Mr. Chairman:

I deeply appreciate this opportunity to discuss H.R. 9234 which I introduced on September the 12th, 1959 to substitute for H.R. 5926 which in response to the adoption of Joint Resolution No. 2 by the Legislative Assembly of the Commonwealth of Puerto Rico, I had introduced on March 23, 1959. The purpose of that Resolution and therefore of H.R. 9234 is to perfect and develop the fundamental concept which was adopted both by the Congress and the people of Puerto Rico concerning the political status of the people of Puerto Rico under Public Law 600, enacted by the 81st Congress and accepted by the people of Puerto Rico.

A little history may help us better understand the background of Public Law 600 and of its fundamental concepts; therefore the reasons for H.R. 9234 which is intended to clarify and develop that concept.

As a result of the Spanish American War, it was provided in the Treaty of Paris of 1899, that sovereignty over the island of Puerto Rico and certain other islands adjacent thereto, were ceded by the Crown of Spain to the United States. As it was later decided by the Supreme Court of the United States, this cession of sovereignty did not entail the incorporation of Puerto Rico into the United States; that Puerto Rico was appurtenant to, but not a part of the United States. Thus, a new political category of "unincorporated territory" came into being in the United States political system. Under the treaty it devolved upon the Congress to determine what the political status of the people of Puerto Rico would be.
Puerto Rico, as part of the Spanish monarchy, was referred to in the Spanish Constitution as an overseas province, to be governed under special laws. At the time of the cession and under the terms of a Royal Decree of November 25, 1897, Puerto Rico was organized as a self-governing community with a parliamentary system of government of its own. This status was comparable to that of the British dominions in those days, albeit in the case of Puerto Rico representation in the Spanish Parliament, which it had enjoyed since 1869, was maintained since the Spanish Parliament would legislate for Puerto Rico on certain matters of a national character. All other matters were subject to the authority of the Puerto Rican Parliament.

With the separation of Puerto Rico from the rest of the Spanish Monarchy and with the military occupation of Puerto Rico by the United States troops, the cabinet form of government was continued for a short period of time; then it underwent modifications, and finally was abolished, by successive military orders.

In 1900 the Congress adopted an Organic Act for Puerto Rico and military government ceased. It is a matter of history that the Puerto Rican people as a whole were very much disillusioned with the Organic Act of 1900. Also that after seventeen years of agitation, a revised Organic Act was adopted by the Congress. The new Organic Act allowed for greater participation of the people in their own government; at the same time the citizens of Puerto Rico were declared to be citizens of the United States.

Two schools of thought had developed meantime in Puerto Rico. One, pointing to the fact that all territories of the United States traditionally had ultimately become member states of the Union, held to the doctrine that Puerto Rico should ultimately become a member state of the Union. The other,
pointing to the fact that Puerto Rico was not a Territory in the same sense than former Territories of the United States for under the treaty it had not been incorporated into the United States) and that all other former Spanish colonies in the New World upon their separation from Spain, had become independent nations, held that Puerto Rico ultimately should become a republic as such former colonies had become.

The Organic Act of 1900 had not merely created a structure of civil government for the people of Puerto Rico. It had created a framework of economic relations between the United States and Puerto Rico, which profoundly affected Puerto Rico's economic life. Puerto Rico's economy which had always been mostly agricultural, had continued so to be, and had now become dependent mainly on sugar cane. Cane sugar manufactured in Puerto Rico now entered the United States free of tariff barriers. The Organic Act of 1900 had provided that the same rates of tariff applied on foreign goods in the United States were to be applied in Puerto Rico and that there would be no customs duties imposed on merchandise shipped from the United States to Puerto Rico or from Puerto Rico to the United States.

The Island's area is only 3,500 square miles of land surrounded by the sea. Land does not increase, but the population of Puerto Rico rapidly increased. Therefore, after the first surge in agricultural activities had spent itself, and sugar had reached a certain level of expansion, the opportunities of employment did not increase at the same rate of population increase. With the labor force increasing inexorably, the result was ever growing unemployment. As the years elapsed, it became clearer and clearer how pressing the economic and social problems of Puerto Rico grew and how the continuous debate on independence versus statehood, was less and less
related to realities. Independence, separation, would mean to overturn and upset and destroy an economy that had now developed within the new relationships. Statehood would mean the assumption of overwhelming obligations of a fiscal nature, way beyond the capacity of the people.

