STATEMENT BY THE HONORABLE ANTONIO FERNOS ISERN,
UNITED STATES SPECIAL REPRESENTATIVE IN COMMITTEE 4
ON PUERTO RICO

(Translation from original statement delivered in Spanish)

The Commonwealth of Puerto Rico was established on July 25, 1952.

The people of Puerto Rico took the following steps in arriving at their present status:

1. In the general elections of November 1948, the people categorically and unequivocally placed their trust in the party whose platform proposed the political status now achieved by the people of Puerto Rico. In so doing, the people rejected the programs of two political parties which did propose and still propose, respectively, complete separation from the United States and integration into the federal union of the United States.

2. On March 13, 1950, the Resident Commissioner of Puerto Rico in the United States, elected to office as a candidate of the party that received the majority support of the electorate on the basis of its program, introduced in the Congress of the United States a bill, H.R. 7674, to establish the status decided upon by the people of Puerto Rico.

3. Upon enactment of this legislation (Public Law 600 of 1950) by the Congress of the United States during that session, the people of Puerto Rico accepted, in a referendum held on June 4, 1951, the terms of compact embodied in the above-mentioned law which set forth the basis for the political organization of the people of Puerto Rico.

4. On August 27, 1951, the delegates to a Constitutional Convention met for the purpose of drafting the Constitution of the Commonwealth of Puerto Rico, were elected. This election was held in accordance with the laws of Puerto Rico.

5. The Constitution approved by the Constitutional Convention was ratified by the people of Puerto Rico on March 3, 1952.

6. On July 3, 1952, the Congress of the United States approved the Joint Resolution (Public Law 447 of 1952) which ratified the Constitution of Puerto Rico, such ratification subject to the acceptance by the Constitutional Convention of Puerto Rico of certain stipulations which were to be submitted to said Constitutional Convention for approval or rejection.
7. Subsequently, the Constitutional Convention approved the stipulations set forth by the Congress.

8. On July 25, 1952 the Governor of Puerto Rico proclaimed the Constitution of the Commonwealth of Puerto Rico. By the terms of its Constitution, the Commonwealth of Puerto Rico is an estado libre asociado. It is, therefore, a state, duly constituted by the people of Puerto Rico in their own territory in the exercise of their natural right. It is so declared by the Constitution, which establishes a republican form of government.

The Commonwealth of Puerto Rico is a free state inasmuch as it is not subject to any superior authority. While it functions in accordance with the terms of a political and economic compact solemnly entered into with the United States of America, its authority emanates from the sovereignty of the people of Puerto Rico. The executive, legislative and judicial powers are exclusively responsible to the people of Puerto Rico.

The Commonwealth of Puerto Rico is a state associated with the United States by virtue of the fact that the people of Puerto Rico, upon constituting itself as a Commonwealth, agreed that the exercise of certain aspects of political authority, with corresponding responsibilities, remain with the government of the United States.

These powers and responsibilities are, generally speaking, those which the people of the United States delegated to the Federal Government created under the Constitution of the United States, and which are not reserved to the member states of the Federal Union. However, the Federal Government does not have, as in the case of the states of the Union, the power to tax the inhabitants of Puerto Rico. Puerto Rico is not a constitutional part of the Federal Union, but is associated to the Union by virtue of a bilateral compact.

STRUCTURE OF THE COMMONWEALTH

The Commonwealth functions by virtue of its own Constitution within the framework of its political and economic association with the United States in accordance with the provisions of the compact upon which the association is formed. The Constitution of the Commonwealth of Puerto Rico proclaims the political sovereignty of the people of Puerto Rico. This Constitution and the terms of the association have been each sanctioned by the people of Puerto Rico in referenda and ratified by the Congress of the United States (Public Law 600 of the 81st Congress and Public Law 447 of the 82nd Congress).

The nature of the Commonwealth of Puerto Rico is profoundly democratic. Universal suffrage is guaranteed to both men and women under the Constitution and there are no requirements with respect to property or literacy. The ballot is secret. General elections are held every four years. Representation in the legislative body is assured to all minority parties on a quasi-proportional basis. The legislative, executive and judicial powers are completely independent of each other, and responsible only to the people of Puerto Rico. The Chief Executive may be impeached by the legislative power.

The Constitution fully guarantees freedom of speech and press; protects citizens against invasion of their right to privacy; establishes trial by jury in all felony cases, as well as the right of habeas corpus; guarantees the right to life, to property and liberty of which no one may be deprived without due process of law.
ASSOCIATION WITH THE UNITED STATES

The specific terms of the association between the Commonwealth of Puerto Rico and the United States are embodied in the Puerto Rican Federal Relations Act as established by the compact.

