failure to give credit to the federal aid in the public advertising of that Corporation—aid that amounts to nearly \$300 million in federally insured mortgages and nearly two thirds of the cost of all urban renewal projects in the island—speaks volumes for the deep resentment that this effort to make political capital out of American economic aid has engendered.²²

Not the least consequence of all this is that there is a peculiar quality about Puerto Rican industrialization that further belies its usability as an exportable model. That is the fact that, being so thoroughly dependent upon the continental economy, the industrializing process is not of the classic North American-Western European variety centering around the mass production of goods with a heavy industrial base. It is, rather, a basically distributive entity, characterized typically by the proliferation of companies undertaking the sale and consumption of goods produced in the United States economy. Its "new men" are clerks, managers, salesmen, and advertising publicists rather than production technicians; and their work largely concentrates upon sponsoring, and catering to, the new consumption habits of the Puerto Rican buyer. The island, in brief, is a busy distributive outlet for the stateside manufacturer, so that whereas years ago it was deluged with cheap "seconds" from the continental factories today it has become an important importer of their leading commodities. There is, then, a dangerous divorce between the production and the consumption ends of the total situation the implica-

sions of which are easily overlooked because of the free-trade relationship between the ruling and the dependent economies. The implications, however, could be serious for an independent Puerto Rico.

Puerto Rico's naturally favorable factors for industrialization are shared, of course, by her Caribbean neighbors. But all of her artificial advantages that flow from her American connection belong to her alone. The Puerto Rican planners thus have confronted practically none of the difficulties that face planners in these other economies. They have not been compelled, like Soviet Russia in one generation and China in another, to industrialize at the grim price of imposing crushing sacrifices upon their people by means, for instance, of denying them satisfactory supplies of consumer goods in order to build up a heavy capital-goods industry. That perhaps explains why the theme of austerity plays such a small part, if any, in the official utterances of the Commonwealth government. The prosperity that the Puerto Rican planners have managed to invoke has thus been an overspill, as it were, of the American system in its post-war expansionist period. They are naturally to be congratulated upon seizing so enterprisingly the opportunity thereby presented to them. But it is at best naiveté, and at the worst mendacity, to suggest that their achievement can constitute a model for emulation by others. For the United States to spend on Latin American countries the money matching on a per capita basis the aid given to Puerto Rico would involve a massive expenditure that neither the American people nor the American government has shown itself willing to accept. Latin America can assuredly industrialize. But the task will have to be based upon programs designed to utilize the advantages inherent in each particular region, and not founded upon a superficial analogy.

The study of the Puerto Rican economic metamorphosis—it is clear enough from this line of argument—must therefore address itself to the peculiar problems that arise from its peculiar genesis. Those problems divide themselves into two categories. There are (1) those that flow from the external relationships with the outside world, that is to say, with the American superordinate society, and (2) those that flow from the society's own internal relationships, especially the character of the new social forces, including the new class relations, that have been set in motion by the impact of industrialization. The first part of the inquiry must seek to determine the possible dangers of too heavy dependency upon American capital sources for the continuing industrialization program of the economy which, after all, has only barely commenced. Discussion on that point has been regarded, up till only yesterday, as treasonable to the sacred canon of Puerto Rican

progress, and indeed has only become respectable with the decision of the chief lieutenant of the Governor, former Speaker of the House Ramos Antonini, to identify himself openly in 1961 with the local group of small retailers in their economic struggle against the American-sponsored large shopping centers. The appointment at the same time of a professional economist, Dr. Carlos Lastra, to the post of Secretary of Commerce in the Commonwealth cabinet is further proof, since he is known to be sympathetic to the viewpoint of the small-business outlook, that open debate on this vexed matter can no longer be seen as the evil doing of what Mr. Hanson likes to style the "stuffy academicians" and the "doctrinaire idealists." The second part of the inquiry must seek to estimate whether the new internal realignments of social class, and especially the changing relationships between a new employer class and a new industrial working class, promise, as some of the more enthusiastic friends of Puerto Rico have suggested, the formation of a new and healthy national community or whether they will introduce the social tensions and the economic conflicts that have invariably accompanied the growth of capitalism (even on a popular basis) elsewhere. It is obvious enough that the two things are enmeshed together in a common web of circumstance; and it does not require much close observation in the island to realize to what a degree the ordinary daily thought of the society is conditioned by the cords that bind it to the continental land mass. It is equally obvious that the answers that are given to the solution of these problems will help to determine the success or failure of democracy within the island society in the next generation. For the democratic idea is of very recent growth in the society, and much of what there is of it has only too often assumed that the growth of the democratic ideology is necessarily coincidental with the acceptance of the American Way. That identification is there, to cite only one example, in a pro-American book like Rafael López Landron's *Cartas Abiertas a el Pueblo de Puerto Rico* of 1928, and it characterizes much of the contemporary Puerto Rican literature.

Nor only that. The advance of democracy in Puerto Rico, as in any comparatively underdeveloped economy undergoing an industrializing transformation, is bound up with the advance of industrial productivity and industrial institutional forms much more than is the case in those older societies where the socio-cultural effects of that transformation have long ago been assimilated into the web and woof of the national existence. The strains and stresses of the change are bound to place a heavy burden upon democratic processes as yet only in their infancy. The transition from the bucolic to the machine age requires intermediate stages, and it is difficult to imagine bucolic pla-

city quickening into frenzied modernity without imagining status ideas, often of great crudity, as the intermediate stage. That is especially the case when, as in Puerto Rico, the rising groups of the middle class are much more interested in those status ideas than they are in the "democracy" to which they pay such fervent lip service. Their paranoic fear of relapsing into rural poverty makes of them fierce social conservatives, while their newly-found social ambitions drive them into anti-democratic political positions: the attack of the organized industrialists' groups upon labor representation in the local legislature is symptomatic. The vulgar materialism of their life-style—as Ricardo Alegría has remarked, the bar has replaced the book as the status symbol in the new Puerto Rican middle class household—shows plainly enough that for them democracy, as they understand it, has little to do with the higher cultural life. This as much as anything else explains the secular religion of "machine worship" in those groups, the recurring theme in the local propaganda literature of Puerto Rico *en marcha*. It explains the temptation to find short cuts to luxury, often at the price of sacrificing other social values not presently in high repute. This in a way is the reason why the social and cultural consequences of a rapid industrialization have not received the attention by the Commonwealth policy makers that they deserve. Industrialization has been seen, only too often, as an end in itself. It is curious to note that the attitude goes back beyond 1940 to the attitudes of the burgeoning class of manufacturers in the island under Spain. There is a lyrical passage of Cobdenite enthusiasm about the factory system in the report of the Industrial Commission of Ponce that was originally intended for the colonial ministry in Madrid and was turned over to Henry Carroll for inclusion in his separate report of 1899 on the industrial and commercial condition of the island. "In all the countries of the world," the Ponce reformists wrote, "manufacture is the source of progress, well-being, and morality. Of progress, because it contributes in the highest degree to general education, as well as to general wealth. It educates the people in the performance of work, cultivates their mechanical aptitudes, and elevates them in the social scale. In manufactories the proletariat is converted into a workman. Of well-being, because it affords employment and the means for supplying the material needs and enjoyments of life to the poor by lowering the revenue taxes, which bear heavily upon the contributors, and it reduces the price of the necessities of life. Of morality, because of the numerous opportunities it affords for work. It does away with vagrancy and the evils of vice. It educates mankind in the practice of good habits, and especially elevates and dignifies woman, to whom it opens a wider field than that of ordinary labor as a domestic, and

enables her to turn away from the inducements offered by houses of ill fame."²³

There is still much of this glowing optimism in the official literature of the Commonwealth promotional agencies. It remains to be seen whether the optimism is justified. It remains, even more, to be seen whether the attempt to sugar the pill of industrial changes by the rhetoric of the Governor's pet scheme of "Operation Serenity," seeking as it does to raise general culture levels so that all Puerto Ricans may enjoy the vast treasures of both the Spanish and the American heritage, will turn out to be successful. For, as things now stand, there is an obvious failure to coordinate the bootstrap and the serenity themes, and a consequent discrepancy in their relative abilities to shape actual lines of policy. It remains yet to be seen, this is to say, whether contemporary Puerto Rico can manage a reasonable marriage between those two opposites within the broad framework of the profit-making principle more successfully than did early Victorian England or the United States after the Civil War.

THE WHITE HOUSE
WASHINGTON

August 14, 1974

MEMORANDUM FOR: KEN COLE

FROM: JAMES FALK

97
AUG 16 REC'D

I strongly suggest you raise the following issue in your meeting with the President this afternoon.

In the President's address to Congress Monday night, he said, "You who come from 50 States, three territories, and the District of Columbia ..."

This has upset some of the Puerto Ricans because Puerto Rico is a Commonwealth --not a territory.

RECOMMENDED ACTION: A Presidential letter is being prepared as a reply to an incoming letter from Jaime Benitez, Puerto Rico's representative in Congress. It will say that we share your confidence about the bright future of the Commonwealth of Puerto Rico and the further development of that unique status.

FURTHER ACTION RECOMMENDED: In the meeting with the Mayors this afternoon, it would be nice to have the President photographed shaking hands with Carlos Romero Barcello and saying to him, "We share your confidence in the bright future of the Commonwealth".

Attachments

Take up how we respond
to this w/ Norm Ross.

Ken
cc N. Ross

file
Puerto
Rico



MEMORANDUM

THE WHITE HOUSE
WASHINGTON

August 13, 1974

AUG 13 1974

MEMORANDUM FOR: JIM FALK

SUBJECT: PUERTO RICO

*To Bill Timmons
Powell Moore v
I discussed
see below*

I received a call this morning from former Justice Abe Fortas. He was much concerned about some reports he had from various sources representing Puerto Rico. In the President's address to the Congress last night he said, "You who come from 50 States, three territories, and the District of Columbia..." This has upset official sources in Puerto Rico since Puerto Rico is a Commonwealth, and Jaime Benitez, although considered a Representative, has the official title "Resident Commissioner" whereas the representatives from Guam and the Virgin Islands are officially listed as "Delegates." It was Fortas' feeling that the President might be getting an official complaint and there would be some unfavorable and unfortunate publicity over this.

Fortas recommends, and I concur, that we should try to head off what could be an embarrassing controversy for the President by having the President send a letter to Jaime Benitez as soon as possible (it would have to be within the next day or two to be effective), in response to a letter which Benitez is apparently sending the President. In the letter the President could respond to Benitez' kind expression of good will and cooperation and indicate he shares Benitez' confidence about the bright future for the Commonwealth of Puerto Rico and the development of that unique status, etc.

Your assistance with this would be appreciated.

6
LEN GARMENT

p. s. I have just received the attached from Benitez with a copy of his letter to the President. (The original incoming is somewhere in the "system"; apparently it was delivered earlier today by messenger)



Rico

1317 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
AREA CODE 202: 225-2615

OR

Congress of the United States
House of Representatives
Washington, D.C. 20515

ON
/R
INITY

DISTRICT OFFICES:
Box 5629
SAN JUAN, PUERTO RICO 00905
AREA CODE 809: 724-0171

Box 128
PONCE, PUERTO RICO 00731
AREA CODE 809: 843-5640

August 13, 1974

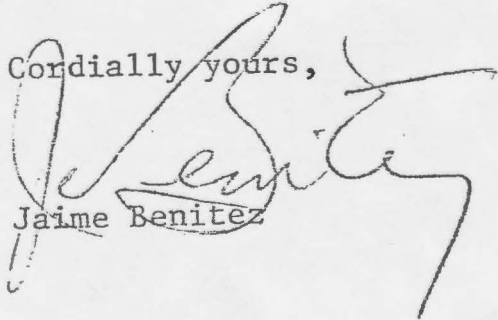
Honorable Leonard Garment
The White House
Washington, D.C.

Dear Mr. Garment:

At the suggestion of Abe Fortas I am enclosing a copy of my letter to the President relating to his speech last night.

I should be most grateful if the President would reply to my letter so as to avoid unfortunate reactions to the inadvertent inclusion of Puerto Rico in his speech as a "territory."

Cordially yours,


Jaime Benitez

Enclosure



15
JAIME BENITEZ
RESIDENT COMMISSIONER, PUERTO RICO

COMMITTEE:
EDUCATION AND LABOR

SUBCOMMITTEES:
SPECIAL EDUCATION
GENERAL LABOR
EQUAL OPPORTUNITY

Congress of the United States
House of Representatives
Washington, D.C. 20515

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August 13, 1974

BT
The President
The White House
Washington, D. C.

