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SCHEDULE JAMES M. CANNON Assistant to the President for Domestic Affairs

> March 1, 1976 MONDAY

8:00 Senior Staff Meeting

(No EPB Meeting)

SIGNING CEREMONY/EDUCATION MESSAGE 11:15

MEETING WITH THE PRESIDENT ON ELK HILLS 2:30 **Oval** Office

Depart for Capitol Hill 3:00

3:15 MEETING WITH CONGRESSMAN PHILIP BURTON with Max Friedersdorf Room 1518 Longworth Building

### THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR:

MAX FRIEDERSDORF

Les Janka

FROM:

SUBJECT:

Burton Bill on Puerto Rico

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This bill is only marginally within the competence of the NSC. It is primarily a Domestic Council matter.

There is an Interagency Task Force, of which the NSC is a member, now studying the Puerto Rican Compact proposal and associated legislation. A coordinated, approved Administration position is not expected until June.

	(Original signature of Member)
<b></b>	CONGRESS LID
61	SESSION HALLS
	IN THE HOUSE OF REPRESENTATIVES
Mr.	
	to the Committee on
	A BILI.
	(Insert title of bill here)
	To approve the Compact of Permanent Union Between Puerto
	Rico and the United States.
1	Be it enacted by the Senate and House of Representatives of the United
2	States of America in Congress assembled,
3	Be it enacted by the Senate and House of Representatives
4	of the United States of America in Congress assembled,
5	That the Congress hereby approves the following compact:
6	"COMPACT OF PERMANENT UNIO BETWEEN PUERTO RICO
	AND THE UNITED STATES
7	"1. The Free Associated State of Puerto Rico
7 <sub>.</sub> 8	
	"The people of Puerto Rico constitute an autonomous
8 9	
8 9	"The people of Puerto Rico constitute an autonomous body politic organized by their own, free and sovereign
8	

will and in common agreement with the United States under the
 juridical structure and official name of the Free Associated
 State of Puerto Rico, hereinafter referred to as Puerto Rico.

The people of Puerto Rico, a cultural community of
Hispanic language and tradition, citizens of the United States
as well as citizens of Puerto Rico, have repeatedly affirmed
in their Constitutional Convention, in referendums and in a
plebiscite specifically held to that effect--their purpose to
live in permanent union with the United States upon mutually
satisfactory and just bases.

11 "In fulfillment of the terms of that plebiscite and subject to the approval of the Congress of the United States and the 12 ratification in referendum by the people of Puerto Rico, it is 13 14 hereby agreed to reaffirm, to consolidate and to improve the relationship already established, by means of this Compact of 15 16 Permanent Union between Puerto Rico and the United States. 17 In keeping with the above the people of Puerto Rico reaffirm 18 their commitment to the democratic way of life, the republican 19 form of government and their respect for human values as 20 embodied in the bill of rights of the Constitution of the United 21 States and the Constitution of Puerto Rico.

1 "2. Jurisdiction and Authority of Puerto Rico "a. Puerto Rico has jurisdiction over the population and 2 2 Island of Puerto Rico, its territorial seas, as now or as hereafter 3 defined, and the population, islands and territorial seas adjacent 4 to Puerto Rico. 5 "b. The right of the people of Puerto Rico to govern themselves according to their own Constitution and laws, and 6 7 to make a compact with the United States is hereby recognized. "c. In the exercise of the above rights and powers, the 8 9 people of Puerto Rico now propose: 10 "1. To agree with the United States upon the principles, provisions, and procedures set forth in this Compact; 11 "2. To agree upon the exercise by the United States 12 of the authority and powers specified in this Compact; 13 "3. To reserve all other political and governmental 14 15 authority to Puerto Rico or to the people of Puerto Rico; "4. To recognize the Supreme Court of the United 16 17 States as the final adjudicator of this Compact, including the decision whether the laws of the United States or the 18 19 laws of Puerto Rico conform to this Compact and to the 20 applicable provisions of the Constitution of the United 21 States.

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	4
1	"d. The United States will have responsibility for and
2	authority with respect to foreign affairs and defense affecting
3	Puerto Rico. Puerto Rico may make educational, cultural, health,
. 4	sporting, professional, industrial, agricultural, financial,
5	commercial, scientific, or technical agreements with other
6	countries consistent with the responsibilities and authority of
7	the United States. Puerto Rico may participate in international
8	organizations in such capacity as may be agreed upon by the
. 9	President of the United States and the Governor of Puerto Rico.
10	"3. Common CitizenshipIts Rights and Duties
11	"All persons born in Puerto Rico are citizens of the
12	United States and have all the rights, privileges and immunities
13	inherent in that citizenship as well as duties pertinent thereto.
14	While residing in Puerto Rico, they shall also enjoy all the
15	rights, privileges and immunities, and shall have all the duties
16	which the Constitution and laws of Puerto Rico confer and impose
17	on its citizens. In case of a change of residence to any state
18	or other jurisdiction of the United States, the citizens of Puerto
19	Rico shall have in addition to their rights and duties as citizens
20	of the United States, all the rights, privileges and immunities,
21	as well as the duties of citizenship established by the Constitu-

tion and laws of that state or jurisdiction. Likewise, any citizen
 of the United States who changes his residence to Puerto Rico
 shall, in addition to his rights and duties as a citizen of the
 United States, acquire all the rights, privileges and immunities
 as well as the duties established by the Constitution and laws
 of Puerto Rico.

7

# "4. Security and Common Defense

8 "Laws of the United States relating to defense and na-9 tional security shall apply to Puerto Rico in accordance with 10 their terms. The President and the Governor will consult and 11 cooperate to facilitate objectives of defense and national 12 security.

14 500

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"5. Currency

"The currency of the United States shall be the exclusive currency of Puerto Rico. The laws of the United States
relating to currency, coinage, gold and silver shall apply to
Puerto Rico, in accordance with their terms.

18

"6. Common Market

19 "a. Economic, trade and commercial relations between
20 the United States and Puerto Rico shall be conducted within the
21 framework of the common market between the United States and

1 ' Puerto Rico.