Provisions of law which originally were enacted by unilateral action of the Congress of the United States and which Puerto Rico wished to preserve, now became by virtue of the compact, bilateral stipulations forming the association between Puerto Rico and the United States. Such provisions are the framework of political and economic relations within which the Commonwealth of Puerto Rico exists. Naturally, since the Puerto Rican Federal Relations Act is a part of the compact, it cannot be amended except by mutual agreement between the people of Puerto Rico and the United States. As stated a few moments ago by my Congressional colleague, Mrs. Bolton, the United States Federal Courts have tested this principle and upheld it.

TERMS OF POLITICAL UNION

The following are the fundamental aspects of the political union between the United States and Puerto Rico:

1) The privileges and immunities of citizens of the United States will be respected in Puerto Rico in the same manner as if Puerto Rico were a member state of the Federal Union and subject to the provisions of the first paragraph of Section two of Article IV of the Constitution of the United States, which reads as follows: "The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States."

2) The citizens of Puerto Rico are citizens of the United States.

United States citizenship, with which Puerto Ricans are invested, as interpreted by the Supreme Court of the United States, means:

a. that for international purposes the citizens of Puerto Rico are citizens of the United States;

b. that a Puerto Rican citizen can freely enter the United States with all constitutional guarantees relating thereto upon acquiring residence in a state of the Union he automatically becomes a citizen of the state within which he resides enjoying all the rights and privileges relating thereto.


4) All the public domain including ports, navigable waterways, submerged lands, and adjacent islands and waters are under the control of the people of Puerto Rico and therefore of the Commonwealth of Puerto Rico, except for certain old fortifications originally belonging to the Spanish Crown which were reserved in 1900 for use by the Federal Government and other Federal property acquired through purchases.

5) The Commonwealth of Puerto Rico exercises complete authority over its internal affairs. On the other hand, the functions of the United States Government in Puerto Rico are subject to the same constitutional limitations as in the states of the Union. The Congress of the United States has therefore agreed that Puerto Rico will be free of control or intervention in its internal affairs.

Furthermore, Puerto Rico is exempted from: 1) United States laws locally inapplicable, which of course includes laws contrary to the terms of the compact; 2) and expressly, United States tax laws.

6) Puerto Rico freely elects a Resident Commissioner to the United States. The Resident Commissioner enjoys the without vote in the House of Representatives.
The principal provisions for economic union between Puerto Rico and the United States, most of which provisions were originally established in 1900 and upon which the economy of Puerto Rico is based are the following:

1. Foreign products entering Puerto Rico pay the same customs duty as paid upon entry into the continental United States. The sole exception to this rule is coffee which enters duty-free into the continental United States but which is subject to customs duty in Puerto Rico in order to protect Puerto Rican coffee in the local market. Customs duties collected in Puerto Rico are covered into the Treasury of Puerto Rico.

2. There are no customs duties between Puerto Rico and the United States.

3. While products of the United States exported to Puerto Rico are free from internal revenue taxes in the United States, they are subject in Puerto Rico to the same taxes as apply to Puerto Rican products under the laws of Puerto Rico. These taxes are paid into the Commonwealth Treasury. For instance, in the United States, cigarettes are subject to a federal internal revenue tax of 8 cents per package, but when exported for consumption in Puerto Rico they are exempt from the federal tax. The Commonwealth of Puerto Rico imposes and collects its own revenue tax on these cigarettes and the proceeds of such taxes are paid into the Commonwealth Treasury.

4. On the other hand, the products of Puerto Rico exported to the United States, before leaving Puerto Rico, are subject to a countervailing tax equal to taxes imposed in the United States upon the same domestic products of the United States. The proceeds of these taxes are paid into the Treasury of Puerto Rico. Such tax on rum exported from Puerto Rico to the United States mainland during the last 15 years has amounted to a revenue of $261,000,000 covered into the Treasury of Puerto Rico.

5. The United States Government collects a processing tax on sugar refined in Puerto Rico equal to the tax collected in the continental United States on domestically refined sugar. This processing tax is paid into the Federal Treasury but the Federal Treasury pays to Puerto Rican sugar cane growers a subsidy for each hundredweight of sugar produced in Puerto Rico, the same as paid in the United States. Puerto Rico receives in this operation benefits amounting to $15,000,000 each year.

Within the system of marketing quotas to which domestic and imported sugar is subject in the United States, Puerto Rico has a sugar quota which is higher than that of any other domestic region, except the beet producing area which comprises not less than eight states of the Union.

6. The United States Social Security system is extended to Puerto Rico except for unemployment insurance provisions. Since Social Security is based on payments made both by employers and workers, and because of the principle that Puerto Rico is not subject to federal taxation, it was left to the legislature of Puerto Rico to accept or reject the extension of the United States Social Security system. The Legislature of Puerto Rico approved participation of Puerto Rico in the system.
7. All operating expenses of the United States Government services in Puerto Rico, including defense, are paid by the Treasury of the United States. The expense of the National Guard of Puerto Rico while in the service of the state, is shared by the Commonwealth and the Federal Government. When National Guard goes into federal service — its expenses are borne exclusively by the Federal Treasury.