Dear Mr. President:

The affection, enthusiasm, and good will with which you were greeted last night at the House of Representatives reflect faithfully the new atmosphere of hope which has encompassed American political life since your accession to presidential responsibilities. While problems and uncertainties remain, you have evoked an eagerness to attain national unity over and above continued and desirable partisan differences. I congratulate you on a most auspicious beginning.

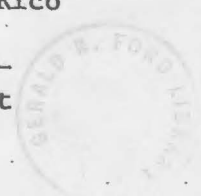
In the spirit of cooperation and of candor which you have so outstandingly advanced, I must express also my regret at the incorrect characterization of Puerto Rico in your reference to "you who come from 50 states, 3 territories and the District of Columbia". Twenty two years ago Puerto Rico and the United States terminated jointly thru a compact our territorial status. Since July 25, 1952 the people of Puerto Rico have honored annually the creation in permanent association with the United States of a new body politic - the Commonwealth of Puerto Rico.

On the 27th of November 1953 the United Nations, upon motion presented by Ambassador Lodge

"recognizes that the people of the Commonwealth of Puerto Rico, by expressing their will in a free and democratic way, have achieved a new constitutional status..."

and further

"recognizes that, in the framework of their Constitution and 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 the Puerto Rican people as that of an autonomous political entity".



The President
The White House
Washington, D. C.

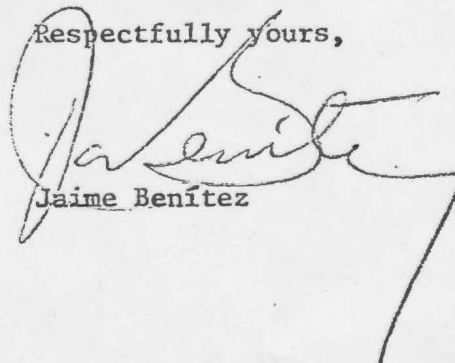
-2-

August 13, 1974

Shortly thereafter, Chief Justice Earl Warren described Commonwealth as "perhaps the most notable of American political experiments of our lifetime."

Last September President Nixon and Governor Hernández Colón, pursuant to a Puerto Rican plebiscite held on the 23rd of July 1967, appointed a joint ad hoc advisory committee of 14 members and instructed them to formulate new recommendations "to further develop the Commonwealth in accordance to its fundamental principle to a maximum of self-government and self-determination within the framework of Commonwealth." We confidently hope that we may rely upon your strong support of this important undertaking.

Respectfully yours,

A handwritten signature in dark ink, appearing to read "Jaime Benítez", with a long, sweeping flourish extending from the bottom right.

Jaime Benítez



THE WHITE HOUSE

WASHINGTON

August 14, 1974

MEMORANDUM FOR: KEN COLE

FROM: JAMES FALK *97*

I strongly suggest you raise the following issue in your meeting with the President this afternoon.

In the President's address to Congress Monday night, he said, "You who come from 50 States, three territories, and the District of Columbia ..."

This has upset some of the Puerto Ricans because Puerto Rico is a Commonwealth --not a territory.

RECOMMENDED ACTION: A Presidential letter is being prepared as a reply to an incoming letter from Jaime Benitez, Puerto Rico's representative in Congress. It will say that we share your confidence about the bright future of the Commonwealth of Puerto Rico and the further development of that unique status.

FURTHER ACTION RECOMMENDED: In the meeting with the Mayor this afternoon, it would be nice to have the President photographed shaking hands with Carlos Romero Barcello and saying to him, "I share your confidence in the bright future of the Commonwealth."

Attachments

*Take up how we respond
to this w/ Norm Ross.*

cc N. Ross

8/16

August 14, 1974

Dear Jaime:

Thank you for your recent letter concerning your desire to keep up with legislation pending in the Congress which would significantly impact on the Commonwealth.

I have talked with Wilfred Rommel who sympathizes with your desire to keep up with legislation pending in the Congress which would significantly impact on the Commonwealth, but cannot endorse the approach suggested of having OMB notify you whenever they give comments on bills affecting Puerto Rico. Rommel's reasons for not endorsing your suggestion for the OMB notice are twofold. First, it would be impossible to provide such service to you and not provide it to the 535 members of the House and Senate who would have an equal interest in knowing about legislation on which OMB might comment and which might significantly impact their respective States or districts. This could impose an impossible workload on OMB's limited resources. Second, OMB would have considerable difficulty in identifying legislation which would affect the Commonwealth in a significant way.

I would suggest two steps that might be taken, if you have not already done so. One would be to ask for assistance from the Congressional Research Service of the Library of Congress. Two would be to request the appropriate standing committees of Congress to keep you advised of legislation in their jurisdiction which may become active and which would have a significant effect on Puerto Rico.

With kindest regards.

ROSS/pt 8-14-74
cc: WH files
Puerto Rico

Sincerely,

Norman E. Ross, Jr.
Assistant Director
Domestic Council

Honorable Jaime Benitez
Resident Commissioner, Puerto Rico
House of Representatives
Washington, D. C. 20515



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

file
Puerto Rico

August 8, 1974

MEMORANDUM FOR: Norm Ross
FROM: Wilfred H. Rommel
SUBJECT: Puerto Rico

I have your memorandum attaching a copy of a letter from the Resident Commissioner of Puerto Rico and your request for suggestions on a possible reply.

I can sympathize with the Resident Commissioner's desire to keep up with legislation pending in the Congress which would significantly impact on the Commonwealth, but I do not believe that we can endorse the approach that he suggests of having OMB notify him whenever we give comments on bills affecting Puerto Rico.

On the positive side the Resident Commissioner has a staff like other Representatives in the Congress part of whose duties certainly would be to help him keep up with legislation affecting the Commonwealth. You might want to suggest to him two other steps that he might take, if he has not already done so. One would be to ask for assistance from the Congressional Research Service of the Library of Congress. Two would be to request the appropriate standing committees of Congress to keep him advised of legislation in their jurisdiction which may become active and which would have a significant effect on Puerto Rico.

Our reasons for not endorsing his suggestion for the OMB notice are twofold. First, it would be impossible to provide such service to him and not provide it to the 535 members of the House and Senate who would have an equal interest in knowing about legislation on which we might comment and which might significantly impact their respective States or districts. This could impose an impossible workload on our limited resources.

Second, we would have considerable difficulty, I believe, in identifying legislation which would affect the Commonwealth in a significant way. In this connection I find it hard to believe that the Resident Commissioner would not



become aware one way or the other of significant bills moving in the Congress which would have a substantial impact on Puerto Rico.

I hope this will be helpful to you in responding to Mr. Benitez' letter.

Wilfred H. Rommel

Wilfred H. Rommel
Assistant Director for
Legislative Reference



August 7, 1974

MEMORANDUM FOR: Wilfred Rommel
FROM: Norm Ross
SUBJECT: Puerto Rico

Attached is a letter from the Resident Commissioner of Puerto Rico requesting that OMB notify him whenever comments are given on a bill that might affect Puerto Rico in a significant way.

Any assistance you can provide me in replying to the attached letter would be appreciated.

Many thanks

NROSS/ee

cc: Central Files



JAIME BENITEZ
RESIDENT COMMISSIONER, PUERTO RICO

COMMITTEE:
EDUCATION AND LABOR

SUBCOMMITTEES:
SPECIAL EDUCATION
GENERAL LABOR
EQUAL OPPORTUNITY

Congress of the United States
House of Representatives
Washington, D.C. 20515

WASHINGTON OFFICE:
1317 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
AREA CODE 202: 225-2615

DISTRICT OFFICES:
Box 5629
SAN JUAN, PUERTO RICO 00905
AREA CODE 809: 724-0171

Box 128
PONCE, PUERTO RICO 00731
AREA CODE 809: 843-5640

August 2, 1974

*S. L. letter off
August 7-1974
To Mr. Ross*

Mr. Norman E. Ross, Jr.
Assistant Director
Domestic Council
The White House
Washington, D.C.

Dear Norman:

One of the most frustrating aspects of my present job is the frequency with which bills affecting Puerto Rico, incidentally but in significant ways, are approved in Committees or even in either House before I have had an opportunity to give them adequate analysis. I am trying to find ways in which to be alerted in time to avoid such situations, which too often result in unintended hardships to the Commonwealth.

One of the most useful things, in my judgment, that could be done to help achieve this goal, would be to make it a matter of policy that the Assistant Director for Legislative Reference of the Office of Management and Budget (a position now held by Wilfred H. Rommel:395-4684) notice the Resident Commissioner from Puerto Rico to the United States whenever the Office of Management and Budget comments on a bill that might affect the Commonwealth in a significant way.

I believe that this would be an effective device to enable Puerto Rico's one Federal elective official, the Resident Commissioner, representing nearly three million U.S. citizens not only in the Congress but also as their spokesman to the Executive Branch (vid. 48 USCA 891) in dealing with the 16,243 bills now pending before the House and the 3,876 bills now pending before the Senate. (These figures are as nearly accurate as possible, as of this date, according to the Congressional Reference Service).

Cordially,

Jaime Benitez
Jaime Benitez



departments and agencies, the press and other information media, and the general public.

The various Assistants to the President are personal aides and assist the President in such matters as he may direct.

Office of Management and Budget

Executive Office Building, Washington, D.C. 20503
Phone, 202-395-3000

Director	ROY L. ASH.
Executive Assistant to the Director	JAMES O. EDWARDS.
Deputy Director	FREDERIC V. MALEK.
Special Assistant to the Deputy Director	COLIN POWELL.
General Counsel	STANLEY EBNER.
Assistant to the Director for Congressional Relations	HAROLD F. EBERLE.
Assistant to the Director for Public Affairs	JOSEPH LAITIN.
Assistant to the Director for Administration	VELMA N. BALDWIN.
Assistant Director for Management and Organization	DUDLEY C. MCGUM II.
Deputy Assistant Director, Organization and Special Projects Division	CHARLES F. BINGMAN.
Deputy Assistant Director, Information Systems Division	WALTER W. HAASE.
Deputy Assistant Director, Statistical Policy Division	JULIUS SHISKIN.
Assistant Director for Budget Review	DALE R. MCOMBER.
Assistant Director for Executive Development and Labor Relations	DAVID P. TAYLOR.
Assistant Director for Legislative Reference	WILFRED H. ROMMEL.
Assistant Director for Operations	WILLIAM A. BOLEYN, Acting.
Deputy Assistant Director, Federal Drug Management Division	WALTER C. MINNICK.
Associate Director for National Security and International Affairs	B. A. BRIDGEWATER, JR.
Deputy Associate Director, International Affairs Division	JAMES M. FREY.
Deputy Associate Director, National Security Division	ELLIS H. VEATCH.
Deputy Associate Director, Management Division	(VACANCY).
Associate Director for Human and Community Affairs	PAUL H. O'NEILL.
Deputy Associate Director, Human Resources Division	C. WILLIAM FISCHER.
Deputy Associate Director, Community and Veterans Affairs Division	DONALD A. DERMAN.
Deputy Associate Director, Management Division	(VACANCY).
Associate Director for Economics and Government	WALTER D. SCOTT.
Deputy Associate Director, Economics and General Government Division	MARK W. ALGER.
Deputy Associate Director, Economic Policy Division	JACK W. CARLSON.
Deputy Associate Director, Management Division	(VACANCY).
Associate Director for Natural Resources, Energy and Science	JOHN C. SAWHILL.
Deputy Associate Director, Natural Resources Division	DONALD E. CRABILL.
Deputy Associate Director, Energy and Science Division	JOHN D. YOUNG.
Deputy Associate Director, Management Division	(VACANCY).

The Office of Management and Budget was established in the Executive Office of the President pursuant to Reorga-

nization Plan 2 of 1970, effective July 1, 1970.