Puerto Rico shall not impose tariffs or duties of any
kind on articles imported into Puerto Rico from the United
States, nor shall the United States impose tariffs or duties
of any kind on articles imported into the United States from
Puerto Rico.

7 "b. Except as hereinafter provided, laws of the United
8 States providing for tariff on articles imported from foreign
9 countries shall be applicable in Puerto Rico.

"c. The income from customs duties, licenses for imports and tariffs, as well as Internal Revenue taxes which may
be collected in Puerto Rico or in the United States on articles
produced or manufactured in Puerto Rico and transported from
Puerto Rico to the United States, shall be paid into the
Treasury of Puerto Rico, after deducting the expenses of such
collections.

17 / d. Puerto Rico shall continue to enjoy the right to
18 levy tariffs upon or otherwise to restrict the import of coffee
19 from foreign countries or the United States; and in a manner
20 consistent with the international obligations of the United
21 States and after prior consultation and coordination with the

1 Federal authorities concerned, Puerto Rico may levy, increase, 2 reduce or eliminate tariffs and guotas on articles imported 3 directly from foreign countries or transshipped through the 4 United States: Provided, That mutually agreeable procedures shall be established to: 5 "1. assure conformity with international obligations; Ď 7 "2. assure that articles containing foreing components shipped or transshipped from Puerto Rico to the 8 rest of the United States customs territory or from there 9 to Puerto Rico conform to the customs, tariff and other 10 laws of the respective jurisdictions. 11 "3. assure continuous communication and coordina-12 13 tion between the United States Executive Branch and Puerto Rico on economic and trade policy and implementa-14 15 tion. "e. Notwithstanding any other povision of law, Puerto 16 Rico may import materials and articles duty free for subsequent 17 18 shipment and sale to other parts of the United States customs territory provided that the F.A.S. (free at side) shipping price 19 contains at least 35% value added in Puerto Rico. 20 "f. In international trade negotiations, the United States 21

will take into account the Free Associated State's stage of
 economic development, and in agreement with Puerto Rico,
 shall protect and promote its economic interests.

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"7. Legal Title to Crown Lands and Navigable Waters"

"All property which may have been acquired in Puerto 6 7 Rico by the United States under the cession of Spain in the treaty of peace entered into on December 10, 1898, and to 8 which the United States hold title, shall become the property 9 of Puerto Rico; Provided, That the United States may continue 10 11 to use for public purposes that property which is now being 12 used for such purposes; Provided, further, That the President may, from time to time, convey to Puerto Rico those lands, 13 14 buildings or interests in lands or other property now utilized 15 by the United States which in his judgment are no longer necessary for the purposes of the United States. The President 16 17 of the United States may, from time to time, accept by grant from Puerto Rico, any lands, buildings or other interests or 18 19 property which may be needed for public purposes by the 20 United States.

21

"b. Navigable Waters

1 "The harbor areas and navigable streams and bodies of water in and around the Island of Puerto Rico and the adjacent 2 3 islands, including the submerged lands and the continental 4 shelf underlying said waters are and shall be the property of 5 Puerto Rico and under its control and dominion, to the fullest 6 extent and limits that rights, title and interest in and to such 7 waters and lands are now or hereafter may be recognized under 8 international law as belonging or appurtenant to Puerto Rico or 9 to the United States.

10 "Provided, that the laws of the United States for the 11 protection and improvement of the navigable waters of the 12 United States and the preservation of the interests of navigation and commerce, shall continue in force as at present, 13 14 unless contrary agreed to; provided, further, that nothing 15 contained in this Compact shall be construed so as to affect 16 or impair in any manner the terms or conditions of any author-17 izations, permits, or other powers heretofore lawfully granted 18 or exercised in or in respect of said waters and submerged 19 land in and surrounding said Island and its adjacent islands 20 by the Secretary of Defense or other authorized officer or 21 agent of the United States.

# "8. Internal Revenue

2	"The Internal Revenue laws of the United States shall not		
3	have effect in Puerto Rico except as provided in Section 9 of this		
4	Compact, and except that the specific Internal Revenue laws of		
5	the United States applicable to Puerto Rico on the date of approval		
6	of this Compact as such specific laws may hereafter be modified		
7	by the Congress by amendments of general applicability, shall		
. 8	continue in effect.		
9	"9. Reciprocity Provisions		
10	"a. There shall exist full reciprocity between Puerto Rico		
. 11	and the United States, the states of the Union and any other body		
12	politic of the United States, concerning the following:		
13	"1. Giving full faith and credit to official certifica-		
14	tion, documents and judicial proceedings;		
15	"2. Accepting and honoring rights of removal and		
16	surrender of fugitives;		
17	"3. Mutually exempting from taxation the official		
18	' obligations issued under the authority of any of the		
19	jurisdictions referred to above.		
20	"b. In the interests of cooperation and efficiency, and		
21	when compatible with their legal responsibilities and authority,		

officials of the departments and agencies of Puerto Rico and
 officials of the departments and agencies of the United States
 are directed to assist one another in the execution of their
 respective functions.

5

"10. Entry of Aliens into Puerto Rico

"a. Immigration laws, rules, regulations and procedures 6 7 of the United States shall apply to Puerto Rico in accordance with their terms; Provided, That unless expressly prohibited by 8 Federal law, the President of the United States and the Governor 9 of Puerto Rico may from time to time agree, in the light of eco-10 11 nomic and demographic considerations applicable to Puerto Rico 12 and subject to such conditions as may be agreed upon by the President and the Governor, to limit the number of aliens who 13 14 may be admitted to Puerto Rico or to increase the quota of aliens 15 who may be admitted to Puerto Rico to meet the needs of Puerto 16 Rico.

17 "b. Nothing included in any of the provisions of this
18 section shall affect in any way the right of unimpeded transit
19 between the United States and Puerto Rico of citizens of the
20 United States.