8. Laws providing economic cooperation between the Federal Government and the States of the Union for the construction of roads, schools, public health services, school lunchroom services, credit and employment service, public housing, etc., are extended to Puerto Rico. All such joint programs, operating with the financial aid of the Federal Government, are administered by the Commonwealth government. Commonwealth Government bond issues are exempted from all taxes in the United States.

AMENDMENTS TO THE CONSTITUTION

Amendments to the Constitution of Puerto Rico may be adopted only by the people of Puerto Rico. They are not subject to subsequent approval by the United States Congress.

ERRONEOUS INTERPRETATIONS

A minority political party, the Independence Party, maintains that Puerto Rico has not yet achieved a full measure of self-government. According to its interpretation, the Congress of the United States retains the following powers:

1.) The power to revoke or amend unilaterally the Constitution of the Commonwealth.

2.) The power to repeal or unilaterally amend Law 600 and the Puerto Rican Federal Relations Act, upon which the compact between the two peoples rests.

3.) The power to repeal, amend or suspend any law approved by the Legislative Assembly of Puerto Rico.

4.) The power to enact legislation concerning the internal as well as the external affairs of Puerto Rico, without restriction.

Obviously, this is a mistaken interpretation. It is also obvious that those who hold this view lack the necessary political or juridical authority to propound it. Only the people of Puerto Rico and the government of the United States have effective authority to interpret the compact. The Independence Party has consistently held to its thesis throughout the referenda held to approve the Constitution and the Compact, and again during the general elections of 1952. The Constitutional Assembly as well as the Puerto Rico electorate decisively rejected the Independence Party's position.

Contrary to the position taken by the Independence Party, as well as that held by the nationalist and communist groups, the people of Puerto Rico hold that the Constitution and the laws of the Commonwealth can be amended, suspended or repealed only by their authority and that the compact between the United States and Puerto Rico can only be amended or repealed by mutual consent. As in the case of the states of the Union, Congress does not have the power to enact legislation relative to affairs in Puerto Rico. These powers, according to the
provisions of the compact, rest solely with the sovereignty of the people of Puerto Rico. In regard to external matters, the Congress of the United States is subject, in the case of Puerto Rico, to the same constitutional restrictions which limit its functions with respect to the states of the Federal Union. This is also the understanding of the government of the United States of America.

DYNAMICS OF THE COMMONWEALTH OF PUERTO RICO

Since the political authority of the Commonwealth with reference to the internal affairs of the people of Puerto Rico has no other limitatitations than that imposed upon it by its own Constitution which emanated from the will of the people, the government of the Commonwealth of Puerto Rico has complete authority to deal with all its fundamental problems be they economic, social or cultural. As an example, the task of breaking up large corporate land holdings and of reducing absentee land ownership, which was started under Federal legislation prior to the foundation of the Commonwealth, still continues under the laws of Puerto Rico.

Similarly, the Commonwealth by virtue of its full authority has taken the initiative in the field of public education. A realistic educational policy has been set up whereby Spanish is retained as the teaching medium in the schools, thus preserving Puerto Rico's cultural traditions. However, English has been added as a necessary tool essential to the full development of all aspects of Puerto Rican life.

The index of Puerto Rico's development in the field of labor legislation is found in the enactment of unemployment insurance for sugar cane workers and the minimum wage law.

All this legislative effort is an expression of Puerto Rico's own particular policies. These laws have been adopted by the people of the Commonwealth in the exercise of their own exclusive authority and responsibility in this field.

Thus the Commonwealth of Puerto Rico, its citizens free from taxes payable to the Federal Treasury, receiving the cooperation from the United States Government for social, economic and educational purposes, without any limitation placed upon its autonomy, can make use of all of its resources for social, economic and cultural development programs, in accordance with its own policies and on the basis of its own philosophy of government.

The cardinal principle of its association with the United States is that of compact whose provisions can be changed, but only bilaterally, by mutual consent, so that Puerto Rico's relationships with the United States may always result in mutually satisfactory conditions.

Puerto Rico's political life embodies the substance of true sovereignty. Government stems entirely from free decisions of the people through the ballot, and is based on a Constitution drafted and approved by the people themselves, which can only be altered by the people. The planning for the country's social and economic development is made possible by the Commonwealth governments' full authority over the tax-paying potential of its citizens. Transformation into an industrial society with a high living standard becomes possible because of its free access to the world's richest consumer market. With the United States having recognized that its relationships with Puerto Rico are based upon free determination and the principle of mutual consent,
the way is open for future manifestations of the will of the people of Puerto Rico as it may find expression in the exercise of the democratic process of the ballot.

The Commonwealth of Puerto Rico, the result of a people's creativeness, brings before the international community a new form of political relationship, a new kind of association between people. Thus the last vestige of colonialism has disappeared in Puerto Rico. And thus a people of America have entered upon the enjoyment of freedom in harmony with their cultural values, their economic needs and the imperatives of social justice.

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