By Executive Order 11541 of July 1,

1970, all functions transferred to the President of the United States by part I of Reorganization Plan 2 of 1970 were delegated to the Director of the Office of Management and Budget. Such functions are to be carried out by the Director under the direction of the President. The Office's functions include the following:

To aid the President to bring about more efficient and economical conduct of Government service;

To assist in developing efficient coordinating mechanisms to implement Government activities and to expand interagency cooperation;

To assist the President in the preparation of the budget and the formulation of the fiscal program of the Government;

To supervise and control the administration of the budget;

To conduct research and promote the development of improved plans of administrative management, and to advise the executive departments and agencies of the Government with respect to improved administrative organization and practice;

To assist the President by clearing and coordinating departmental advice on proposed legislation and by making recommendations as to Presidential action on legislative enactments, in accordance with past practice;

To assist in the consideration and clearance and, where necessary, in the preparation of proposed Executive orders and proclamations;

To plan and promote the improvement, development, and coordination of Federal and other statistical services;

To plan and develop information systems to provide the President with program performance data;

To plan, conduct, and promote evaluation efforts to assist the President in the assessment of program objectives, performance, and efficiency;

To plan and develop programs to recruit, train, motivate, deploy, and evaluate career personnel;

RESIDENT COMMISSIONER

§ 891. Resident Commissioner; election

The qualified electors of Puerto Rico shall choose a Resident Commissioner to the United States at each general election, whose term of office shall be four years from the 3d of January following such general election, and who shall be entitled to receive official recognition as such commissioner by all of the departments of the Government of the United States, upon presentation, through the Department of State, of a certificate of election of the Governor of Puerto Rico. Mar. 2, 1917, c. 145, § 36, 39 Stat. 963; May 17, 1932, c. 190, 47 Stat. 158; June 5, 1934, c. 390, § 5, 48 Stat. 879.

Historical Note

Codification. Section is comprised of second sentence of section 36 of Act Mar. 2, 1917, cited to text. The first sentence of said section 36, providing for election of a Resident Commissioner to the United States at the next general election for a term commencing with date of issuance of certificate of election and terminating Mar. 4, 1921, was omitted as executed. The other sentences of said section 36 are classified to section 48 of Title 2, The Congress, and to sections 892 and 893 of this title. Part of the third sentence of said section 36, fixing the salary of the commissioner at \$7,500 per annum, was superseded by Act Mar. 4, 1925, c. 549, § 4 (cited to the text, of section 893 of this title and set forth as section 31 of Title 2, The Congress), providing, for such commissioner, a salary of \$10,000 per annum.

1934 Amendment. Act June 5, 1934, changed the commencement of the term

of office from March 4th to January 3rd following the general election.

Change of Name. The name of "Porto Rico" was changed to "Puerto Rico" by Act May 17, 1932.

Prior Law. Similar provisions were contained in Act Apr. 12, 1900, c. 191, § 39, 31 Stat. 86.

The salary allowed by section 39 of said Act Apr. 12, 1900, was increased by Act Feb. 28, 1907, c. 1635, § 4, 34 Stat. 993.

The resident commissioner was allowed traveling expenses in addition to his salary, and the commencement of his term was fixed by Act July 1, 1902, c. 1383, § 3, 32 Stat. 732.

The manner of paying the salary and traveling expenses of the resident commissioner was fixed by a provision of Act June 22, 1908, c. 3514, § 1, 34 Stat. 417.

§ 892. Same; qualifications; appointment to fill vacancy

No person shall be eligible to election as Resident Commissioner who is not a bona fide citizen of the United States and who is not more than twenty-five years of age, and who does not read and write the English language. In case of a vacancy in the office of Resident Commissioner by death, resignation, or otherwise, the governor, by and with the advice and consent of the senate, shall appoint a Resident Commissioner to fill the vacancy, who shall serve until the next general election and until his successor is elected and qualified. Mar. 2, 1917, c. 145, § 36, 39 Stat. 963.

Historical Note

Codification. Section is comprised of 2, 1917. See, also, note under section 891 of this title.

Received Aug 23

file
Puerto Rico

August 19, 1974

Dear Commissioner Benitez:

Immediately following my address to the Joint Session of Congress last week, I realized that I had inadvertently omitted to mention the great Commonwealth of Puerto Rico in greeting all my friends and former colleagues.

I have received your letter expressing your concern over this omission. For this reason, I hasten to assure you that I have followed with deep interest and pride the development of Puerto Rico since it achieved Commonwealth status in 1952. I certainly share your confidence in the bright future of Puerto Rico and I want to assure you of my full and careful consideration of matters relating to the Commonwealth. It is essential that we maintain open lines of communication, and I trust you will not hesitate to contact me.

In closing, I want to thank you for your kind expression of goodwill and cooperation. I am confident that we will have a working partnership to meet the challenges of today and tomorrow.

With best wishes and kindest regards,

Sincerely,

GERALD R. FORD

The Honorable Jaime Benitez
Resident Commissioner
Commonwealth of Puerto Rico
House of Representatives
Washington, D.C. 20515

GRF:WET:VO:vo

Cleared by Norm Ross, Domestic Council 8/16/74

bcc: w/incoming to Leonard Garment, FYI

~~bcc: w/incoming to Norm Ross - FYI~~

bcc: w/incoming to Jim Falk - FYI



16

JAIME BENITEZ
RESIDENT COMMISSIONER, PUERTO RICO

COMMITTEE:
EDUCATION AND LABOR

SUBCOMMITTEES:
SPECIAL EDUCATION
GENERAL LABOR
EQUAL OPPORTUNITY

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Washington, D.C. 20515

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August 13, 1974

BT

The President
The White House
Washington, D. C.

Dear Mr. President:

The affection, enthusiasm, and good will with which you were greeted last night at the House of Representatives reflect faithfully the new atmosphere of hope which has encompassed American political life since your accession to presidential responsibilities. While problems and uncertainties remain, you have evoked an eagerness to attain national unity over and above continued and desirable partisan differences. I congratulate you on a most auspicious beginning.

In the spirit of cooperation and of candor which you have so outstandingly advanced, I must express also my regret at the incorrect characterization of Puerto Rico in your reference to "you who come from 50 states, 3 territories and the District of Columbia". Twenty two years ago Puerto Rico and the United States terminated jointly thru a compact our territorial status. Since July 25, 1952 the people of Puerto Rico have honored annually the creation in permanent association with the United States of a new body politic - the Commonwealth of Puerto Rico.

On the 27th of November 1953 the United Nations, upon motion presented by Ambassador Lodge

"recognizes that the people of the Commonwealth of Puerto Rico, by expressing their will in a free and democratic way, have achieved a new constitutional status..."

and further

"recognizes that, in the framework of their Constitution and 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 the Puerto Rican people as that of an autonomous political entity".



The President
The White House
Washington, D. C.

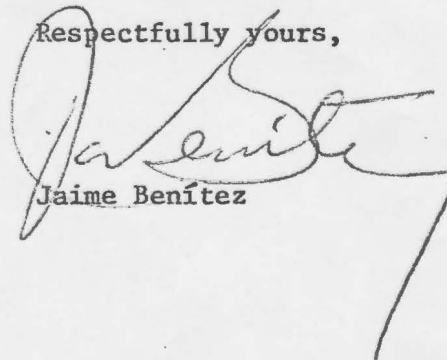
-2-

August 13, 1974

Shortly thereafter, Chief Justice Earl Warren described Commonwealth as "perhaps the most notable of American political experiments of our lifetime."

Last September President Nixon and Governor Hernández Colón, pursuant to a Puerto Rican plebiscite held on the 23rd of July 1967, appointed a joint ad hoc advisory committee of 14 members and instructed them to formulate new recommendations "to further develop the Commonwealth in accordance to its fundamental principle to a maximum of self-government and self-determination within the framework of Commonwealth." We confidently hope that we may rely upon your strong support of this important undertaking.

Respectfully yours,

A handwritten signature in dark ink, appearing to read "Jaime Benítez", is written over the typed name. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jaime Benítez



THE WHITE HOUSE
WASHINGTON

TO: NORM ROSS

FROM: GEOFF SHEPARD

FYI XXX

COMMENT _____

For your info.

THE WHITE HOUSE
WASHINGTON

August 21, 1974

MEMORANDUM FOR: THE HONORABLE WILLIAM SAXBE
ATTORNEY GENERAL

SUBJECT: Attached Correspondence

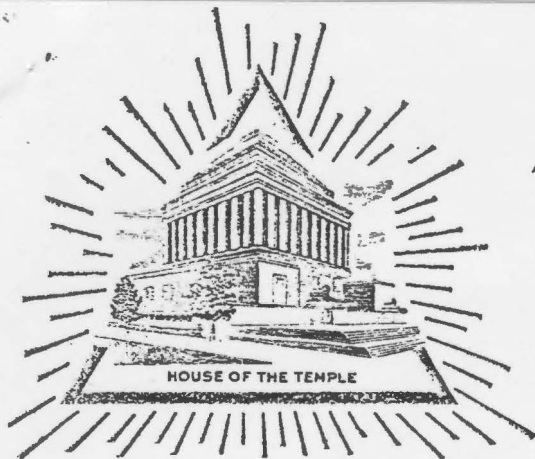
Would you please prepare a draft response for Mr. Timmons' signature to the attached letter from the Grand Secretary General, Mother Supreme Council of the World, the Supreme Council of the Thirty-Third and Last Degree, Ancient and Accepted Scottish Rite of Freemasonry, Washington, D. C., and return to me.

Thank you for your assistance.


Geoffrey C. Shepard

*Received
Aug 21.
my draft -
Puerto Rico*





FRED KLEINKNECHT 33°
GRAND SECRETARY GENERAL

MOTHER SUPREME COUNCIL OF THE WORLD
THE SUPREME COUNCIL
OF THE THIRTY-THIRD AND LAST DEGREE

ANCIENT AND ACCEPTED SCOTTISH RITE OF FREEMASONRY
SOUTHERN JURISDICTION, U. S. A.

1733 SIXTEENTH STREET, N. W. WASHINGTON, D. C. 20009
TELEPHONE 202-232-3579 CABLE SCSJUSA

August 5, 1974

AUG 6 1974

ILL. William E. Timmons, 33°
Assistant to the President of the
United States
The White House
Washington, D.C.

Dear Brother Bill:

I have received a follow-up letter, concerning the judgeship
for Brother Modesto Valazquez-Flores.

A copy of your letter, dated March 21st, and the letter
received by me, dated July 29th, are enclosed for your information.

With best wishes,

Cordially and fraternally,



Fred
Grand Secretary General



FK/eb
encl



JOSEPH L. MARTINEZ
ATTORNEY AND COUNSELOR AT LAW

July 29, 1974

Ill. C. Fred Kleinknecht 33°
The Supreme Council
1733 Sixteenth St. N. W.
Washington, D. C. 20009

Dear Illustrious Fred:

I'm writing to you with regards to Ill. Bro. Modesto Velázquez Flores who seeks appointment to the U.S. District Court in Puerto Rico.

Earlier this year, in March to be exact, Ill. Bro. William E. Timmons was of the opinion that legislation would be enacted creating new judgeships providing an additional post in San Juan and if this happened he would see that Brother Velázquez's background and abilities would be properly weighed.

We have been informed that the additional post for San Juan has been approved as an emergency measure and we are most anxious to see that one of our brothers is given the opportunity to fill this post.

Ill. Brother Velázquez has been a Superior Court judge for the past ten years, is not a politician and therefore is not requesting the endorsement of any political party. He counts among his friends several Republican and Democratic Senators in Washington.

Brother Velázquez has been, on previous occasions, a candidate for the position of Judge of District Court of Puerto Rico.

Our great concern is the continued excessive political stress on the judiciary system throughout our nation and the need of severing this unfortunate element by means of appointments to the judicial branch of government of persons who are not dependents of any political parties.

Ill. Bro. Velázquez more than qualifies in this extent and we all know that he is an advocate of the principles of Freemasonry and Scottish Rite in particular.



Ill. C. Fred Kleinknecht 33°

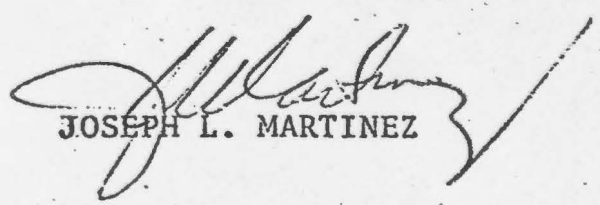
-2-

We would be most grateful for your attention to this matter and if you consider it advisable I would be willing to come to Washington if necessary.

My wife joins me in sending our best regards to Ill. Bro. Clausen and his lady and to you and your lady.

We pray that your visit to our island will be in the immediate future and look forward to enjoying some more golf together.

Fraternally yours,


JOSEPH L. MARTINEZ

JLM/pmcg.



THE WHITE HOUSE

WASHINGTON

March 21, 1974

Dear Illustrious Fred:

I have received the papers you sent on Brother Modesto Velazquez-Flores who seeks appointment to the U. S. District Court in Puerto Rico.