21

"11. Representation of Puerto Rico

1	"a. Puerto Rico shall be represented in the Senate and
2	the House of Representatives of the United States by one repre-
3	sentative in each House, who shall be elected to that position
4	according to the laws of Puerto Rico. They shall have a seat in
5	the Senate and in the House of Representatives of the United
6	States and shall receive official acknowledgement from all the
7	departments of the Government of the United States upon pres-
8	entation by the Department of State of a certificate of election
9	issued by the Governor of Puerto Rico. Such representatives
10	shall have the qualifications established for members of the
11	Senate and the House of Representatives, respectively, and
12	shall have the rights, privileges and immunities of such
13	members as are compatible with the Constitution of the United
14	States.
15	"b. In case of a vacancy in either of these positions,
16	it will be filled for the rest of the term according to the laws of
17	Puerto Rico.
18	"12. Applicability of Federal Laws

"a. The laws of the United States applicable to Puerto
Rico on the date of approval of this Compact shall continue in
effect except and to the extent repealed or modified by this

1 Compact, or incompatible with it, and except as hereafter

modified, suspended or repealed in accordance with law. 2

3 "b. Laws hereafter enacted by the Congress, unless other-4 wise provided by this Compact, shall not be applicable to Puerto 5 Rico unless such laws are amendments of laws that apply to Puerto 6 Rico by reason of subsection a of this section or unless such laws 7 explicitly refer to Puerto Rico and except as provided in subsections 8 c and d of this section 12.

"c. Laws of the United States enacted after the effective 9 date of this Compact which are applicable to Puerto Rico pursuant 10 11 to the powers and functions expressly vested in the United States in this Compact including excise laws of general applicability on 12 13 articles transported from Puerto Rico to United States shall apply to Puerto Rico unless and except to the extent that they are incom-14 15 patible with this Compact.

16 "d. Prior to the enactment of any legislation applicable to Puerto Rico, the Governor of Puerto Rico shall be entitled to submit 17 18 to the President of the United States objections, to the applicability 19 of said legislation to Puerto Rico together with a statement of 20 reasons therefor. If the President, after consideration of such 21 objections, shall find that the application of said legislation to

Puerto Rico is inconsistent with this Compact, incompatible with 1 2 its purposes, is not essential to the interests of the United States, 3 or will unduly impede the development of Puerto Rico, the President may suspend the application of said legislation to Puerto Rico. In 4 the event that the President shall so order, he shall promptly advise 5 the Congress thereof, together with a statement of the reasons for 6 his action. If the Congress by Joint Resolution adopted by a 7 majority of the members of each House within 30 days of the receipt 8 of the President's message shall so provide, the suspension ordered 9 by the President shall terminate as provided in such Joint Resolution, 10 11 but in the absence of the adoption of such Joint Resolution, the legislation specified in the President's order shall not be applicable 12 13 to Puerto Rico.

"e. Rules, regulations and orders issued by the depart-14 ments and agencies of the United States after the effective date of 15 16 this Compact shall apply to Puerto Rico unless and except to the extent that they are incompatible with this Compact. In the event 17 that Puerto Rico shall notify a department or agency of the United 18 19 States that it objects to the application of any such rule, regulation 20 or order to Puerto Rico, such rule, regulation or order shall not be applicable to Puerto Rico unless and until the department or agency 21

shall find and declare that the application thereof to Puerto Rico
 is essential to the interests of the United States and is compatible
 with this Compact. Any such determination shall be subject to
 judicial review in accordance with law.

5 "13. Assignment of Federal Functions to Puerto Rico
6 "a. The Government of the United States may with the
7 concurrence of the Government of Puerto Rico from time to time
8 transfer to the Government of Puerto Rico the total or partial
9 performance of functions vested in the United States by law.

"Except as otherwise agreed to, the Government of Puerto
Rico, its agencies and dependencies shall assume the administrative expenses and responsibilities incident to the performance
of the transferred functions.

14 "The officials and employees of the Government of the
15 United States in charge of the functions on the date of their
16 transfer shall retain the rights previously acquired by reason
17 of their employment.

18 "b. The Congress of the United States, in appropriations
19 legislation applicable to Puerto Rico shall provide maximum
20 flexibility for the use of such funds, consonant with the purposes
21 and objectives of the appropriations, so that the use of such

funds may be adapted to the special circumstances and conditions
 relevant to the administration of the program in Puerto Rico.

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"14. Joint Commission on United States-Puerto Rico Relations

5 "a. There is hereby created a Joint Commission composed of twelve (12) members, two (2) members and their successors 6 7 appointed by the President of the United States, two (2) appointed by the President of the Senate, two (2) appointed by the Speaker of 8 9 the House, and six (6) members and their successors to be appointed by the Government of Puerto Rico according to law. Said appoint-10 11 ments shall be for an initial period of five years, at the expiration 12 of which, the Commission shall be subject to review by the President 13 of the United States and the Governor of Puerto Rico relative to its 14 membership and continuation. The Commission shall adopt its own internal regulations. 15

16 "b. This Joint Commission shall assist in bringing the
17 legal and administrative relations between the United States and
18 Puerto Rico into further conformity with the fundamental objectives
19 of this Compact and, to that end, shall have the following tasks:

20 "1. The Commission shall study the desirability of
21 retaining, modifying or eliminating the application of

specific Federal laws to Puerto Rico and shall give priority 1 in such study to the laws pertaining to communications, 2 3 coastal shipping and administration of Selective Service. 4 The Commission shall submit its reports to the President and to the Governor. When the report recommends the 5 discontinuance of the applicability of a particular law or 6 7 part of a law to Puerto Rico, and the President of the United States and the Government of Puerto Rico concur 8 9 with the recommendation, it shall be submitted to the Congress of the United States. If ninety days, counted 10 11 from the date that Congress receives the recommendation, 12 shall elapse without either House rejecting it, said law 13 cease to have effect in Puerto Rico.

The Commission shall also study other possible 14 "2. 15 transfers of Federal functions to agencies of Puerto Rico 16 in addition in addition to such transfers as may be made 17 -pursuant to section 13-a and shall make pertinent recom-18 mendations. When such recommendations involve the 19 transfer of mayor Federal functions to Puerto Rico, such 20 recommendations shall be submitted to the President of 21 the United States and the Governor of Puerto Rico. If

both agree with the recommendations, the President shall
by Executive Order provide for such transfer and shall
transmit such Executive Order to the Congress. Any such
Executive Order shall become effective at such time as it
shall specify, unless either House of Congress, within
ninety days from receipt of the Executive Order, shall
object.