Still the people of Puerto Rico continued to feel that representative government, government by consent, government of the people, by the people and for the people, was as much their birthright as that of any other people in the world. Thus, there developed a profound sense of frustration in Puerto Rico. There was widespread dissatisfaction, both for political and for economic reasons. Thirty more years elapsed during which Puerto Rico continued to agitate itself in endless debate.

The year 1940 brought about a great change in Puerto Rico. The people took now a new approach to their problems. They decided to use the legislative powers they had under the Organic Act of 1917 to mark a new course for themselves. In the elections of 1940 the majority of the people in Puerto Rico suscribed to the proposition that the old question of our political status should be temporarily set aside and that they should embark in a program of economic development. Thus was a new Puerto Rico born.

What has happened in these nearly twenty years is a matter of record.

However, although in 1940 the status question was set aside, it was obvious that the question could not be indefinitely postponed for no other reason, because political and economic questions of government cannot be completely separated and divorced. So, in 1945 the Legislative Assembly of Puerto Rico unanimously decided that the time had arrived now when the political question should be explored anew. Unanimously, the Puerto Rican Legislative Assembly decided to propose to the Congress that the people of Puerto Rico be consulted as to whether their political status should be
statehood, independence or dominion status. Bills were introduced in the Congress to that effect. However, they were not acted upon.

By 1948, after the realignment of political forces which had started in 1940, there existed in Puerto Rico three political parties; the Popular Democratic Party, the Statehood Party, which since 1953 calls itself the Statehood Republican Party, and the Independence Party. The Independence Party went to the polls that year with independence as its main plank; the Statehood Party went to the polls with statehood as its main plank; the Popular Democratic proposed to the people a program calling for the vigorous continuation of its economic and social development program, and as to the political status question, it proposed to the people that Puerto Rico should seek self government on the basis of a political constitution of its own, adopted by the people themselves, within a framework of economic and political relationships, between the body politic so created and the United States, to be established on the basis of a compact. This would allow for the continuation of the basic economic relationships which had obtained since 1900 to which the economy of Puerto Rico had already adapted itself. The people voted for the Popular Democratic program overwhelmingly. I had the honor of being elected on the basis of that program as the Resident Commissioner of Puerto Rico. The duty devolved upon me therefore to introduce in Congress a bill which would embody the proposals the people had voted for. I introduced the bill during the 81st Congress, in its second session in 1950. A companion bill was introduced in the Senate by Senators O'Mahoney and Butler, of Nebraska. The bill became a law on the 3rd of July, 1950. It is now popularly referred to in Puerto Rico as Public Law 600.
Public Law 600 was enacted, as it is stated in its own text, "fully recognizing the principle of government by consent" and "in the nature of a compact". Its purpose was "that the people of Puerto Rico may organize a government pursuant to a constitution of their own adoption". It was to become effective upon its acceptance by Puerto Rico in a referendum. And it was so accepted by the people.

It was provided in Public Law 600, 81st Congress, that the constitution of Puerto Rico be drafted by a constitutional convention whose members would be elected by the people of Puerto Rico; that it be adopted by the people in referendum; it be transmitted by the President to the Congress for ultimate approval. Upon its approval by the Congress the Constitution would become effective in accordance with its terms.

The Constitution of the Commonwealth of Puerto Rico was so drafted, adopted and approved, and became effective on the 25th of July, 1952, when the Commonwealth of Puerto Rico was proclaimed.

Under the terms of Public Law 600, at such time as the Constitution of Puerto Rico became effective, a number of sections of the Organic Act of Puerto Rico stood repealed, while the remaining sections of the Organic Act were continued as the Puerto Rican Federal Relations Act, in order to establish the relationships between the Commonwealth and the Federal Government. An examination of the Puerto Rican Federal Relations Act will by itself explain why such sections of the old Organic Act were so continued. They define the geographic limits of Puerto Rico. They guarantee certain rights to the United States citizens in Puerto Rico. They determine the fiscal and economic relationships of Puerto Rico with the United States. They declare the citizens of Puerto Rico to be citizens of the United States.
They refer to the control and use of the public domain and the waters of Puerto Rico; to the extent to which Federal law applies in Puerto Rico; to the position of the Resident Commissioner; to the scope of legislative authority vested in the Commonwealth; to the United States District Court in Puerto Rico, etc. etc.