After our conversation yesterday, I checked the status of this judicial vacancy and found that Juan Torruellas has been tentatively selected from a number of candidates earlier proposed by authorities in Puerto Rico. Unfortunately, Velazquez-Flores was not among those initially submitted for review.

I will, however, see that our Illustrious Brother is considered should Mr. Tourruellas' candidacy fail. Also there is the possibility that legislation creating new judgeships will soon be enacted providing an additional post in Puerto Rico. Should this happen, I'll see that Mr. Velazquez-Flores' background and abilities are properly weighed.

With cordial regard.

Fraternally yours,

Bill
William E. Timmons, 33^o
Assistant to the President

Ill.: C. Fred Kleinknecht, 33^o
The Supreme Council
1733 Sixteenth Street, N. W.
Washington, D. C. 20009



Spt 16-
✓

COMMONWEALTH OF PUERTO RICO
ECONOMIC DEVELOPMENT ADMINISTRATION

268 PONCE DE LEON AVENUE

HATO REY, P. R. 00918

TEODORO MOSCOSO
ADMINISTRATOR

August 29, 1974

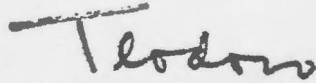
Mr. Hiran Cancio
Executive Director
Advisory Group on Puerto
Rico
Intendente Ramirez Bldg.
Suite 802
San Juan, Puerto Rico 00905

Dear Hiran:

As you can see from the attached article of September 2, 1974, Time Magazine, the Environmental Protection Agency has finally decided to pass on to the states the responsibilities for taking care of their air quality. This is exactly the point we tried to make before the Ad Hoc Group. Just a few weeks ago we got a rejection from Russell Train. His agency now proposes to do with all the states exactly what we suggested he do with Puerto Rico!

This is being written in English because I am in the New York Office, where Spanish is the second language.

Sincerely,


Teodoro Moscoso

Enc.

cc: Messrs: Carlos Jimenez Barber
Geraldo Maldonado
Owen Martinez
Mrs : Sila Maria Calderón de González



Clean Air Mess

CALIFORNIA'S SAN LUIS OBISPO NUCLEAR POWER GENERATING PLANT



FOR IMMEDIATE RELEASE

AUGUST 29, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

The President today declared an emergency for the Commonwealth of Puerto Rico because of the impact of a drought. The President's action will permit the use of Federal funds in relief and recovery efforts in designated areas of the Commonwealth.

Dry conditions, which have existed in Puerto Rico for some time have reached a critical stage this year with a severe lack of rainfall. Pastures in the Commonwealth have been dying out because of the lack of moisture. The President's declaration of an emergency will provide a Federally funded program of survival livestock feeding of cattle in order to maintain the herds of the Commonwealth. Federal officials will continue to monitor the situation to determine what other assistance may be made available.

Federal relief and recovery activities in Puerto Rico will be coordinated by the Federal Disaster Assistance Administration, Department of Housing and Urban Development, under the direction of Administrator Thomas P. Dunne. Mr. Dunne will designate the specific areas within the Commonwealth eligible for Federal assistance.

Mr. Thomas R. Casey, Regional Director for Federal Disaster Assistance, HUD Region II, will be designated as the Federal Coordinating Officer to work with the Commonwealth in providing Federal emergency assistance under the Disaster Relief Act of 1974, Public Law 93-288.

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August 29, 1974

Meeting With George L. Cordova

Thursday, August 29, 1974
5:00 p.m. (15 minutes)
The Oval Office

From: Ken Cole

I. PURPOSE

To discuss Mr. Cordova's views, at his request, on how you should reorganize to obtain knowledgeable advice on matters involving Puerto Rico.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: Mr. Cordova requested the opportunity to discuss with you your need to have knowledgeable advice on matters involving Puerto Rico. He recommends that you should seek advice from an institutional source. Just as in matters involving Venezuela and Germany he turns to the State Department, which has special know-how, there should be some permanent office, containing the necessary files and knowledgeable personnel, to provide the necessary advice whenever the President is requested to act, or finds it may be necessary or proper to act, regarding Puerto Rico.

The Department of Interior is suggested as the most logical source since the Department for so many years directly handled Puerto Rican matters, and whose present head is quite familiar with them.

It is not suggested that the Secretary of the Interior be granted any special jurisdiction to act in Puerto Rico. This would be objectionable to most people in Puerto Rico.

The suggestion is merely that the Presidential practice be changed: instead of the White House acting on its own on Puerto Rican affairs, without outside advice, that it make use of the institutional machinery of the Department of the Interior to obtain advice based on solid and sound information.

When the Puerto Rican people voted for Commonwealth status in preference to Statehood in the plebiscite of 1967, they also chose to "perfect" Commonwealth through Advisory groups, which are jointly appointed by the President and the Governor of Puerto Rico. The President appointed the first such Advisory group jointly with former Governor Luis Ferre in 1970 to inquire into the question of the Presidential vote for Puerto Ricans. That group reported back favorably in 1971, but no action has been taken and the question is again being considered by a second Advisory Group initiated on September 27, 1973.

This second Advisory Group has been charged to investigate "the extent to which the laws and administrative regulations of the United States should apply in Puerto Rico." The group has 14 members: 7 appointed by former President Nixon and 7 by Governor Hernandez - Colon. Senator Cook is Chairman of the United States delegation (the other members are Senators Buckley and Bennett Johnston, Congressman Don Clausen and Foley, former Governor Richard Ogilvie and Paul Howell, a Texas oil man).

The current Ad Hoc Advisory Group will make recommendations to you on the institutional arrangements which could be made to coordinate the politically sensitive matters involving Puerto Rico.

- B. Participants: George Cordova
- C. Press Plans: Photo opportunity. Meeting to be announced.

III. TALKING POINTS

1. I understand that you want to discuss with me the matter of where I can find the most reliable source of advice on issues involving Puerto Rico. What do you recommend?
2. The Ad Hoc Advisory Group on Puerto Rico will submit a report to me containing recommendations on the issue we have discussed. I will include your recommendation with those of the Advisory Group.

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*Cordova met w/ President
See Presidential msg
JLC*

BROWN, NEWSOM & CORDOVA
ATTORNEYS AND COUNSELLORS AT LAW
BANK OF NOVA SCOTIA BUILDING
SAN JUAN, PUERTO RICO

J. HENRI BROWN (1874-1955)
WALTER L. NEWSOM, JR.
JORGE L. CORDOVA
ENRIQUE CORDOVA DÍAZ
ALBERTO PICÓ
IVÁN DÍAZ DE ALDREY
CARLOS CEBOLLERO
ROBERTO L. CORDOVA
CHARLES P. ADAMS
ENRIQUE ADSUAR, JR.
FRANK A. DALMAU
JULIO OSCAR RIVERA
JOSÉ R. JIMÉNEZ DEL VALLE
ALBERTO J. PICÓ GONZÁLEZ

August 16, 1974

P. O. BOX 5-2152
SAN JUAN, P. R. 00903
CABLE: NEWCOR
TELEPHONE 724-8282
AREA CODE 809

Hon. R. C. B. Morton
Secretary of the Interior
Washington, D. C.

Dear Rog:

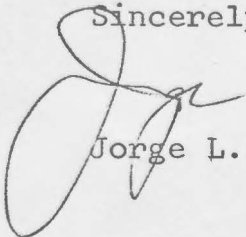
I enclose copy of the letter I am sending the President regarding the matter of ~~the unfortunate system~~ used by the presidents in recent administrations ~~for handling Puerto Rican matters~~. It has led to very poor decisions such as President Nixon's 1973 appointment, jointly with Governor Hernández Colón, of a Commission to recommend changes in the present political status (any changes they may conceive), ~~without guaranteeing our strong minority party any representation on the Commission (it has none).~~

In the past, when the present system was set up in 1952, its advocates objected to any jurisdiction by the Department of the Interior over Puerto Rico, and for this reason Puerto Rican matters ceased to be included among those considered by Interior. I am not suggesting the granting of any power over Puerto Rico to Interior, but the President needs independent advice and recommendations regarding matters under his jurisdiction. He is certainly entitled to choose his own advisers, and it would seem the Secretary of the Interior is the logical Cabinet officer to handle this function.

I look forward to the opportunity of discussing this with you and in due course will communicate with you to arrange a visit with you.

With best wishes,

Sincerely,


Jorge L. Córdova

JLC/bav



BROWN, NEWSOM & CORDOVA

ATTORNEYS AND COUNSELLORS AT LAW

BANK OF NOVA SCOTIA BUILDING

SAN JUAN, PUERTO RICO

J. HENRI BROWN (1874-1955)

WALTER L. NEWSOM, JR.

JORGE L. CORDOVA

ENRIQUE CORDOVA DIAZ

ALBERTO PICÓ

IVÁN DÍAZ DE ALDREY

CARLOS CEBOLLERO

ROBERTO L. CORDOVA

CHARLES P. ADAMS

ENRIQUE AOSUAR, JR.

FRANK A. DALMAU

JULIO OSCAR RIVERA

JOSÉ R. JIMÉNEZ DEL VALLE

ALBERTO J. PICÓ GONZÁLEZ

August 16, 1974

P. O. BOX 5-2152

SAN JUAN, P. R. 00903

CABLE: NEWCOR

TELEPHONE 724-8282

AREA CODE 809

Hon. Gerald R. Ford
President of the United States
Washington, D. C.

Dear Mr. President:

It is indeed a privilege and a source of deep pride to address an admired friend and former colleague as the chief of our nation. My prayers, and my humble but whole-hearted support are always with you.

Very insignificant among the matters occasionally calling for action by the President are those involving Puerto Rico. For over twenty years now our Presidents have lacked the benefit of solid, knowledgeable advice on matters involving Puerto Rico because they have delegated these matters to junior aides instead of responsible Cabinet Heads. There is a change in the junior aide with every president, and the lack of continuity under this system means the president is getting no help from any source knowledgeable about Puerto Rico.

May I submit to you the importance, and the value to you as chief executive, of making use of the excellent source of advice that is available to the president through the Secretary of the Interior, who handles matters involving all territories.

It so happens that the present Secretary of the Interior, our friend Rog Morton, is familiar with Puerto Rico, because of his service on the House Interior Committee, and is thus in a position to be of immediate assistance to you in this field, but beyond this circumstance, it would seem to be in the interests of good administration to put an end to the practice which places upon each new president the burden of building up an adviser who starts out without any familiarity in the field in which his advice will be relied on.

If and when the enormous burdens now resting on your shoulders permit, I should welcome the opportunity of discussing



Hon. Gerald R. Ford

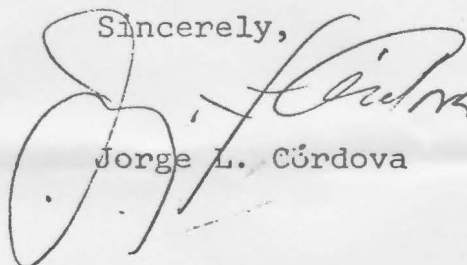
Page 2

August 16, 1974

this matter with you. It is a problem with which I was faced during the first Nixon administration, and which I then mentioned to Rog Morton, to whom I am sending copy of this letter.

With my very best wishes and my prayers for you,

Sincerely,

A handwritten signature in dark ink, appearing to read "J. Cordova", written over the typed name.