The Commission shall also study, with the high-8 "3. 9 est priority, the desirability of recommending a system of contributory payments from the Government of Puerto Rico 10 11 to the Treasury of the United States, to be initiated at the 12 appropriate time, in gradual ways which will not substantially impede the economic and social development of 13 14 Puerto Rico, based upon disbursements which shall be made by the Legislature of Puerto Rico from the general 15 fund or any other sources subject to the legislative action 16 ∕of Puerto Rico. 17

"c. The Commission shall have a professional and technical staff and may use the services of the research and consultative institutions which it deems convenient; and is hereby
authorized to request and receive the cooperation of any depart-

1 ment, agency, or bureau of the United States or of Puerto Rico. 2 "d. The Commission shall have an annual budget, to be shared in equal parts by the Government of the United States 3 and the Government of Puerto Rico. The Commission shall 4 5 formulate its own budget proposal annually. There shall be appropriated by the respective governments such sums as are 6 7 necessary to sufficiently fund the functions and operations of the Commission for the first two years. 8 9 "15. Judicial Review 10 "a. Nothing contained in this section shall prohibit 11 Puerto Rico or any individual from instituting any action or 12 proceeding asserting a claim or cause of action under this Compact in any court of competent jurisdiction. Actions 13 instituted in the courts of Puerto Rico may be removable to a 14 15 Federal court on the grounds that the provisions of this Compact are in issue, provided that such actions may otherwise be removed 16 from a court of Puerto Rico to the United States District Court or 17 18 from the United States District Court to a court of Puerto Rico in 19 interest of comity and justice.

20 "b. Final judgments and decrees entered by the highest21 court of Puerto Rico in which decision could be had may be

reviewed by the Supreme Court of the United States in like manner
 as final judgments and decrees rendered by the highest court of a
 state in which decisi on could be had.
 "16. United States District Court
 "a. There shall exist a United States District Court for
 Puerto Rico whose jurisdiction shall be the same as that of ofther
 District Courts of the United States, including the jurisdiction

8 over the naturalization of qualified aliens and residents in Puerto9 Rico.

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10 "b. All the procedures, pleadings, and records shall be
11 conducted in Spanish, unless the Court, in the interest of justice,
12 shall otherwise determine.

13 "c. The selection of the jurors shall be conducted and 14 their qualifications shall be determined in accordance with the 15 laws of the United States; Provided, That the language qualifi-16 cations of jurors shall be consistent with subsection b of this 17 section.

18 "d. The United States District Court shall not intervene
19 to prevent the establishing or collecting of any tax imposed
20 by the laws of Puerto Rico.

21 "17. Labor

"a. The public policy of the United States and of Puerto
 Rico is declared to be that the minimum wage in Puerto Rico be
 equivalent to the minimum wage in the United States as soon as
 economic conditions in Puerto Rico so permit.

Puerto Rico shall have exclusive jurisdiction over all
matters pertaining to minimum wages and working hours, except
for the shipping and aviation industries, which shall be covered
by the appropriate Federal laws, as may be determined by the
Congress of the United States.

"b. Puerto Rico shall have exclusive jurisdiction over
all matters pertaining to labor-management relations, except for
the shipping and aviation industries, which shall be covered by
the appropriate Federal laws, as may be determined by the
Congress of the United States.

"c. Puerto Rico shall have exclusive jurisdiction over
all matters pertaining to laws and regulations on occupational
health and safety, except for the shipping and aviation industries,
which shall be covered by the appropriate Federal laws, as may
be determined by the Congress of the United States.

20 "18. Ecology

21

"The primary authority to regulate the ecology and

environmental quality in Puerto Rico shall reside in Puerto Rico. 1 2 "19. Effective Date 3 "In order to become effective, this Compact shall require: 4 "a. Its approval by the Congress of the United States; 5 "b. Its approval by the electorate of Puerto Rico in a 6 special referendum called for that purpose by the Legislative 7 Assembly of Puerto Rico; "c. The official proclamation of its approval by the elec-8 9 torate of Puerto Rico and the determination of its effective date, 10 which shall be determined by agreement between the President of 11 the United States and the Governor of Puerto Rico, to have effect 12 within a period not longer than one year following its approval by the electorate. 13 "20. Transition 14 "Nothing in this Compact shall be deemed to interrupt or 15 16 impair the jurisdiction of the courts or quasi-judicial agencies over matters pending before them at its effective date nor to

over matters pending before them at its effective date nor to
affect, until their normal expirations, any franchises, permits
and other grants issued prior to such effective date. Actions by
either the United States or Puerto Rico prior to this Compact
which would be lawful at its effective date shall not be affected

1	in any	way	by	its	approval.
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"21. Amendments

3	"In order to respect the right of self-government guaranteed
4	by this Compact, the United States agrees that the provisions of
5	this Compact may be modified only by mutual agreement between
6	the Government of the United States and the Government of Puerto
7	Rico, and with respect to the provisions that regulate the funda-
8	mental relations between the United States and Puerto Rico,
9	namely:
10	"(1) Free Associated State of Puerto Rico
11	"(2) Jurisdiction and Authority
12	"(3) Common Citizenship
13	"(4) Security and Common Defense
14	"(5) Currency
15	"(6) Common Market
16	"(6) Common Market "(7) Legal Title to Lands & public
17	"(10b) Unimpeded Transit
18	"(11) Representation of Puerto Rico
19	"(12) Applicability of Federal Laws
20	"(21) Amendments
21	with the approval of the electorate of Puerto Rico.".