Therefore, those sections of the old Organic Act which were maintained in operation as the Puerto Rican Federal Relations Act determine the fundamental political, fiscal and social relationships between Puerto Rico and the United States.

Seven years have elapsed. Experience has accumulated and it is on the basis of that experience that H.R. 9234 now proposes that the Puerto Rican Federal Relations Act be revised, in fact, reenacted; that it be clarified, modified and codified.

This is what H.R. 9234 intends to do. In analyzing the bill, I shall start by pointing to the fact that it consists of only three sections: Section 1 provides for the adoption of the Articles of Permanent Association, to substitute in the compact for the present Puerto Rican Federal Relations Act; Section 2 provides for the consequent repeal of the Puerto Rican Federal Relations Act; Section 3 provides for the procedure of adoption of the Articles of Permanent Association, in the same manner that the Puerto Rican Federal Relations Act was adopted as a part of Public Law 600, that is to say, both by enactment of Congress and approval of the people of Puerto Rico. My discussion shall actually center on Section 1 of this bill, which spells the Articles of Permanent Association.

The first matter I shall refer to is as to why we should call these articles, Articles of Permanent Association, instead of maintaining the old name of Puerto Rican Federal Relations Act.
Articles of Permanent Association not only is more descriptive, but it conveys the concept of the permanency of the association of Puerto Rico to the United States. The provisions contained in these Articles may be modified as time goes by; even the nature of the association may change, but it is the purpose and intent that the fact of association of Puerto Rico to the United States be permanent; that the association of Puerto Rico to the United States is not to be deemed temporary; that ultimate separation is not contemplated.

In considering the sixteen Articles of Permanent Association, that is, Section 1 of the bill, I wish to call the attention of the Committee to the fact that there is a parallelism in the order of those articles as compared with the order in which the sections of the Federal Relations Act appear. That is to say, Article I corresponds to Section 1, Article II corresponds to Section 2, and so forth.

The sections of the Federal Relations Act are twenty one, but because the Organic Act was made of fifty eight articles and many of them were repealed, there are many vacant sections in the Federal Relations Act. Renumeration is therefore called for. Therefore, besides making clarifications and modifications, the present bill renumerates and codifies the present provisions.

I shall refer now to Article I, which substitutes for Section 1 of the Puerto Rican Federal Relations Act. Article I describes the geographical limits of Puerto Rico as does Section 1. Interestingly enough the use of the word "belonging" in Section 1 of the Federal Relations Act has been construed by some not as what it is, a geographical description, but as intended to define the political status of Puerto Rico, to declare Puerto Rico to be a mere possession and therefore to negate the significance of
the Commonwealth. Although there is no merit to such nonsense, in re-
drafting Article I, new language is used not subject to such construction.

Paragraph (a) of Article II in H.R. 9234 corresponds to Section 2
of the Federal Relations Act. Here we find technical amendments. I beg
that the explanation of these changes be left to the Secretary of Justice,
Mr. Cancio. In addition, paragraph (b) includes reference to full faith
and credit to be given in the Commonwealth of Puerto Rico to the public acts,
records and judicial proceedings of the several States of the Union, the
District of Columbia and the Territories and Possessions of the United
States and vice versa, reflecting provisions of the Constitution of the
United States. And paragraph (c) refers to extradition.

Both the provisions of (b) and (c) are a matter of law now, but
because of the fundamental importance of these provisions, it has been
deemed proper that they appear in this fundamental type of legislation.
Again legal counsel may further dwell on their significance.

Article III of H.R. 9234 generally corresponds to Section 3 of the
Puerto Rican Federal Relations Act. However, changes are made, both as to
the sequence in which the provisions appear and as to the substance of the
provisions.