Jorge L. Cordova



1967-68). Methodist. Clubs: Des Moines, Wakonda. Home: 5715 Woodland Rd Des Moines IA 50312 Office: Iowa Methodist Hosp Des Moines IA 50308

CORDES, EUGENE HAROLD, educator; b. York, Neb., Apr. 7, 1936; s. Elmer Henry and Ruby Mae (Hofeldt) C.; B.S., Cal. Inst. Tech., 1958; Ph.D., Brandeis U., 1962; m. Shirley Ann Morton, Nov. 9, 1957; children—Jennifer Eve, Matthew Henry James. Instr. chemistry Ind. U., Bloomington, 1962-64, asst. prof., 1964-66, asst. prof., 1966-68, prof., 1968—. NIH Career Devel. award, 1966; Alfred P. Sloan Found. fellow, 1968. Mem. Am. Chem. Soc., A.A.A.S., Am. Soc. Biol. Chemists, Am. Assn. U. Profs. Author: (with Henry Mahler), *Biological Chemistry*, 1966, Basic Biological Chemistry, 1969; also articles. Home: 1316 S High Bloomington IN 47401

CORDES, JOHN HENRY, rubber co. exec.; b. N.Y.C., Sept. 22, 1914; s. John Herman and Louise (Crome) C.; B.C.S., N.Y. U., 1937; m. Jessica Margaret Greenstreet, Sept. 7, 1942; 1 son, John Edmund, Sr. accountant McGrath, Doyle & Phair, N.Y.C., 1938-42, Peat, Marwick, Mitchell & Co., N.Y.C., 1943-44; asst. to controller Curtiss-Wright Corp., Buffalo, 1944-46; with Armstrong Rubber Co., West Haven, Conn., 1951—, v.p., 1966-71, treas., 1963—, exec. v.p., 1971—, also dir.; sec.-treas. Armstrong Rubber Co. Acceptance Corp., West Haven, 1965—; v.p., dir. Direct Tire Sales, Inc., New Orleans, 1966—; dir. Arco Wheel, Inc., West Allis, Wis., Copolymer Rubber & Chem. Co., Baton Rouge, Bd. dirs. Armstrong Rubber Co. Found. C.P.A., N.Y. State. Mem. Theta Chi, Beta Gamma Sigma. Episcopalian. Clubs: Millford Yacht (commodore 1964-65, dir. 1970), Windjammers Sailing (Millford); Racebrook Country (Orange). Home: 276 Hawthorne Lane Orange CT 06477 Office: 500 Sargent Dr New Haven CT 06507

CORDES, PHILIP HERMAN, banker; b. Chgo., Aug. 23, 1910; s. Herman H. and Virginia (Foley) C.; B.S.C., Loyola U., Chgo., 1940; grad. Rutgers U. Grad. Sch. Banking, 1946; C.P.A., Ill., 1937; m. Rose Hanzel, Nov. 17, 1934; children—Philip John, Patricia Ann. Auditor, asst. v.p. Lake Shore Nat. Bank, Chgo., 1931-48; with Continental Ill. Nat. Bank and Trust Co., Chgo., 1948—, v.p., 1960-70, comptroller, sec. bd. dirs., 1967—, sr. v.p., 1970—; sec., treas. Conill Corp., 1969; sec., treas., dir. Continental Bank Internat., Continental Internat. Finance Corp. Mem. pres.'s alumni council Loyola U., Chgo.; bd. dirs. Civic Fedn. Chgo. Mem. Alpha Sigma Nu, Sigma Lambda Beta, Beta Alpha Psi, Blue Key. Home: 1406 Deepth Lane LaGrange Park IL 60525 Office: 231 S LaSalle St Chicago IL 60690

CORDIER, ANDREW WELLINGTON, univ. dean; b. Canton, O., Mar. 3, 1901; s. Wellington J. and Ida Mae (Anstine) C.; A.B., Manchester Coll., 1922, LL.D., 1946; A.M., U. Chgo., 1923, Ph.D. (fellow), 1926; postgrad. Grad. Inst. Internat. Studies, Geneva, Switzerland, 1930-31; LL.D., Elizabethan Coll., 1947, Albright Coll., 1953, Kent State U., 1955, MacMurray Coll., 1952; Ind. U., 1957, Oberlin Coll., 1958, N.Y. U., 1959, Fairleigh Dickinson U., 1960, Denison U., 1961, Lewis and Clark Coll., 1961, Haverford Coll., 1962, Western Mich. U., 1962, U. Pa., 1963, Brandeis U., 1966, R.I. Coll., 1967, U. Akron, 1969, Johns Hopkins, 1970, Hamilton Coll., 1970, Manhattan Coll., 1970, Jewish Theol. Sem., 1970, Rider Coll., 1971; D.P.S., Millikin U., 1961; L.H.D., Otterbein Coll., 1952; D.D., Sem., 1966; D.H.L., Susquehanna U., 1968; D.L.H., Columbia, 1970; m. Dorothy Elizabeth Butterbaugh, May 23, 1924; children—Lowell, Louise. Asso. prof. history Manchester Coll., 1923-27, chmn. dept. hist. and polit. sci., 1927-44; lect. Social Sci. Ind. U., 1929-44; expert on internat. security Dept. of State, Washington, 1944-46; tech. expert U.S. delegation to U.N. Conf., San Francisco, 1945; chief sec. Prep. Commn. for UN, London, 1945; adviser to exec. sec. Prep. Commn.; adviser to all presidents gen. assembly UN, 1946-62; exec. asst. to sec.-gen. UN, 1946-62, held rank under-sec., coordinator U.N. activities with spl. responsibility for Gen. Assembly, spl. rep. Sec.-Gen. to Korea, 1950-52, Mount Scopus, 1958, Congo, 1960; acting pres. Columbia, 1968-69, pres., 1969-70, pres., trustee Cons. Dept. State, Ford Found., Trustee Dag Hammarskjöld Found., Manchester Coll., Carnegie Endowment for Internat. Peace. Recipient Charles Evans Hughes medal, Alexander Hamilton medal, U. Chgo. Alumni medal, Ohio Gov's award, major; award N.Y.C., others. Mem. Am. Polit. Sci. Assn., Council Gen. Relations, Fgn. Policy Assn. Clubs: University, Century Assn. (N.Y.C.). Home: 6 Mervale Rd Great Neck NY 11021

CORDIER, HUBERT VICTOR, educator; b. North Canton, O., Apr. 27, 1917; s. Emery Andrew and Minnie (Lahr) C.; B.A., Manchester Coll. (Ind.), 1939; M.A., Mich. State U., 1942; Ph.D., U. Ill., 1955; m. Ruth Virginia Roop, Aug. 3, 1940; 1 son, Gary Michael. Tch., coach Columbia (Ind.) City High Sch., 1939-40; teaching fellow Mich. State U., 1940-42; asst. prof. speech Allegheny Coll., Meadville, Pa., 1946-49; head dept. radio and TV, U. Ill. at Urbana, 1949-68; dir. broadcasting, prof. speech U. Ia., Iowa City, 1968—, also head, dir. broadcasting and film. Bd. dirs. Nat. Ednl. Radio. Served with USAAF, 1944-46. Mem. Assn. Prof. Broadcasting Edn. (pres., bd. dirs.), Nat. Assn. Ednl. Broadcasters (chmn. publs. com.), Am. Assn. U. Profs., Speech Assn. Am., Radio and TV News Dir. Assn. Methodist. Home: 306 Stewart Rd RR6 Iowa City IA 52240

CORDIER, RALPH WALDO, coll. dean; b. Canton, O., June 28, 1902; s. Wellington Jacob and Ida (Anstine) C.; B.A., Manchester Coll., 1925; M.A., Ohio State U., 1929, Ph.D., 1934; diploma U. London, 1951-52; m. Esta Elora Brenner, June 3, 1925; 1 son, Sherwood Stanley. Tch. pub. schs., North Canton, O., 1925-28; asst. Ohio State U., 1929-34; critic tchr. Eastern Ill. State Tchrs. Coll., Charleston, 1934-36; prof. history Manchester Coll., North Manchester, Ind., 1935-36; chmn. dept. social studies Clarion (Pa.) State Tchrs. Coll., 1936-46; prof. history La. State U., Baton Rouge, 1944, U. Minn., 1946; chmn. dept. social sci. Indiana U. of Pa., 1946-55, dean acad. affairs, 1955—. History adviser Brit. Jr. Ency., Chgo., 1958—; con. Coronet Hist. Films, Chgo., 1956—. Ford Found. postdoctoral fellow. Mem. Pa. Hist. Assn. (past pres.), Middle States Council Social Studies (past pres.), Nat. Council for Social Studies (pres. 1968), Pa. Council Social Studies (past pres.). Author: (with E.B. Robert) *History for the Beginner*, 1953; *History of Young America*, 1953; *History of Our United States*, 1958; (with S.K. Stevens) *Exploring Pennsylvania*, 1953; *History of World Peoples*, 1961. Home: 235 S 13th St Indiana PA 15701

CORDING, EDWARD ASAHEL, educator b. Osceola, Wis., Nov. 3, 1904; s. Edward James and Charlotte (Kimball) C.; diploma Moody Bible Inst., Chgo., 1928; B.S., Wheaton (Ill.) Coll., 1933; m. Ruth Margaret James, July 23, 1935; children—Edward J., Robert P.,

CORDINGLEY, WILLIAM ANDREW, newspaper pub. b. Des Moines, Aug. 24, 1917; s. William Andrew and Louise (Cookery) C.; grad. Phillips Exeter Acad., 1936; B.S., Harvard, 1940; m. Mary Jeannette Bowles, Mar. 17, 1942; children—William Andrew, Thomas Kent, Constance Louise. With Mpls. Star and Tribune, 1940-65, nat. advt. mgr., 1949-65; pub. Great Falls (Mont.) Tribune, 1965—, dir. Great Falls Nat. Bank, 1966-70. Vice chmn. Helena br. Mpls. Res. Bank, 1970, chmn. 1971. Trustee Breck Sch., Mpls., 1962-65; bd. dirs. Great Falls Symphony, 1965-70, Russell Gallery, Great Falls, 1965—, Mpls. Curative Workshop, 1952-65; mem. council of 50, U. Mont. 1966-70. Mem. regional adv. group Mountain State Regional Med. Programs, 1967-71. Served to col. AUS, 1941-46; ETO, MTO, N. Africa. Mem. Am. Newspaper Pubs. Assn., Mpls. Sales and Marketing Execs. (v.p. 1963-65), Great Falls C. of C. (dir. 1967-70). Episcopalian. Clubs: Hazeltine Nat. (bd. govs. 1962-65) (Mpls.); Meadowlark Country (bd. dirs. 1966-69) (Great Falls); Harvard (N.Y.C.); Harvard Varsity. Home: 42 Prospect Dr Great Falls, MT 59401 Office: Great Falls Tribune Great Falls MT 59401

CORDOVA, GEORGE LUIS, Puerto Rican govt. off.; b. Manati, P.R., Apr. 20, 1907; B.A., Catholic U. Am., 1928; LL.B., Harvard, 1931; m. Dora Rodriguez; children—Jorge Luis, Elvira (Mrs. Gonzalez), Irene (Mrs. Subira), Fernando. Admitted to P.R. bar, 1931; practiced in San Juan, 1931-40, 46-48; judge Superior Ct. of P.R.; asso. justice Supreme Ct. of P.R., 1940-46; resident commr., 1969—. Mem. Fed., P.R. bar assns. Mem. New Progressive Party, Roman Catholic. Office: 5519 Pollard Rd Springfield Bethesda MD 20016

CORE, EARL LEMLEY, botanist; b. Core, W.Va., Jan. 20, 1902; s. Harry Michael and Clara Edna (Lemley) C.; A.B., W.Va. U., 1926, A.M., 1928; Ph.D., Columbia, 1936; m. Freda Bess Garrison, June 8, 1925; children—Ruth (Mrs. Harry Miller), Merie, Harry, David. Instr. W.Va. U., 1928-34, asst. prof., 1934-41, asso. prof., 1941-42, prof. botany, 1942—, chmn. dept. biology, 1948-66, curator of Herbarium, 1934—; botanist Colombian Cinchona Mission, Bogotá, 1943-45; bot. exploration of Lake Erie Islands, summers, 1939-41. Mayor, City of Morgantown, W.Va., 1956-57. Mem. A.A.S., Bot. Soc. Am. (pres. Northeastern sect. 1950), W.Va. Acad. Sci. (pres. 1971), Assn. Southeastern Biologists, Phi Beta Kappa, Phi Epsilon Phi, Alpha Gamma Rho, Sigma Xi. Clubs: Southern Appalachian Botanical (founded chmn. and its Jour., Castanea, 1936, pres. 1950), Kiwanis. Author: several books, 1931-48; Flora of the Erie Islands, 1948; *Spring Wild Flowers*, 1948; Flora of West Virginia (with P.D. Strausbaugh), Part 1, 1952, 2d edit., 1970, Part 2, 1953, 2d edit., 1971, Part 3, 1958, Part 4, 1964; Plant Taxonomy, 1955; Plant Life of West Virginia, 1960; (with others) General Biology, 1961; Vegetation of West Virginia, 1966. Editor of Wild Flower, organ Wild Flower Preservation Soc., 1946-64. Home: 460 Brockway Av Morgantown WV 26505