NOTES ON MEETING WITH PHILIP BURTON Monday, March 1, 1976

ple -Prento Rico

- We must recognize that Puerto Rico is unique. The Spanish language itself means it is different from most of the U.S.
- We must give them more control over their own actions. For example, cock fighting, which is illegal in the U.S., is a way of life in Spanish countries.
- 3. We will not deal with environmental and labor matters. We must not treat Puerto Rico as an economic colony.
- 4. We must somehow give them the break of other Caribbean islands.
- 5. We must somehow address the question of common citizenship. Senator Buckley has a point: page 60.
- 6. We must somehow resolve the question of immigration from offshore island.
- 7. Burton hopes we will give him some guidance on trade and customs, areas he does not understand.
- 8. We should look at Burton's substitute.
- 9. He has three specific proposals:
  - (a) Block grants for Puerto Rico.
  - (b) Include Puerto Rico in revenue sharing.
  - (c) Include Puerto Rico in other federal programs.



INFORMATION

### THE WHITE HOUSE

WASHINGTON

March 1, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

SPENCE JOHNSON

SUBJECT:

Meeting with Miguel Hernandez-Agosto, Vice President, Senate, Puerto Rico.

Attached is a letter from Vice President Miguel Hernandez-Agosto which discusses the need for federal assistance for the evaluation of reform alternatives developed by the Puerto Rican Commission as an Integrated Social Security System.

According to Mr. Hernandez-Agosto, the ability to measure the impact of various reform packages on families and individuals, and project the cost for periods of five to ten years, is beyond the competence of the resident research staff. He, however, feels that the necessary expertise does lie within the federal government.

We need to obtain from Mr. Hernandez-Agosto more specific information regarding the proposals to be evaluated. Perhaps this will be forthcoming at Tuesday's meeting, but should be requested if not. We will then be able to ask the appropriate agencies to make an evaluation of their capability, as well as the cost, in these areas.

vor den wer

cc: McConahey

### THE WHITE HOUSE

### WASHINGTON

## June 15, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

MIKE DUVAL

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SUBJECT:

Puerto Rico

The NSC staff has raised some questions concerning the domestic situation in Puerto Rico.

They recommend that the Domestic Council should prepare the items mentioned in the NSC memo.

In addition, the President may make some informal remarks concerning the U.S. position on Puerto Rico as an international issue. They will be drafted by the NSC in coordination with you.

Thanks very much.

cc: Brent Scowcroft Jim Connor

MEMORANDUM

# NATIONAL SECURITY COUNCIL

3387

A. C. C. Dawn

# ADMINISTRATIVELY CONFIDENTIAL

ACTION June 10, 1976

# MEMORANDUM FOR WILLIAM HYLAND

FROM:

Mr. Clift

SUBJECT:

Domestic Council Staffing of Puerto Rico Issue

Further to our conversation this afternoon, I believe it would be appropriate for you personally to contact Jim Cannon of the Domestic Council and explain the need for the President to be fully informed and prepared to discuss Puerto Rican issues in conjunction with the forthcoming international summit meeting.

In my view, you should suggest to Cannon that the Domestic Council assume primary responsibility for preparing the following papers:

- -- background and talking points on economic and political developments in Puerto Rico;
- -- background on Puerto Rican independence movement;
- -- Administration position on status of Puerto Rico;
- -- Puerto Rico's role in international issues, such as Law of the Sea;
- press guidance and Q's and A's on Puerto Rico;
  - -- contingency toast for possible dinner for Puerto Rican officials; and
  - --- arrival and departure statements.

ADMINISTRATIVELY

# ADMINISTRATIVELY CONFIDENTIAL

The Domestic Council should identify areas in the above list in which Department of State assistance is needed or desired; we will serve as intermediary. In view of the proximity of the Conference, <u>I think</u> you should suggest to Cannon that all the above documents be in his hands by June 17 for staffing in coordination with NSC to the President or to the White House speechwriters. As we agreed, it is important for the President to be well-informed on Puerto Rico. It would be most unfortunate were this staffing to slip between the cracks. Your call, and our regular monitoring of the staffing, should prevent this.

Mary Brownell concurs

RECOMMENDATION

That you contact Jim Cannon to suggest the scenario and staffing needs outlined above.

ADMINISTRATIVELY CONFIDENTIAL

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COMMONWEALTH OF PUERTO RICO SENATE CAPITOL

SAN JUAN, PUERTO RICO 00904

MIGUEL A. HERNANDEZ AGOSTO

February 13, 1976

Mr. James M. Cannon Executive Director Domestic Council The White House Washington, D. C. 20050

Dear Mr. Cannon:

This is in further reference to our discussion last May on the work of the Puerto Rican Commission on an Integrated Social Security System.

I would like to bring you up-to-date as to the work of the Commission, areas where help is needed and the possibilities that the U. S. Government may benefit from the work of our Commission.

The Commission on an Integrated Social Security System was established in July 1974 to study the social security and social welfare systems operating in Puerto Rico, including all public and private cash transfer systems and related in-kind benefits, in order to formulate a comprehensive plan for an integrated income security system that will better meet the hardships caused by illness, unemployment, accidents, aging, death, family breakdown, economic fluctuations, and rapid technological changes that threaten individual and family welfare and the collective stability of all Puerto Ricans.

# Work Accomplished to Date:

After preliminary meetings and conferences arranged by the Commission, during which an overall research plan and the criteria for the desired system were developed with the assistance of experts from Washington, D. C. and elsewhere in the States, a small research staff was assembled in September 1975. The staff has established close relations with all relevant experts and officials in Puerto Rico, carried out extensive analyses of social, demographic, and economic trends, has made good progress in analyzing the coverage, benefits, and costs of major public programs in behalf of the disabled, retired, survivors, families with young children, veterans and unemployed.

## Mr. James M. Cannon

Several monographs are in preparation by experts at the University of Puerto Rico, one on economic trends and their impact on family and individual income; the other on family structure, the regional distribution of poverty, and the labor force characteristics of recent migrants. The work of former commissions has been reviwed and assessed and the staff is working closely with experts carrying out food stamps, BLS household, and periodic health surveys in the Island. Special arrangements have been made to obtain and analyze the schedules completed during the recent AFDC survey of the caseload.