The provision on the public indebtedness is not included, it being
the purpose that the public indebtedness of the Commonwealth be limited by
its Constitution instead. I wish to call attention to the fact that under
Section 2 of the bill, it is provided that until the Commonwealth of
Puerto Rico by amendments of its Constitution shall adopt limitations upon
its debt incurring capacity, such debt shall not exceed the limitations
now set forth in Section 3 of the Puerto Rican Federal Relations Act.
Under paragraph (d) of Article III new language has been added so as to establish exception by the Commonwealth of Puerto Rico of all obligations issued by the United States or its authority or by any State, Territory or Possession, as now provided in reversed order. This reciprocity is now granted by Puerto Rican law, but it has been considered proper that it be made a part of these fundamental provisions.

Paragraphs (d), (e), (f) and (g) are not all to be found in Section 3 of the Puerto Rican Federal Relations Act. I shall presently point to the reasons for their insertion here.

The provision to be found under paragraph (d) reproduces provisions of the 1900 Organic Act which were continued under Section 58 of the 1917 Organic Act; also a related provision to be found in Section 9 of the Federal Relations Act.

An important modification is made. At present, articles of merchandise of Puerto Rican manufacture coming into the United States for consumption or sale, enter the mainland market subject to a tax burden equal to that of like articles produced in the mainland, by virtue of the levying and collecting of a tax equal to that imposed under the internal revenue laws on like articles of United States domestic manufacture. This means rum and cigars under United States Treasury interpretation. The proceeds are covered into the Treasury of the Commonwealth of Puerto Rico. Under paragraph (d) the Commonwealth would instead collect itself a tax not higher than that collected under Commonwealth law on the same products when consumed in Puerto Rico. This tax is lower than that collected on the like articles in the mainland under the United States internal revenue code. But an additional tax would then be collected by the United States Treasury on such articles, equal to the difference between the amount of tax paid in Puerto Rico.
before shipment and the amount of tax collected in the mainland on the like articles of mainland manufacture and this additional tax would be covered into the United States Treasury. To illustrate: rum produced in Puerto Rico and consumed in Puerto Rico is subject to a Puerto Rico tax of $6.00 per gallon, which is covered into the Treasury of Puerto Rico. Rum produced in Puerto Rico for transportation and sale in the mainland, is subject to a Federal tax of $10.50 (equal to that levied on whiskey in the mainland) and the proceeds are also covered into the Treasury of Puerto Rico. With the adoption of Article III, (d) Puerto Rico would collect on the rum shipped from Puerto Rico to the mainland $6.00 per gallon or less, while an additional $4.50 or more would be collected by and covered into the United States Treasury. The language allows the Commonwealth of Puerto Rico to collect a lower tax on rum shipped to the mainland than on rum consumed in Puerto Rico, in which case the Federal tax would automatically and correspondingly increase. Thus the amount covered into the United States Treasury may be made gradually higher.

I may say now, Mr. Chairman, that we in Puerto Rico believe that we should not be so proud as not to accept help when in need, but that with a sense of responsibility, and of self respect, when the time arrives that we can assume greater responsibilities by ourselves, we should assume them, even if we may have to tighten our belts an inch or so. So, with this proposal we intend to give up part of the rum tax we are now getting. The Secretary of the Treasury may give us the figures as to which it means to our Treasury. I will come back to this philosophy again a little later, when we come to Article VI.

Paragraph (e) of Article III merely reproduces the present provisions of the Federal income tax laws as they now apply concerning Puerto Rico.
According to the established principle, the tax laws of the United States do not apply in Puerto Rico upon income of residents of Puerto Rico derived from sources within Puerto Rico, but when it comes to incomes derived by residents of Puerto Rico from sources outside of Puerto Rico, be it the mainland or a foreign country, the Federal income tax should be paid on that outside income.

Paragraph (d) has been inserted to make sure that the taxes incident to social security laws of the United States may be made applicable to Puerto Rico without conflict with the general principle that Federal tax laws do not apply in Puerto Rico. As you know, social security laws except unemployment insurance, now apply in Puerto Rico and the accompanying taxes are therefore collected. There is a bill pending in Congress for the inclusion of Puerto Rico in the Federal unemployment insurance system.

Paragraph (g) reproduces the provision now to be found in Section 9 of the Federal Relations Act to the effect that the internal revenue laws of the United States shall not apply in Puerto Rico, with the above exceptions.