COREA, LUIS FELIPE, banker; b. Washington, May 23, 1910; s. Luis Felipe and India Bell (Fleming) C.; student George Washington U., 1932-36; certificate Stonier Grad. Sch. Banking, Rutgers U., 1948; m. Ann Margot Heiring, Sept. 12, 1939. With Riggs Nat. Bank, Washington, 1926—, v.p., mgr. fgn. dept., 1950-63, sr. v.p., 1963—; dir. Dynallectron Corp., 1957—; mem. adv. com. Export-Import Bank U.S., 1963-64. Mem. Def. Industry Adv. Council subcom. mil. exports Def. Dept., 1963—; vice-chmn. Md. Regional Export Expansion Council, 1967—; Mem. adv. council Sch. Langs. and Linguistics, Georgetown U., 1964—; council advisers Edmund A. Walsh Sch. Fgn. Service, Georgetown U., 1965—; bd. dirs., exec. com. Internat. Student Union, 1964-69; trustee, treas. Meridian House Found., 1967-69. Served to lt. comdr. USNR, 1942-45. Mem. Acad. Polit. Sci., Am. Inst. Banking, Bankers Assn. for Fgn. Trade (dir. 1958-60, 61-63, pres. 1963-64), Met. Washington Bd. Trade (World Trade award 1964), Am. Legion (comdr. post), Confrie des Chevaliers du Tastevin (pres. Washington), English Speaking Union, U.S.C. of C., Japan Am. Soc. Washington, Washington Inst. Fgn. Affairs, Clubs: Chevy Chase (Md.); Internat. (Washington). Home: 4201 Cathedral Av NW Washington DC 20016 Office: 1503 Pennsylvania Av Washington DC 20013

CORELL, ROBERT WALDEN, educator; b. Detroit, Nov. 4, 1934; s. George W. and Grace (Hagland) C.; B.S. in Mech. Engrng., Case Inst. Tech., 1956, Ph.D., 1964; M.S., Mass. Inst. Tech., 1959; m. Billie Jo Proctor, June 16, 1956; children—Robert Walden, David Richard, Beth Anne. Engr., Gen. Electric Co., Cleve., 1955, program engr., Lynn, Mass., 1956-57; instr. U. N.H., 1957-58, asst. prof., 1959-60, asso. prof., 1964-66, prof., 1966—, chmn. dept. mech. engrng., 1964—; research engr. Huggins Hosp., Woffleron, N.H., 1957-60, Highland View Hosp., Cleve., 1960-64; vis. investigator Woods Hole Oceanographic Inst., 1965. Cons., U.S. Navy Oceanographic Programs, USCG, Ford Motor Co., Corning Glass, Wood Products, Inc., Apasco Products, Huggins Hosp., Honeywell, Raytheon Co. Dist. commr. Boy Scouts Am., 1957-58. Mem. A.A.A.S., Am. Soc. Engrng. Edn., I.E.E.E., Marine Tech. Soc., Sigma Xi, Tau Beta Pi, Sigma Alpha Epsilon. Contrb. articles in medicine, med. engrng., ocean sci. and tech. to prof. journals. Home: Durham Point Rd Durham NH 03824

CORELLI, JOHN CHARLES, educator, physicist; b. Providence, Aug. 6, 1930; s. John and Immacolata (Caldarelli) C.; B.Sc., Providence Coll., 1952; M.S., Brown U., 1954; Ph.D., Purdue U., 1958; m. Evelyn L. Hostetter, June 20, 1959; children—Carolyn Margaret, John Joseph. Physicist, Knolls Atomic Power Lab., Gen. Electric Co., 1958-61; mem. faculty Rensselaer Poly. Inst., 1962—, prof. nuclear engrng. and sci., 1962—; cons. NASA, summer 1962; NIH Fellow U. Rochester, 1971. Mem. Am. Phys. Soc., Am. Assn. U. Profs., Rensselaer Newman Found., N.A.A.C.P., Sigma Xi, Roman Catholic. Research in radiation effects in semiconductors and nucleic acid base pairs up to DNA molecules using atomic spectroscopy probes. Home: 33 Belle Av Troy NY 12180

CORENA, FERNANDO, bass; b. Geneva, Switzerland, Dec. 22, 1916; s. Dimitri and Ugolina (Albertini) C.; bacalaurate, U. Frybourg (Switzerland), 1936. Came to U.S., 1954. Operatic debut in Arena of Verona, La Scala, Milan, 1947; leading bass with Metropolitan Opera, 1954—, at Teatro Colon, Buenos Aires, 1958, Staatsoper, Berlin, 1957, Covent Garden, London, 1960, Lyric Opera, Chgo., 1956, San Francisco Opera, 1960, Vienna Staatsoper, 1963, Grand Theatre, Geneva, 1963, 64, Rome Opera, 1965; festival appearances include Salzburg, Edinburgh, Holland. Home: 15 Tatum Dr Middletown NJ 07748 Office: Metropolitan Opera House New York City NY 10023

CORETTE, JOHN E., lawyer, utilities exec.; b. Butte, Mont., Apr.

Co., Western Energy Co.; dir. First Bank System, Pac. Transmission Co., Burlington Nat. Inc. U.S. del. com. electr. UN Econ. Comm. for Europe, 1957, 58; mem. utilities su. Nat. Indsl. Pollution Control Council. Trustee Freedoms Valley Forge, Thomas Alfa Edison Found.; Initial mem. Stanford Research Inst., bd. dirs., 1961-70; mem. pres.'s Carroll Coll. Mem. Edison Electric Inst. (pres. 1958-59, m. com.), Nat. Assn. Electric Cos., Bus. Council, U.S., Butte commerce, N.A.A.M., Am. Mont., Silver Bow County bar a Clubs: Rotary (pres. 1938-39), Country (Butte); Town and (Helena); Chevy Chase (Md.). Home: 1245 W Platinum B 59701 Office: 40 E Broadway Butte MT 59701

COREY, CYRUS STANLEY, educator b. Blaine Me., Feb. 4, James H. and Bertha (Snow) C.; A.B., Colby Coll., 1928; Ill., 1931 Ph.D., 1933; m. Katharine Sybil Tubbs, July 1 children—Elaine, Brian. High sch. math. instr., Newpo. 1928-30; high sch. prin., Mars Hill, Me., 1933-34; asso. prof. econs. Keuka Coll., 1934-35, prof., 1935-37; asso. prof. ec. (O.) State U., 1937-46, prof., 1946—, acting chmn. dept. 1965-66, chmn., 1966-68, acting v.p. and provost, 1968-chmn. U. Ill., summer 1946. Served from It. (g.) to It. 1934-46. Mem. Am. Econ. Assn., Am. Finance Assn., Assn., Tax Inst. Am., Am. Assn. U. Profs., Phi Beta Kappa, Kappa, Pi Gamma Mu, Kappa Phi Kappa, Delta Sigma Gamma Sigma, Omicron Delta Epsilon. Mem. United Ch. Home: 573 Vine St Kent OH 44240

COREY, EDWIN RAYMOND, educator; b. Detroit, Dec. 4, Joseph and Ethel (Munger) C.; A.B., Amherst Coll., 1919; Harvard, 1947, M.B.A., 1946, Ph.D., 1950; m. Charlotte children—Thomas, David, Frederick, Joy, Margaret, Mai faculty Harvard Bus. Sch., 1948—, prof. marketing, chmn. / Mgmt. Program, 1963—; cons. to industry. Dir. Helmerich Inc., Norton Co., Itex Corp. Trustee Babson Coll., Marketing Mem. Am. Marketing Assn., Am. Econ. Assn. Congli Duxbury (Mass.) Yacht. Home: 43 Greylock Rd Wellesley B Office: Harvard Business Sch Soldiers Field Boston MA 0

COREY, ELIAS JAMES, chemist; b. Methuen, Mass., July 5, Elias and Tina (Hashem) C.; S.B., Mass. Inst. Tech., 1951; A.M. (hon.), Harvard, 1959; m. Claire Higham, Sept. children—David, John, Susan. From instr. to asst. prof. U. 55, prof., 1955-59; prof. chemistry Harvard, 1959—. Mem. sci. Alfred P. Sloan Found.; sci. adv. bd. Robert A. Welch Recipient Swiss-Am. exchange fellowship, 1957; Guggenhe 1957-58, 68-69; Alfred P. Sloan Found. fellow, 1956-59; award Am. Chem. Soc., 1968; Intracsi. Found. award, 196 Guenther award in chemistry of essentials oils and related 1968. Mem. Am. Acad. Arts and Scis., A.A.A.S., Am. (a chemistry 1959), Swiss, German chem soc., Nat. Acad. Sci., Author numerous sci. publs. Home: 20 Avon Hill St Camb 02140

COREY, GORDON RICHARD, utilities exec.; b. Osce Sept. 27, 1914; s. Ralph Watson and Bessie Mabel (Simpson U. Wis., 1936; M.B.A., Northwestern, 1940; m. Margare 1967; children—by prev. marriage, Eleanor (Mrs. Geor Margaret (Mrs. Rosa Amundson), Ralph, Martha. V Commonwealth Edison Co., 1953-62, exec. v.p., 1962-finance com., 1965—, also dir.; dir. Continental Ill. Nat. Bar Co., Chgo. Inland Steel Co., Chgo. C.P.A., Ill. Clubs: Economic, Commercial, Wayfarers, Country Tennis. Hc Park Pl Evanston IL 60201 Office: 1 First National Plaza C 60690

COREY, HERBERT RICE, banker b. Leominster, Mas: 1909; s. John Ruel and Carrie (Rice) C.; Asso. Sei. A Bentley Coll. Accounting and Finance, Boston, 1929; gra Grad. Sch. Banking, Rutgers U., 1947; m. Helen Crimmins 1932; children—Andrea, Robert C. With First Nat. Bar 1929—, v.p., 1955, comptroller, 1965—; comptroller of Colony Trust Co., 1965—; subsidiary Subsidiary Bank Internat., 1965—, dir., 1966—; trustee Melrose Savs. Ban 1958—, incorporator, 1963—, dir.-at-large Bank Admin 1970—. Chmn. Melrose Community Fund drive, 1945; mer Planning Bd., 1953-56, Melrose Recreation Commn., 19 corporators Bentley Coll. Accounting and Finance, Recipient Testimonial plaque Am. Bankers Assn., 1963. Mass. (treas. 1966-68) bankers assns. Mason. Home: 200 Pa Dr Melrose MA 02176 Office: 45 Milk St Boston MA 0

COREY, PAUL FREDERICK, author; b. Shelby County, 1903; s. Edwin and Margaret Morgan (Brown) C.; A.B. in J U. Ia., 1925; m. Ruth Lechlitter, 1928; 1 dau., Anne Ma staff The Economist, Chgo., 1925-26; with Retail Credit C 1926; later with Ency. Brit.; with Real Estate Record an Guide; N.Y.C., 1929-30; with Nat. Ency., 1930-31; ret. Putnam County, N.Y., to write, 1931; furniture designe Craftsman. Mem. Sci. Fiction Writers Am. Author book Five Acre Hill (teen-age novel), 1946; Acres of Antaeus (nc The Little Jeep (juvenile), 1946; Shad Haul, 1947; Corn C 1948; Milk Flood, 1956; Homemade Homes, 1951; Home Furniture Projects, 1957; Holiday Homes: A Build Handbook; The Planet of the Blind (novel); also shi Guerrilla warfare specialist; did work on the subject in with First Service Command Tactical Sch., Sturbridge, M Mem. Authors' Guild. Home: Sonoma CA 95476 ☆

COREY, STEPHEN MAXWELL, ret. educator; b. Roch July 21, 1904; s. Stephen Jared and Edith (Webster) C.; B (Ill.) Coll., 1926, LL.D., 1960; M.A., U. Ill., 1927, Pi postgrad. U. Chgo., 1935; m. Martha Robb, 1929 (dec. 15 John Douglas; m. 2d, Elinor Karp Levi step-children—Barbara, Tim, James. Fellow U. Ill., 1926-assignments U. Ill., De Pauw U., U. Neb., U. Wis., 1928-40 psychology U. Chgo., 1940-48, supt. lab. schs., 1940-4 students, social sci. div. dir. Audio-visual Materials Cente prof. Tchrs. Coll., Columbia, 1948-65, exec. offic Mann-Lincoln Inst. for Sch. Experimentation, 1948-56. Psychol. Found. and Services, 1955-57, dean, 195 technician assigned Ministry Edn., India, 1959-62; vi Miami, 1962-63, prof., 1965-70, Sec., Desert Mental Hi 1971—. Trustee Teaching Films Custodians, 1946-69. J Psychol. Assn., 1937-59; mem. Nat. Soc. for Study Edn. (d chmn. yearbook coms.), Am. Edn. Research Assn. (1958-60), N.E.A. (exec. com. 1953-56), Sigma Xi, L (b. Phi Beta Kappa. Author (with others) Schools

BROWN, NEWSOM & CORDOVA

ATTORNEYS AND COUNSELLORS AT LAW
BANK OF NOVA SCOTIA BUILDING
SAN JUAN, PUERTO RICO

J. HENRI BROWN (1874-1955)

WALTER L. NEWSOM, JR.
JORGE L. CORDOVA
ENRIQUE CORDOVA DIAZ
ALBERTO PICÓ
IVÁN DÍAZ DE ALDREY
CARLOS CEBOLLERO
ROBERTO L. CORDOVA
CHARLES P. ADAMS
ENRIQUE ADSUAR, JR.
FRANK A. DALMAU
JULIO OSCAR RIVERA
JOSÉ R. JIMÉNEZ DEL VALLE
ALBERTO J. PICÓ GONZÁLEZ
JORGE SOUSS VILLALOBOS

P. O. BOX S-2152
SAN JUAN, P. R. 00903
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TELEPHONE 724-8282
AREA CODE 809

MEMORANDUM

RE: PROPOSED VISIT OF JORGE L. CORDOVA TO THE
PRESIDENT - AUGUST 29, 1974 - 5:00 P.M.