### Work to be Done:

The chief remaining tasks include (1) reviews of private insurances, government employee benefits, no-fault accident insurance, and Workmen's Compensation; (2) examination of administrative structures and problems in and between agencies with a view to (a) improving administration and (b) coordinating or integrating the various programs more effectively; (3) development of a monograph on basic levels of living, with recommendations for a desirable and feasible minimum for Puerto Rico; (4) preparation of an exhaustive bibliography on the subject; (5) measurement of the impact on families and individuals at risk of poverty and cost projections at five and ten year intervals for the several reform alternatives selected by the Commission.

### Help Needed:

Shortly the Commission will be in a position to select the best and most feasible reform alternatives from among a variety under consideration, such as a negative income tax, a small demogrant for children or the aged or both, or a refundable tax credit, all possibly in conjunction with vigorous job creation and cooperative, self-help efforts (especially in areas of the Island where poverty is most prevalent). The task of measuring the impact of several reform packages (or even one) on families and individuals at risk, and the projected cost in five and ten years is well beyond the competence or time available to the resident research staff. It is a very complex task, one in which experience has already been gained in the States. It requires model simulation and projective techniques similar to those carried out in connection with the negative income Mr. James M. Cannon

. . .

February 13, 1976

tax experiments and for the Sub-Committee on Fiscal Policy of the Joint Economic Committee as it prepared to make welfare reform proposals in late 1974.

It would be extremely helpful if the Federal Government could make arrangements for this task to be carried out, and in the process defray a good share of the cost, if not all. The task of the Commission has great relevance for the nation and it is an investment that should pay off richly.

### Importance of the Commission's work to the Nation:

The work of the Commission is a natural progression from the Federally-financed negative income tax experiments and the series of studies made by the Sub-Committee on Fiscal Reform. An in-depth study of the situation, problems and alternative reforms for Puerto Rico will add an important chapter to the commendable effort to plan carefully and wisely before moving toward basic welfare reform. Our study will be especially useful in generalizing about the impact of reform alternatives on southern States with which there are many parallels: more rural families and rural poverty, larger families, lower educational levels, chronically higher rates of under-employment, and a higher incidence of broken families than in other parts of the nation. Even the remarkable economic strides made during the 1960s were common to the southern States and Puerto Rico.

In measuring several alternatives, including in all likelihood some form of demogrant, the Commission will extend the work of previous researchers in very important ways. So far attention has focused almost exclusively on one alternative, the negative income tax. But before costly reform is initiated, Federal leadership will certainly wish to look at a range of alternatives. Work incentives in the various negative income tax proposals, for instance, add greatly to the cost of reform and yet, to date, no convincing evidence that cash incentives are necessary has been forthcoming. If there is any change that a modest demogrant could achieve the goal of relieving family or individual poverty equally well, and at much lower administrative cost, leaders will want to examine and weigh this alternative. Short of a full-fledged experiment, the Commission's work will provide the most valuable and useful information available.

The movement of Puerto Ricans between the mainland and the Island, the high welfare costs for Puerto Rican families in New York, Boston and elsewhere, and the push-pull factors

### Mr. Jaimes M. Cannon

that cause migration to wane, wax, and even reverse (as has happened since 1970) have been matters of grave, sometimes vehement, Federal State, and local concern. The Commission's work should shed new light on this problem.

Finally, if appropriate reform proposals become law, they may well make it more appealing for Puerto Ricans who would prefer to stay nearer home, if they could afford to do so, to stay in the island. Should this be one consequence of reform, the result could be lower welfare caseloads in some major cities, but clearly Federal and Puerto Rican leadership must take careful account of the cost and other impacts on the Island if they are to move deliberately and constructively toward reforms of this magnitude and nature. In any event, whatever impedes or accelerates migration clearly has great importance to the nation as a whole, not simply to Puerto Rico.

I will be in Washington Friday, February 20th and would appreciate very much the opportunity to discuss this issue with you. I feel that the work of our Commission can be mutually helpful to both, the United States and Puerto Rico. I will telephone your secretary, Miss Pat McKee, on Wednesday to ascertain whether it will be possible to see you on Friday.

With my very best to you, I am

Sinceredy.

Miguel A. Hernández-Z

and a start of the second s Second COMMONWEALTH OF PUERTO RICO

# SENATE

SAN JUAN, PUERTO RICO 00904

MIGUEL A. HERNANDEZ AGOSTO



Mr. James M. Cannon Executive Director Domestic Council The White House Washington, D. C. 20500

Oir mail



March 2, 1976



CC: Auch N

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

FROM:

SUBJECT:

JIM CANNON

JIM CONNOR JEE

Proposed Compact on the Status of Puerto Rico

The President reviewed your memorandum of March 1, 1976 on the above subject and approved the recommendation that our response should be:

"The proposal relating to the relationship between the United States and Puerto Rico is of great and lasting significance to both Puerto Rico and the United States and requires the most thorough evaluation and consideration. We have the proposal under study, and an Administration position will be taken after that study is completed."

Please follow-up with appropriate action.

cc: Dick Cheney

DECISION

#### WASHINGTON

March 1, 1976

MEMORANDUM FOR THE PRESIDENT .

FROM:

JIM CANNON JUL

SUBJECT:

Proposed Compact on the Status of Puerto Rico

#### BACKGROUND

On October 1, 1975, the Ad Hoc Advisory Group on Puerto Rico transmitted to you a proposed Compact of Permanent Union Between Puerto Rico and the United States. Under the Federal Advisory Committee Act, you are required to make a report to the Congress stating your proposal for action, or reasons for inaction, on the recommendations contained in the report within one year (October 1, 1976).

The proposed Compact is a sweeping document, which if adopted in its entirety, would significantly change the nature of the relationship between the United States and Puerto Rico. In essence, the Compact would grant to citizens of Puerto Rico many of the benefits of statehood, but without imposing all the obligations of statehood, such as paying U.S. taxes.

OMB, NSC and the Domestic Council are preparing for your review an options paper on this complex and costly proposal. In soliciting the views of members of your Cabinet, a number of serious problems have been brought to our attention, and it will be several months before a comprehensive Administration position can be developed.