The other paragraphs reenact extant provisions of law.

Section 4 of the Federal Relations Act of Puerto Rico was one of those repealed by Public Law 600. Advantage has been taken of this vacant section of the Federal Relations Act to insert, in the interest of logical sequence, provisions that have been in effect since their adoption as part of the Organic Act of 1900, and that were continued, as before said, by Section 58 of the Federal Relations Act.

Article IV therefore provides that all merchandise and articles coming into the United States from Puerto Rico and coming to Puerto Rico from the United States shall be entered at the several ports of entry free
of duty. For purposes of clarification, language has been added to the effect that besides freedom from custom duties, the interchange of merchandise between Puerto Rico and the mainland shall be carried out, not only free of customs duties, but of quantitative restrictions other than those heretofore imposed and now applicable, or that would be applicable in interstate trade. Implicit special reference is thus made to the present provisions of the Sugar Act, which restricts the amount of refined sugar which Puerto Rico, within its overall sugar quota, may ship to the United States. In passing, let me say that this restriction on refined sugar means a great loss to our economy. The figures I have been furnished go beyond $20,000,000 a year.

The paragraph which begins in line 12, page 7, refers to foreign products imported into Puerto Rico subject to a lower duty than like products imported into the United States. The reason for this provision is to be found in paragraph (b). Paragraph (b) provides, as is the law at present, that all articles imported into Puerto Rico from ports other than those of the United States, shall be the same as those required by law to be collected upon articles imported into the United States from foreign countries. As to this there is no change. However, it is provided that such rates may be modified, as Congress may provide, at the request of the Commonwealth of Puerto Rico.

Thus Article IV would leave room for Congress to make at the request of Puerto Rico other exceptions than coffee in the uniform application of tariff rates in Puerto Rico as compared with the United States. The provision on coffee has allowed for the protection of coffee producers in Puerto Rico. The proposed provision may allow for the relief of the
consumers in Puerto Rico or may help in our industrialization efforts.
The matter is left to the ultimate decision of Congress. The purpose is
to allow flexibility to adjust the tariffs as applied in Puerto Rico to the
special needs in Puerto Rico without prejudice to the fundamental principles
of free trade between mainland and Puerto Rico and due reciprocal protection
to the merchandise going from an area into the other area.

The provision concerning coffee to be found in (b) is just a
reproduction of the present provision of law above referred to.

Paragraphs (c) and (d) substantially reproduce present provisions,
to be found in the 1900 Organic Act, with a change in procedure. At present,
the proceeds of the collections in customs on Puerto Rico, are not, as the
1900 law provides, actually paid into the Treasury of Puerto Rico but are
covered into a special fund; administrative expenses are paid out of this
fund and the remaining amount is then covered into the Treasury of Puerto
Rico. Under the proposed procedure collections would be paid into the
Commonwealth fund as they are collected while the United States Treasury
Department would have at its disposal from the very beginning of the year,
the full amount estimated by the Secretary of the Treasury of the United
States to be necessary to defray all the administrative expenses during
that year.

Paragraph (f) authorizes the President under applicable Federal
law, to negotiate trade and commercial agreements with special provisions
for Puerto Rico. Since flexibility is contemplated in the application of
tariff rates in Puerto Rico, these provisions concerning reciprocal
agreements are a logical consequence, so that decreases in the rates made
for Puerto Rico may be also compensated by reciprocal concessions made on
behalf of Puerto Rico.
Section 5 of the Puerto Rican Federal Relations Act becomes Article V. Technical modifications and corrections are made whose explanation I leave to the Secretary of Justice.

Section 6 of the Federal Relations Act at present contains language which has become obsolete and unnecessary, since the creation of the Commonwealth. It is obvious that the Commonwealth must take care of its own expenses, and the Federal Government pays the expenses it incurs in Puerto Rico. However, following the same philosophy underlining the changes previously discussed relative to the tax on articles shipped from Puerto Rico to the United States, language has been inserted providing that the Commonwealth may reimburse the Federal Government for expenses incurred in Puerto Rico in the conduct of offices and agencies. As the economy of Puerto Rico develops, it is proper that Puerto Rico may gradually assume the burden of such expenses. I may say that a precedent has already been established. The expenses of the Alcohol and Tobacco Tax Unit of the Treasury Department operating in Puerto Rico are now deducted from the funds collected as taxes paid on rum shipped to the United States, with the express consent of Puerto Rico. This precedent may be progressively followed.