The issue to be raised: where can the President find
the most reliable source of advice on matters involving Puerto Rico?

Recent practice: For more than twenty years the practice
has been for the President to entrust Puerto Rican matters to one of
his aides. Prior to that, the Division of Territories, in the Depart-
ment of the Interior (before that the War Department, until the first
Roosevelt administration) handled Puerto Rican affairs.

My recommendation: the President should seek advice from
an institutional source. Just as in matters involving Venezuela and
Germany he turns to the State Department, which has special know-how,
there should be some permanent office, containing the necessary files
and knowledgeable personnel, to provide the necessary advice whenever
the President is requested to act, or finds it may be necessary or
proper to act, regarding Puerto Rico. The most logical source is the



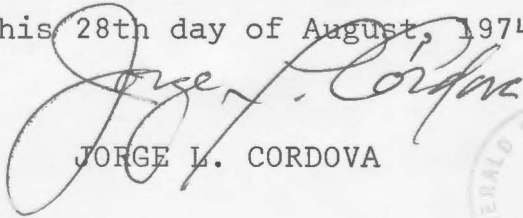
Department of the Interior which for so many years directly handled Puerto Rican matters, and whose present head is quite familiar with them.

It is not suggested that the Secretary of the Interior be granted any special jurisdiction to act in Puerto Rico. This would be objectionable to most people in Puerto Rico. The suggestion is merely that the Presidential practice be changed: instead of the White House acting on its own on Puerto Rican affairs, without outside advice, that it make use of the institutional machinery of the Department of the Interior to obtain advice based on solid and sound information.

Under the present system, a new president, with a new set of aides, starts handling Puerto Rican matters without the help of anyone familiar with them. I know: it was my job to represent Puerto Rico for the four years beginning in January, 1969. I found there was no one in the White House with any know-how about Puerto Rico: I had to help in the rudimentary education of White House personnel, even to obtaining books for them to read.

For the good of the President, for the good of Puerto Rico, for the good of the nation, the President needs sound advice on Puerto Rican affairs. He should not be required to educate an aide in order to obtain this advice, any more than he should be required to develop an aide knowledgeable about each foreign country. There is an institutional source available to the President: the Secretary of the Interior.

San Juan, Puerto Rico, this 28th day of August, 1974.


JORGE L. CORDOVA





CITY OF SAN JUAN
OFFICE OF THE MAYOR
SAN JUAN, PUERTO RICO 00905

October 4, 1974

nr
Mr. Norman Ross
Domestic Council
White House
Washington, D. C.

Dear Norman:

Just a note to thank you for the many courtesies extended to me during my last week visit to Washington, D. C. especially for having received me with such short notice.

As I indicated to you during our visit, we would like to have you visit us in San Juan. If you make plans to visit us in the future, we would appreciate your letting us know.

With warmest personal regards, I remain

Sincerely,

Carlos Romero Barceló
Carlos Romero-Barceló



10/17

September 29, 1974

MEMORANDUM FOR: WILLIAM SEIDMAN
FROM: KEN COLE
SUBJECT: Governor's Statement on the
Economic Situation in Puerto
Rico.

On September 20, the President and I met with Hernandez-Colon, the Governor of the Commonwealth of Puerto Rico. The Governor agreed to sending to the President a detailed statement on the current economic situation in Puerto Rico.

Please review the attached statement on the current economic situation in Puerto Rico, taking into consideration their circumstances and recommendations, as part of your post summit analysis.

NEORSS/ee

memo - 10/15 with copies of the attached
to: Paul O'Neill
Wally Scott -
Frank Zarb



COMMONWEALTH OF PUERTO RICO

OFFICE OF THE GOVERNOR

LA FORTALEZA, SAN JUAN



September 26, 1974

The President
The White House
Washington, D. C.

Dear Mr. President:

I would like to express once again my appreciation for your concern with the severe impact of the current inflation on the economy of Puerto Rico.

As agreed, I am pleased to enclose a statement on the current economic situation in Puerto Rico so that the forthcoming summit meeting on inflation will take into consideration our particular circumstances and recommendations.

Our open economy, heavily dependent on food and foreign petroleum imports experienced an average inflation rate of 12.6% during fiscal 1974. During the first six months of calendar 1974 the average increase in prices was over 13%.

After adjustment for price inflation, personal income in Puerto Rico declined by 4% during fiscal 1974. The economy of Puerto Rico, which had grown for many years at an estimated annual rate of 7%, experienced for the first time in recent history, a negative real growth of 2.6%.

Puerto Rico has been suffering from severe unemployment at an annual rate of approximately 13%. However, by June of this year the unemployment rate had dramatically increased to 15%.

Increases in the prices of imported food, foreign petroleum, ocean freight rates and in interest charges, are



The President
Page Two
September 26, 1974

draining over \$600 million from our economy, a loss equivalent to 9% of our gross national product.

At the same time, it should be borne in mind, that in Puerto Rico per capita personal income is currently only one third the U. S. average, and the 1970 Census showed that 60% of all Puerto Rican families were below the U. S. "poverty threshold".

My Government has adopted and carried out a vigorous and diverse program to lessen the effects of inflation, focusing primarily on containing the growth of unemployment, promoting agricultural and industrial production, improving food distribution systems and providing additional income to those sectors of the population hardest hit by inflation.

Inflation has reduced the purchasing power of Puerto Rican consumers to the extent that there has been a substantial decrease in Treasury revenues. As a result of this situation, the Commonwealth Government, in order to continue providing essential services, has had to raise taxes. Even with these tax increases, the financial resources of the Commonwealth are being strained to the utmost in an effort which is scarcely maintaining the overall level of economic activity.

The recommendations included in the report embody the views, not only of my Government, but also of business, labor and consumer representatives with whom we met expressly for this purpose.

Finally, I would reaffirm my appreciation for your initiatives in tackling the worst peacetime inflation known to

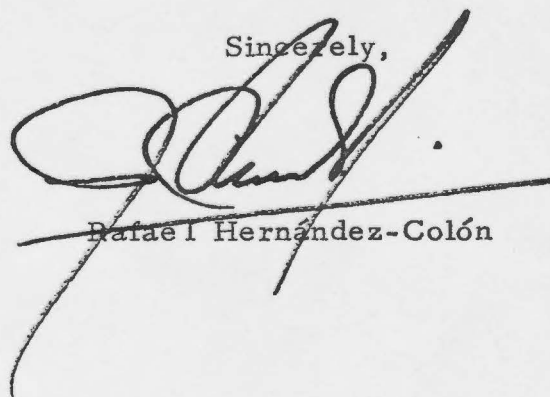


The President
Page Three
September 26, 1974

our generation and to offer any assistance Puerto Rico is capable
of providing in the difficult times ahead.

With kindest regards, I remain

Sincerely,

A large, stylized handwritten signature in dark ink, appearing to be 'Rafael Hernández-Colón', written over a horizontal line.

Rafael Hernández-Colón

Enclosure



COMMONWEALTH OF PUERTO RICO

ECONOMIC REPORT AND RECOMMENDATIONS SUBMITTED TO
THE PRESIDENT OF THE UNITED STATES FOR THE NATIONAL
CONFERENCE ON INFLATION.

September 27 and 28
Washington, D. C.



INFLATION AND THE ECONOMY OF PUERTO RICO

I. Particular Nature of Puerto Rican Economy

The impact of inflation has been especially severe on Puerto Rico because of its geography and the nature and stage of development of its economy. Having an area of only 3,435 square miles, a population density of over 850 persons per square mile, limited agricultural land and few indigenous raw materials, Puerto Rico imports the bulk of its basic commodities. Basic commodity shortages, both real and artificial, have been the root cause of the present worldwide inflation. Puerto Rico imports most of its commodities from the United States. Their prices in Puerto Rico have been further inflated by the 47% increase in ocean freight rates granted to carriers during the past two years.

Everywhere, the poor are hardest hit by inflation and economic stagnation. More of their income is spent for the basic foods and they are the first to lose their jobs and the last to be reemployed. In Puerto Rico, per capita personal income is currently only one-third the U. S. average and the 1970 Census showed that 60% of all Puerto Rican families were below the U. S. "poverty threshold". During



fiscal year 1974 the Island experienced an average inflation rate of 12.6%. However, during the first semester of calendar 1974 the average increase in prices was over 13%. Inflation has been particularly severe in the case of imported foodstuffs.

After adjustment for price inflation, personal income in Puerto Rico declined during fiscal 1974 by 4%. Inflation has also caused an economy which had been growing quite steadily for 15 years at an annual rate of about 7% to experience a negative real growth of 2.6%. By June, the number of people unemployed and actively seeking work had risen to 15% of the labor force. An even larger number, mainly under-educated young people without work experience, are not even looking for work because there are no jobs available for which they can qualify.

II. Special Inflationary Factors Affecting Puerto Rico

Four particular areas of inflation completely outside the control of the Commonwealth have been the most damaging. By far the most serious is petroleum. In contrast with the continental United States, where over 80% of total energy requirements is supplied from domestic sources, Puerto Rico is almost entirely dependent on imported petroleum. In the first semester of 1974 the price per barrel of Puerto Rico's petroleum imports was four and a half times



higher than in the corresponding period of 1973. On an annual basis, this increase in petroleum prices represents a net drain of around \$350 million dollars from the economy of Puerto Rico. Similarly, price increases on imported foodstuffs imposed a burden on the economy of about \$114 million. The drain caused by the 47% increase in ocean freight rates amounts to about \$64 million annually. Puerto Rico heavily depends on annual external borrowing, private as well as public. The increase in interest rates has imposed an additional cost of about \$75 million a year.

Increases in the prices of imported petroleum and food, in ocean freight rates and in interest charges are draining over \$600 million a year from the economy, a loss equivalent to 9% of Commonwealth Gross Product. This has caused a real reduction in purchasing power to which consumers have reacted by curtailing expenditures on such items as gasoline (-3% during the first semester of 1974), electric power (-7%) and, especially, new cars (-38%) in an effort to maintain their consumption of essentials like food. In turn, reduced collection of excise taxes on automobiles and related items has sharply curtailed Commonwealth Treasury revenue.

Reflecting reduced purchasing power, high interest rates, skyrocketing construction costs and unavailability



of mortgage credit, there has been a drastic reduction in the purchase of new homes, with an unsold inventory of about 4,000 in the San Juan Metropolitan Area alone. Some of these factors have also affected the construction industry as a whole which is of particular importance to Puerto Rico since it represents 17% of the gross income.

III. Recent Steps Taken By The Government Of Puerto Rico To Deal With Inflation and Unemployment

The Commonwealth Government has adopted and carried out a vigorous and diversified program to lessen the effects of inflation.

Because of the particular economic circumstances of Puerto Rico, as described above, actions of the Commonwealth Government have focused primarily on containing the growth of unemployment and promoting agricultural and industrial production. Among these efforts are incentive payments to farmers to increase agricultural production, which, in fact, has risen considerably. Three programs are specifically aimed at increasing employment, particularly for lower income groups: an emergency public employment, work and training program for which the budget has been doubled; interest and other subsidies for low and middle income housing; and a sharp increase in the public works program. In an effort to reduce the impact of inflation on low income families, consumers of less than 425 KW of electricity monthly have been exempted from fuel



adjustment charges and there has been flexible control of the prices of essential consumer items, mainly food. Other measures have been taken to increase industrial production, improve food distribution systems and provide additional income to those sectors of the population most seriously affected by inflation.