In the meantime, the proposed Compact was introduced in the House as a bill by Puerto Rico's representative, Jaime Benitez; and Phil Burton, as chairman of the Territorial and Insular Affairs Subcommittee of the Interior Committee, started hearings on the Compact. Burton is attempting to maneuver the hearings and the Committee to force an early Administration response. Senator Jackson held one day of hearings and indicated he will hold no more hearings until the President sends the Compact to the Hill.

Governor Hernandez of Puerto Rico and Mayor Romero of San Juan have also indicated to me that they would like to know the Administration's position on the Compact.

## RECOMMENDATION

Since we need until about June 1, 1976 to assess thoroughly this proposal and develop an Administration position, I recommend that our response until that time should be:

The proposal relating to the relationship between the United States and Puerto Rico is of great and lasting significance to both Puerto Rico and the United States and requires the most thorough evaluation and consideration. We have the proposal under study, and an Administration position will be taken after that study is completed.

OMB (O'Neill), NSC (Scowcroft), Counsel's Office (Lazarus), Rogers Morton, Jack Marsh, Robert T. Hartmann (Smith) and Max Friedersdorf concur.

APPROVE\_\_\_\_\_

DISAPPROVE

MEMORANDUM ---

## THE WHITE HOUSE

WASHINGTON

#### arch 19, 1976

MEMORANDUM FOR: Paul O'Neill

FROM:

SUBJECT:

Dick Parsons Proposed Compact of Permanent Union Between Puerto Rico and the United States

As you know, the President has asked for a thorough analysis of the Proposed Compact of Permanent Union Between Puerto Rico and the United States. Ron Peterson and Larry Cardwell of OMB have been working with me on this project. Unfortunately, they (and particularly Larry) have been swamped with other assignments and have not been able to devote any time to this project.

I realize that the demands on OMB personnel are greater now than they have been at any time in the past, but I would appreciate your assistance in freeing Ron and Larry for the week or two it will take to complete the assessment of the proposed compact. Perhaps if you were to let Wes Sasaki know that this is an important assignment, it would do the trick.

I am in your hands!

cc: J

Jim Cannon

May 5

THE WHITE HOUSE WASHINGTON

April 29, 1976

MEMO TO: STEVE McCONAHEY DICK PARSONS

FROM: Jennifer Morgan

For meeting between Mr. Cannon and Congressman Clausen, May 5, 3 p.m.

Clausen will be accompanied by Thomas Dunmire, Minority Counsel, House Interior and Insular Affairs Committee.

jm Attachment



WASHINGTON

April 9, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

MAX FRIEDERSDORF M.G. Puerto Rico/M.C. Don Clausen (R-CA)

cc: McConakey Parsons y

SUBJECT:

Representative Clausen is miffed because we have been communicating with Phil Burton on the subject of Puerto Rico without keeping the Minority advised.

I explained to Don that Burton has initiated these contacts and we have tried to be responsive.

Clausen is on Burton's Territorial and Insular Affairs Subcommittee.

It would be very helpful if you could give Clausen a ring and discuss Puerto Rico with him.

Many thanks.

cc: Jack Marsh Charlie Leppert

Lan

JMC

Congressman Del Clausen would like to meet with you on Puerto Rico.

20 I WILL SEE CLAUSEN w/McConahey

HAVE HIM SEE McConahey

OTHER

his week Mr. Dumayer 225 6065 57 May



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

INFORMATION 1 CD

MEMORANDUM FOR:

Jim Cannon

FROM:

Dick Parsons

SUBJECT:

Phil Burton's Draft Bill Relating to Puerto Rico Status

May 5, 1976

Attached is a memorandum which summarizes the draft bill which Phil Burton sent to you for comment. Generally, the new draft is very similar to the original bill prepared by Jaime Benitez (H.R. 11200) which would have implemented the full text of the Proposed Compact of Permanent Union Between Puerto Rico and the United States. Therefore, most of our objections to the original bill still obtain.

Attachment

Call Brandt -anat a triling y -Ann Buckley A- oregut Zo h computer afence

#### WASHINGTON

## May 4, 1976

MEMORANDUM FOR:

RICHARD D. PARSONS

# DAWN D. BENNETT 🔗

#### Sec. 1 Puerto Rico

FROM:

P.R. shall be known as the Free Associated State of Puerto Rico and shall extend to the people, land and water in, around and adjacent to P.R. The Compact, which is to be approved by Congress and ratified by a Puerto Rican referendum, is to reaffirm, improve and consolidate the existing relationship with the U.S.

#### Sec. 2 Jurisdiction and Authority of P.R.

a. P.R.'s right to govern itself under its own constitution, and to make such a compact, is recognized.

b. In exercising its self-governing powers, the Puerto Ricans propose to agree with the U.S. on the provisions authorities and powers specified in the Compact and reserve all political and governmental authority not exercised by the U.S., to the people of P.R. The U.S. Supreme Court is to be the final arbiter of the Compact.

c. The U.S. shall have responsibility for P.R's foreign affairs and defense except where otherwise provided. P.R. may make educational, cultural, health, etc., agreements with foreign countries, as well as participate in specialized agencies of international organizations dealing with the same, except where the President advises the P.R. governor that such is not advisable.

## Sec. 3 Common Citizenship - Its Rights and Duties

Persons born in P. R. are U.S. Citizens with all concomitant rights and duties which the U.S. and P.R. constitutions impose. If the residence changes, citizens of P.R. shall have U.S. as well as the new jurisdictions constitutional rights and duties. If a citizen moves to P.R., he shall have his constitutional rights and duties imposed by P.R. as well as his own jurisdiction.

#### Sec. 4 Security and Common Defense

U.S. Defense and national security laws shall apply to P.R., and the President and Governor are to collaborate on the facilitation of objectives.

## Sec. 5 Currency

U.S. currency will be the only currency and all laws of U.S. regarding the same shall apply to P.R.

#### Sec. 6 Common Market

a. A common market relationship shall exist between the U.S. and Wimpose tariffs, customs or duties on articles imported from the U.S. and vice versa. vice versa.

b. In P.R., U.S. tariff laws on foreign imports will apply.