Article VI further provides that the Government of the United States may, under such conditions as may be prescribed by law of the Congress, delegate or transfer Federal functions or services to the Government of the Commonwealth. There are already precedents for this. For many years the State Department has delegated to the Government of Puerto Rico the issuing of passports, a very convenient arrangement for the inhabitants of Puerto Rico; again, the Harrison Act, which regulates the selling and prescribing of narcotics has always been enforced by the Secretary of the Treasury of Puerto Rico. The Commonwealth pays all expenses of enforcement while violations of law are, of course, taken before the United States District Court.
Section 7 of the Organic Act of 1917 placed the public domain of Puerto Rico under the control of the Government of Puerto Rico, to be administered for the benefit of the people of Puerto Rico. Paragraph (a) of Article VII brings this matter into proper perspective since the creation of the Commonwealth.

Paragraph (c) of Article VII has no counterpart in Section 7 of the Federal Relations Act. In this connection it may be remembered that the size of Puerto Rico is only 3,500 square miles, while the population is now about 2,300,000; half our land is not arable; land therefore, is very valuable in Puerto Rico. It goes without saying that there can be no question that whatever land is needed in Puerto Rico for the purposes of the Federal Government, should be made available to the Federal Government, specially in matters of defense. But it stands to reason that while all land that may be necessary for the use of the Federal Government should be made available, any land held by the Federal Government which ceases to be necessary for federal use and which may be dispensed with by the Federal Government should, in the interest of the economy, be put to use by the Commonwealth or private individuals as the case may be. In order to make a determination as to the present situation and what may be done either by the Congress or the President in the interest of the best use of such property, paragraph (c) provides for a report to be rendered to the President and to the Congress as to present federal holdings.

Section 8 of the Federal Relations Act refers to harbor areas and navigable streams. Article VIII of H.R. 9234 reenacts Section 8 with clarifying changes in view of the creation of the Commonwealth.

Section 9 of the Federal Relations Act provides that the statutory laws of the United States shall have the same force and effect in Puerto Rico
as in the United States, with three exceptions: (1) laws which are locally inapplicable, (2) where the Federal Relations Act itself provides otherwise, and (3) the United States internal revenue laws. Article IX of the bill under consideration states the same principles in more precise language. It makes clear that the federal government has and may exercise the same power in Puerto Rico as in any State of the Union except for the special provision on fiscal matters; that with that exception the statutory laws of the United States have full force and effect in Puerto Rico to the same extent than in any State. It is emphasized that for such laws to apply in Puerto Rico there is no necessity of specific consent by Puerto Rico. It is also clarified however, that were the Congress to exercise other powers of legislation, the laws so enacted would have force and effect if consented to by the Commonwealth of Puerto Rico.

Paragraph (b) of Article IX makes further clarifications concerning laws already enacted. It is expressly stated that such laws will continue to have force and effect in Puerto Rico equally as if Puerto Rico were a member State of the Federal Union, except, of course, insofar as they may be in conflict with the Articles of Association themselves.

As to prospective laws, (c) requires express mention of Puerto Rico for their application therein. A similar provision to that is to be found in the Guam Organic Act. This practice will avoid uncertainties as to the intention of Congress as to their application or non application in Puerto Rico of United States laws hereafter enacted.

Section 10 is reenacted leaving out, however, obsolete language; it becomes Article X. It refers to the oath to be taken by public officials.
Section 11 of the Federal Relations Act is obsolete and therefore repealed. Since the proclamation of the Commonwealth no reports are required by law to be made by the Governor or heads of departments to officials of the Federal government.

I shall pause here to point out that the sections of the old Organic Act from and including Section 12 through Section 35 were repealed upon the Constitution of Puerto Rico becoming effective. So, the next section in the Federal Relations Act to be considered is Section 36, which becomes Article XI in the present bill.

