

Conflict Over Statehood Rising in Puerto Rico

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The weeks have passed calmly since a new administration came to power here Jan. 2 in a political upheaval. But a serious conflict is building over this island's status as a United States - controlled commonwealth.

Luis A. Ferré, dedicated to making Puerto Rico a state, occupies the Governor's chair after 28 years of uninterrupted power by the Popular Democratic party, which promoted the commonwealth system.

Mr. Ferré won by only a plurality in a four-way race. His party won the House of Representatives while the Popular Democrats retained control of the Senate.

Although the Governor complained in an interview that his opponents had given him no honeymoon, relatively minor conflicts have arisen in the time he has been in office. But his governorship threatens to become much less peaceful.

Governor Pressed

The Popular Democrats have been pressing the Governor to implement the results of a referendum in 1967 by which the island's voters expressed a desire to continue with the commonwealth arrangement rather than seek statehood or independence.

date to the Governor to seek to remove defects of the system through ad hoc committees to be set up jointly with the United States.

"This is the only mandate regarding status that the Governor has at the moment," a Popular Democratic supporter asserted.

Rafael Hernández Colón, the Popular Democratic president of the Senate, said in an interview that the party had sent a

letter to the Governor and had later asked for a meeting to discuss the appointment of the committees. The party is also asking that only Popular Democrats, the ones who believe in a commonwealth, be named to the committees. Mr. Hernández said that the party had received no answer.

Mr. Ferré told a visitor that he was concentrating on such island problems as slum improvement, drug addiction, which is widespread here, a shake-up of the educational department to make it more efficient, the promotion of more tourists through hotel construction and help to the island's failing agriculture.

Subsidies Proposed

He is proposing subsidies to raise the wages of farm labor and help halt what he called the "hemorrhage" from the rural areas to the cities.

Mr. Ferré said that everyone knew that he was for statehood and that he favored a new referendum to test island opinion again. But he said that to promote a change of opinion he intended to stand on his record in the next few years as Governor.

The Governor insisted that the political and psychological climate for investment in Puerto Rico was better than ever and that his election had not slowed industrial promotion.

Under the current system the island is exempt from Federal taxes, a powerful attraction to new companies to establish themselves here. His opponents have expressed concern that the election of a man favoring statehood, under which such exemptions would be lost, might discourage investors.

Mr. Hernandez said his par-

ty had had word that the Department of Economic Promotion had received a number of letters and telegrams either canceling plans for investment or holding them up.

However, the investments already begun, appear to be proceeding, including those for heavy industry. The Governor said that in February, 19 new industries were signed up and that his policy favoring private initiative and ending the "paternalism" of past administrations was an encouraging factor.

"We will show," Mr. Ferré said, "that we can maintain our culture and assume our fiscal responsibilities and at the same time prove it worthwhile to have the political equality of a state."

Puerto Rico does not vote for the President and has no

representatives in Congress. It has a resident commissioner in Washington to watch over its interests.

The proposed ad hoc committees would examine specific problems arising from the current status, such as the applicability of Federal wage laws and of shipping rates to the island.

Lower wage rates here have constituted another attraction to industry, and the automatic application of Federal minimum rates would, it is feared, cancel out this advantage.

The island would also like to have recourse to cheaper shipping rates of ships carrying foreign flags because the cost of the transport of goods made here for the American market is a disadvantage that the island has in competing with the 50 states for investment.