Understandably, such increased Government expenditures combined with reduced Treasury revenues have necessitated tax increases. The major increases have been in property taxes and excise taxes on non-essentials so as not to further burden the low income families hardest hit by the inflation. Even with these tax increases, however, the financial resources of the Commonwealth are being strained to the utmost in an effort which is scarcely maintaining the overall level of economic activity.

IV. Recommendations Requiring Federal Action

The economy of Puerto Rico must grow at its historic pace of about 7% a year in real terms in order to prevent unemployment from rising above its chronically high level of about 12%. Unemployment reached 15% in June, the highest seasonally adjusted rate ever recorded. The utmost efforts of the Commonwealth are an insufficient offset to the external drains of the present inflation. Federal assistance is urgently needed, especially in moderating the effects of inflation where its impacts on Puerto Rico are most severe



and in providing grants under regular programs that more nearly reflect the income and employment needs of the people of Puerto Rico.

The Commonwealth of Puerto Rico recommends action by the Federal Government in the following areas:

1. In two of the areas where inflation has most damaged the Puerto Rican economy, petroleum prices and maritime freight rates, direct Federal action would be most timely. Continuation of the gasoline price averaging program and its extension to petroleum and petrochemical feedstock prices, as well as extension of the operating subsidies now provided to vessels in the foreign trade to those in the offshore domestic trade, would provide substantial relief.

2. A subsidy to electric power companies which depend on foreign petroleum for their fuel should be enacted. This subsidy, of course, would be passed on to the consumer in the form of lower electricity bills. The cost of electric energy in Puerto Rico has increased tremendously as a result of the more than 342% increase in the price of foreign oil on which the Island totally depends for its energy requirements.

3. Increased authorization for Section 235 and 236 housing would most directly relieve the depressed state of residential construction.

4. A loosening of current monetary and credit policies with special consideration to the financing needs



of the housing industry and home buyers.

5. Measures should be taken to make available mortgage credit at lower than prevailing interest costs. Longer term mortgages would also stimulate the housing industry.

6. The extension to Puerto Rico of the existing FHA mortgage ceilings prevailing in Alaska, Hawaii and Guam.

7. In order to provide jobs and reduce unemployment, public employment and training programs should be escalated with particular consideration for, and application to, areas with high unemployment.

8. The recently authorized Community Development Program should be provided with adequate funds in order to ensure its prompt implementation.

9. The lending capacity in Puerto Rico of the Small Business Administration and of federal lending agencies in the agricultural field, should be increased so as to permit more loans to businessmen and farmers in order to augment agricultural production and improve distribution systems.

10. The Supplemental Security Income Program covering the aged, the blind and the disabled should be extended to Puerto Rico. These citizens are severely affected by the ravages of inflation.

11. Employee contributions to social security should be temporarily lowered or suspended as an emergency



measure in order to provide more disposable income to those most affected by inflation.

12. Due to its geographical location and climate, Puerto Rico should be considered as a prime site for federal research in solar and wind energy. Practically all of Puerto Rico's energy is derived from foreign oil and the inflationary effect, as mentioned above, has been severe. Viable solar and wind energy sources would help to decrease the cost of energy to all sectors of the conomy.

13. Due to its lower income levels, higher unemployment, dependence on imports of basic commodities and foreign oil, and limited fiscal resources, the effects of inflation in Puerto Rico have been proportionately greater than on the mainland. Under these circumstances, federal assistance to the Commonwealth should be increased at all levels, at the same time assuring the necessary flexibility so that any aid can be utilized by Puerto Rico in accordance with its particular needs and circumstances.

The recommendations presented herein are geared towards helping to solve the cyclical economic problems currently affecting the United States and Puerto Rico, but we recognize that other considerations must be entertained if the more permanent problems of the Commonwealth economy are to be adequately taken care of.



4:12

25 October 1974

The Honorable Gerald Ford
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

Through the years, and during the time I have been the Mayor of the City of San Juan, Puerto Rico, we on the island, have found that there was a vacuum in the Executive branch of government concerning adequate knowledge of Puerto Rico, its history, its evolution into modern times, its present political situation and its many problems.

During the past year or so Mr. Norman Ross, Associate Director of the Domestic Council, has been learning about Puerto Rico's problems and its people. Today it appears that he fills much of the vacuum which existed in the Executive branch of Government. It has taken him about one year of hard work to become acquainted with Puerto Rico and its problems.

In view of the above I would respectfully suggest that an office be created in the White House to deal with Puerto Rican affairs and to provide advise to all of the executive branch. This step, I am sure, will be accepted widely on the island and you will be the first President in the U. S. history to give our island the official recognition it deserves in the White House.

Along with this suggestion, I would also like to suggest that Mr. Norman Ross, be called upon to head the new office. I believe that his present knowledge of the island will be a tremendous asset to you and to the work of the new office, which I hope will receive your endorsement.



7
The Honorable Gerald Ford
October 25, 1974

Page 2

My kindest regards to Mrs. Ford.

Sincerely,

Carlos Romero-Barceló



Do not allow these Puerto Rican
Anti American citizens and
their gang in their communist
govt to deceive the President.
Protect loyal Puerto Rican
American citizens.

[1974]

file

Puerto Rico

11/3

received Oct 1



Cámara Comercio Expresa “Firme Oposición” A Almacén Proyecta Compañía Desarrollo

Chamber Opposes P.R. Wholesale Warehouse

By FRANK A. ESTRADA
UPI Staff Writer

outfit "will undoubtedly cause unemployment in the private sector of business, while the government treasury will

consciously" by the Maritime Authority, among other possibilities.

Why, Hernandez Colon?

Why, Hernandez Colon, did you buy the Telephone Company?

Why are you planning to buy the three shipping companies?

Why do you want to build a superport?

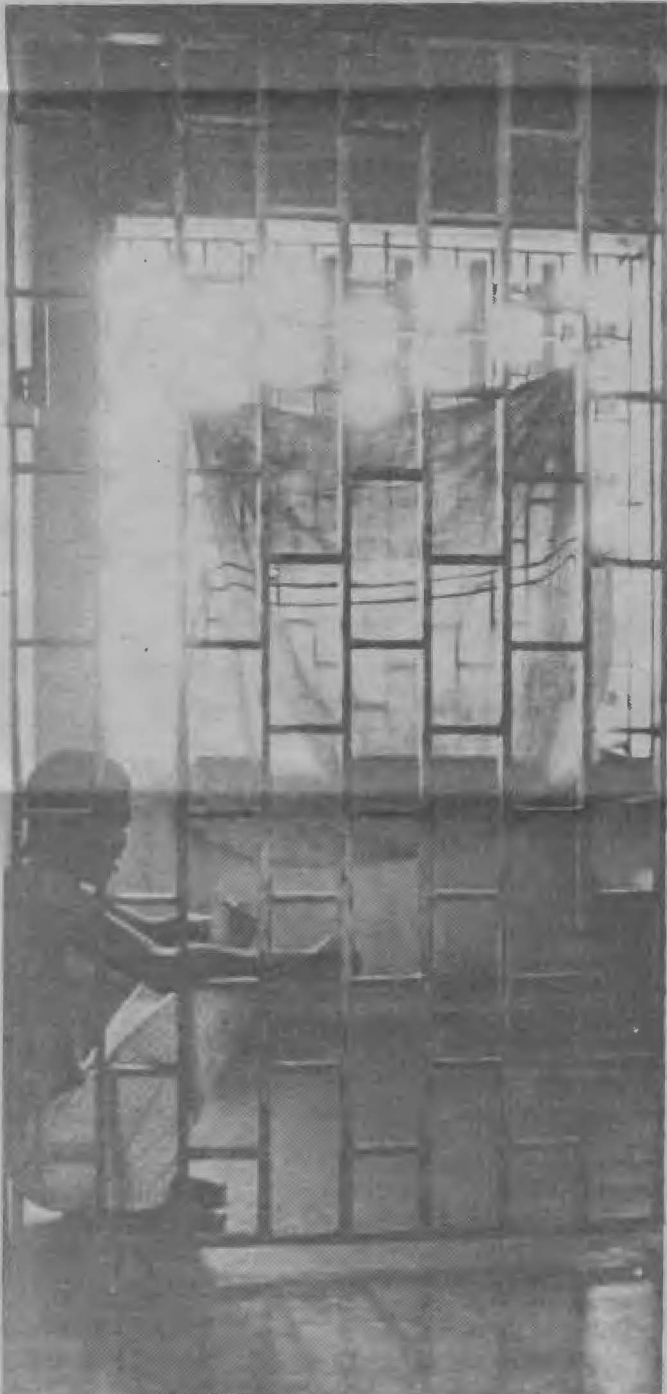
Why are you worrying about Mayor Carlos Romero Barcelo and his food stamp campaign?

Why did you blame "all the agencies involved" for the problem of the run-down schools?

Why do you want the federal government to stop protecting Puerto Rico's environment and turn the job over to the commonwealth government?

Why, Hernandez Colon, why?

**John Harvey
Fort Allen School**



Life Is Back To 'Normal' For Inmates

For these patients, a return to "normal" as reported by hospital supervisors Saturday, means a return to "living like animals," as it was put by one patient. Depicted are living conditions at the Rio Piedras Psychiatric Hospital forensic ward, where patients with criminal records are confined. Prisoner-patients staged a melee last week to protest cold meals and lack of beds, clothing and bedding.

STAR Photos
By
Eddie Crespo

**Commentary
on a
controversy**



Francisco de Jesus Schuck



Basilio Santiago

by Carmen M. Garcia
of the STAR staff

Controller's report: legality vs. morality

Rape In P.R.—The Stigma And The Humiliation

(Continued From Page 1)

reason that if a woman knows her assailant, she must

At the Police Department, rape investigations have been handled by the homicide division — male police officers

Mental Inmates Threaten To Repeat Protest

By GINO PONTI
Of the STAR Staff

on a bathroom was broken. Two
of four commodes were brim-

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Interconnect Firm To Sue PRTC For Permission To Operate

By CARMEN M. GARCIA

Of The STAR Staff

doing business on the island.

He said that prior to the purchase of the telephone

Phillips, Dropman said, requested a written answer from the authority on Aug. 30 and again on Sept. 19 demanding

[ca. Dec. 1974]

Mr. S. William Green
Regional Administrator
Department of Housing and
Urban Development
Region II
26 Federal Plaza
New York, N. Y. 10007

RE: 2CPM

Dear Mr. Green:

I refer to your letter of November 27, 1974 relative to the City of San Juan's objections to the transfer of the San Patricio Surplus Federal Land to the Commonwealth of Puerto Rico.

Your letter contains two basic aspects. The first one refers to the requirements imposed by HUD on the Commonwealth of Puerto Rico in the transfer documents. You express that these requirements "have adequately covered and protected" the interests of the City of San Juan. Not having seen the transfer documents it is impossible for me to comment now on this aspect. I would appreciate your sending me a copy of said transfer documents for my review and comments.

The second aspect of your letter deals with the Environmental Impact Statement (EIS). You indicate that it refers to the development of the vacant parcel of surplus real property and attempt to demonstrate that the EIS does not relate to the transfer of the land to the Commonwealth. This contention is not supported by the draft of the EIS which you sent us in October. Section 1.1 of the draft



Mr. S. William Green

- 2 -

expressly indicates that the EIS "deals with a proposal to convey, for a consideration of \$1,655,000.00, a parcel of surplus Federal real property to the Commonwealth of Puerto Rico". Likewise, section 1.2.1 of the Statement states: "All of the San Patricio area is owned by the Federal Government, with the Department of Housing and Urban Development acting as the responsible agency for disposition of the site . . ."

You also indicate as a reason for the unilateral transfer your "main concern for the protection of the Federal interest against continued vandalizing of property, fires and extensive amounts of destruction" and "over land invasion". Yet the EIS, in the second paragraph of Section 1.2.1, recognizes that the "area has been unused for the past ten years. The buildings are dilapidated, gutted and unusable; they are not worthy of rehabilitation or renovation" and that due to past vandalism and the dumping of wastes, "the structures have become worthless". Surely, no additional harm to the property would have resulted by granting the City of San Juan a real opportunity of presenting a case in support of its interest in said property.

I again reiterate my strongest objection to the way this matter has been handled much to the detriment of the City of San Juan and contrary to the policy of the new federalism and the policy of giving local authorities more voice and participation in all areas affecting them.

Very truly yours,

Carlos Romero Barceló