Section 36 in the Federal Relations Act and Article XI in the new bill refer to the Resident Commissioner. The language has been redrafted and four changes are made. (1) The title of the "Resident Commissioner" is shortened to that of just "Commissioner". (2) Since under present law recognition is to be given to the Commissioner by all departments of the United States Government, but his position in the House of Representatives is determined by a rule of the House, it has seemed proper that the rule be made a part of these Articles. (3) The Resident Commissioner is now required to present his certificate of election to the United States State Department. This is an obsolete procedure. It is proposed instead that the election of the Resident Commissioner be certified by the Governor of Puerto Rico to the President of the United States and to the presiding officers of the House of Representatives of the Congress of the United States. (4) In the case of vacancy, the Federal Relations Act now provides that the Commissioner be appointed by the Governor with the advice and consent of the Senate of the Commonwealth. Paragraph (d) provides that the vacancy be filled as determined by the Constitution or laws of the
Commonwealth. This would permit special elections to fill vacancies, instead of filling them only by appointment.

Section 37 in the Federal Relations Act becomes Article XII in the bill before us. The present language of Section 37 is rather obsolete. The new language is precise and clear. It may be seen that while Article IX defines federal powers, Article XII defines Commonwealth powers. A perfect balance is thus established.

Section 38 in the Federal Relations Act refers to the Interstate Commerce Act. This provision is considered obsolete and unnecessary.

The next sections of the Puerto Rican Federal Relations Act, Sections 41, 42, 44 and 48 refer to judicial matters. They are all condensed into two articles; Article XIII and Article XIV.

In Article XIII an innovation is proposed in the interest of justice. It is provided that the presiding judge may, with the consent of the parties, authorize trials or proceedings to be conducted in the Spanish language.

There is a large percentage of people in Puerto Rico who master the English language, but there is a large percentage who do not. This means that many people may not act as jurors at all because of their inability to speak the English language. It also means that in the case of a defendant who does not master the English language, the proceedings, while conducted in the English language, require continuous translation by a court interpreter, a tedious and time consuming process. The number of lawyers who may appear before the Court tends to be limited to those with full command of the English language. In spite of the on the spot translation, as perfect as it may be, it is easy to understand how there may be a language barrier between defendants and jury. However, the provision is optional, at the
discretion of the judge if agreement between the parties. The purpose then is to bring justice closer to all the people.

Article XIV provides for the revision of final judgments or decrees of the highest court of the Commonwealth of Puerto Rico, in which a decision could be had by the Supreme Court of the United States in like manner as with reference to the decisions of the highest courts of the several States. This would equal the Commonwealth of Puerto Rico in this respect with the States of the Union.

Article XV of the new bill takes care of a situation which has developed since the inception of the Commonwealth. In a number of cases, laws which, in accordance with the Federal Relations Act, would not apply in Puerto Rico have been made applicable by the Congress with the consent of the Commonwealth. Such was the case with the amended Harrison Act recently adopted, with the provisions concerning industrial alcohol to be found in the United States Internal Revenue Code and with provisions to levy the sugar processing tax. Article XV would make clear the validity of such laws unquestionable.

Now we come to Article XVI. In accordance with the philosophy of the Commonwealth status, Puerto Rico shall have a similar position in the exercise of governmental powers as a State of the Union, and the Federal Government shall exercise in Puerto Rico essentially the same powers as in regard to a State, with two main differences: (1) the special provision concerning fiscal matters, (2) the fact that the citizens of Puerto Rico, although subject to Federal law as if they were citizens of a State, do not participate in the exercise of federal powers through their participating in the election of the President, the Vicepresident and the corresponding members of both Houses of Congress.
The provisions concerning fiscal matters are predicated on two fundamental considerations: (1) a matter of principle: there should be no taxation without representation, (2) Puerto Rico cannot afford to assume the obligations of Federal taxation as a State.

However, the fact is that not only is Puerto Rico outside the field of federal taxation, but it receives the benefits of the operation of the Federal Government agencies in Puerto Rico, in charge of important governmental functions, whose expenses are borne not by the taxpayers in Puerto Rico, but by the taxpayers in the mainland. Following the same philosophy as with Article III, according to which Puerto Rico would be giving up some revenues it now receives, and with Article VI, whereby the Commonwealth may reimburse the Federal Government for its expenses in Puerto Rico, it is envisioned that the time may come when the circumstances justifying special fiscal and economic treatment for Puerto Rico may have disappeared.

This would leave only matters of principle. Article XVI provides therefore, that the fiscal provisions of the compact, under certain conditions, shall be open to revision by the Congress, giving due consideration to such proposals as the people of Puerto Rico may make. Since matters of an economic and fiscal nature are almost inextricably intertwined with matters of a political nature and because matters of principle become involved, the revision of the fiscal relations would, of necessity, call for the re-examination of the basic terms of association. Thus consideration would also be given to such proposals of this nature as the people of Puerto Rico, in a plebiscite, may wish to present to the Congress.

We must assume that it is a common endeavor that the framework of the relations between the Commonwealth of Puerto Rico and the Federal Government should always be equitable and just; that they should always be
based on the sound and fair principle of government by consent. On the other hand, it would be idle to anticipate what those relations should be in the circumstances of an envisioned but yet imprecise future. The problem is not to be solved by this generation. It is not this generation's responsibility. It is not this generation's authority and power to determine about this problem. Therefore, Article XVI merely points to it and provides for its proper attention.

As I stated at the beginning of my statement, the Articles of Permanent Association now proposed are predicated on the assumption that Puerto Rico has decided permanently to live in association with the United States; that while the terms of association may change, the fact of association will remain. Article XVI, I repeat, is predicated on that assumption.

Needless to say, at such time as the Legislative Assembly of Puerto Rico might call the people to a plebiscite to determine what proposals were to be made to the Congress, nothing would preclude the Legislative Assembly of Puerto Rico from including among the formulas submitted to the people, not only possible modifications to the terms of association itself, but other formulas of political relationship than that of association. This could include, of course, admission into the Union; conceivably, but most unlikely, it might include even independence.

By the same token I should say that Article XVI is not intended to preclude the possibility that at any time before the attainment of the economic level therein set forth, Puerto Rico, under its own laws, may hold a plebiscite on the question of its political status or any other matter it may wish to submit to the referendum of the people. Finally, may I point to the fact that Article XVI is not mandatory either on the Congress or on the people of Puerto Rico.
Article XVI therefore, represents the projection of a line of thought which begins with Article III, which is developed in Article VI, and terminates in Article XVI. The three of them express the thought that while association has been adopted as the most convenient manner of relationship between Puerto Rico and the United States, the terms of association may change with time, meeting the needs and problems of those times and that problems which may arise in the future, will find a normal way to be met and solved.

Mr. Chairman, I apologize to the Committee for the extent of my testimony. The nature and importance of the question I bring before you has made it unavoidable.

I believe that the adoption of the philosophy of association, and the consequent creation of the Commonwealth of Puerto Rico, a vexing problem which for many years appeared to be insoluble has been solved, within the circumstances in which it had to be solved. I believe that credit belongs, therefore, to the United States and Puerto Rico.

In adopting H.R. 9234 we would be perfecting what we created from 1950 to 1952. We would be adopting ways and means by which future problems can be met in the same satisfactory, peaceful, friendly, fraternal manner that the first step in the solution of the whole question was taken in 1950.

A final word: I have introduced this bill, as I said at the beginning, following the adoption by the Legislative Assembly of Puerto Rico of a Joint Resolution calling for its introduction. The Joint Resolution was duly approved by the Governor of Puerto Rico. In a representative democracy, the elected representatives of the people must, in matters of import, speak in behalf of the people, in accordance
with the people's mandate. This is what we have done and are trying to do. Proposals which the people endorse at the polls become a mandate on their elected representatives, for it was on the strength of their pledge to support such proposals that they were elected.

H.R. 9234 represents, therefore, a proposal made in the name and as the result of a clear decision of the people. The matter now rests with the Congress of the United States. And if there were any doubt as to this bill representing the wishes of the people and having their approval, I am sure it would be completely dispelled upon its submission to them, in referendum, as provided in Section 3 of the bill.

I feel certain that at such referendum the people would approve these proposals as overwhelmingly as they approved Public Law 600 of the 81st Congress in the referendum of 1951.