C. Customs, duties, licenses for imports, tariff proceeds on imports and P.R. and U.S.-collected taxes on articles produced or manufactured in P.R., or in the U.S. consumed in P.R. or transported to U.S., will go to the P.R. Treasury after deduction of expenses of collection.

d. P.R. will continue to levy tariffs or restrict the import of coffee from foreign countries to the U.S. After consultation with Federals, P.R. may levy, increase, reduce or eliminate tariffs and quotas on imports directly from or transshipped through U.S. from foreign countries. Mutually agreeable procedures shall be established to avoid conflict with international obligations; assure that articles having foreign components shipped or transshipped from P. R. to rest of U.S. customs territory conform to customs, tariffs, etc., of the respective jurisdictions and assure continuous communication and coordination between U.S. and Executive Branch and P.R. economic trade policy and implementation.

e. P.R. can import items duty free if they are to be subsequently shipped and sold to other parts of U.S. customs territory as long as the free at side (FAS) shipping price includes at least 35% value added in P.R.

f. The U.S. will protect and promote P.R.'s economic interest in international trade negotiations (in agreement with P. R.) and take its economic stage of development into consideration.

## Sec. 7 Lands and Navigable Waters

#### a. Lands

All P. R. property acquired by the U.S. under Spain's cession in 12/10/1898 peace treaty, except that disposed of by the U.S., shall become P.R.'s property\_but the U.S. may still use property now being used for public purposes, for the same. The U.S. may give P.R. lands, buildings, etc., in P.R., which it no longer feels that it needs and fixe versa.

#### b. Navigable Waters and Submerged Lands

Puerto Rico shall own all harbor areas and navigable bodies of water in, around and adjacent to it, as well as submerged land underlying the water, outward to the continental shelf as it is now or later shall be. U.S. laws as to such navigable waters, will apply. Nothing in Compact shall alter or impair any permits, authorizations, etc., in any of the waters and submerged lands given by Secretary of Defense or other authorized officer or U.S. agent.

## Sec. 8 Internal Revenue

a. U.S. Internal Revenue Laws won't apply in P.R. except as in Sect. 6 (Common Market) and sec. b below.

b. U.S. Income tax laws will only affect the income of residents which is derived from U.S. or foreign sources.

#### Sec. 9 Reciprocity Provisions

a. There shall be full reciprocity between P. R. and the U.S., it's states and other U.S. bodies politic re. Full Faith and Credit to official certification, documents and judicial proceedings; rights of removal and surrender of fugitives; and mutual exemption (from taxation) the official obligations issued under the authority of any of the above jurisdictions.

b. U.S. and P.R. officials in departments and agencies are to direct and assist each other.

## Sec. 10 Representation of P. R.

P.R. shall have one official elected under P.R. law, in each house. The official shall be recognized and have the powers, duties, etc., as other members of respective legislatures.

b. Vacancies in terms will be filled pursuant to P.R. law.

## Sec. 11 Applicability of Federal Laws

a. U.S. federal laws at effective date of this Compact (effective date) including amendments are to apply to P.R. except as repealed, modified or incompatible with this Compact.

b. Except under provisions herein re. the Joint Commission studing the desirability of retaining, modifying or eliminating certain Federal laws as to P.R. laws enacted after the effective date shall not apply to P.R. except as provided for in (a) above or unless the laws are compatible with the Compact and explicitly refer to P.R. or apply to it pursuant to the Compact's powers vested in the U.S. Before any legislation applicable to P.R. is enacted, the Governor is to be able to submit any objections, and reasons therefor, to the President. If after considering it the President finds the legislation to be inconsistent with this Compact; will unduly impede P.R., progress; or is not essential to the interest of the U.S., the President may suspend the legislation as to P.R. The President is to advise Congress of such a decision and they may counteract that with a joint resolution adopted by a majority of each House within 60 legislative days of receipt of the President's message. If this is not done, the law is not to apply to P.R.

c. Rules, regulations and orders of U.S. departments and agencies after the effective date, apply to P.R., except as incompatible with this Compact.

If P. R. notifies the agencies or departments of an inconsistency, the rule etc., won't apply to it unless the agency finds that it is necessary to U.S. interest and compatible with the Compact. This decision will be subject to judicial review.

## Sec. 12 Assignment of Federal Functions to P.R.

a. The President may, with P. R.'s concurrence, transfer total or partial performance of U.S. functions to P.R. P.R. will assume the administrative expenses and responsibilities incident thereto. In such a transfer, U.S. officials and employees in charge of the functions shall retain the rights previously acquired pursuant to their employment.

b. In appropriating funds, Congress is to allow P.R. to adapt the funds to P.R's special circumstances and conditions.

## Sec. 13 Joint Commission on U.S. - P.R. Relations

a. There is to be a 12-member joint commission which is to assist in bringing the legal and administrative relations between the U.S. and P.R. into conformity with the Compact. It shall study the applicability of specific federal laws to P.R. and their report is to be submitted to the President and the Governor. If the Governor and President agree with a report recommended that certain legislation should apply to P.R., the President is to tell Congress. The recommendation is to become law unless within 60 days, Congress, in a joint resolution, provides otherwise.

2. Commission shall also study other possible transfer of federal functions to agencies of P. R. (other than as in 13(a)) and make pertinent recommendations. When the transfers are major, they are to be submitted to the President and Governor. If both agree, the President shall provide for the transfer by Executive Order which becomes effective at the time which it specifies unless either Congressional House objects within 90 days of receipt.

3. The Commission shall also study the desirability of recommending a system of contributory payments from P.R. to U.S. treasury gradually.

c. The Commission is to have a professional and technical staff, agency and bureau cooperation, and its own budget shared by the U.S. and P.R.

## Sec. 14 U.S. District Court

P.R. shall have a U.S. District Court with the usual jurisdiction. The proceedings are to be in Spanish unless otherwise determined. Juror's selection is to be in accord with U.S. law. The Court shan't enjoin the establishing or collecting of taxes imposed by P.R.. Actions begun in P.R. courts may not be removed to federal court simply because Compact provisions are in issue. The District Court is to abstain from jurisdiction in civil actions based on alleged acts or failure to act by Puerto Rican officials, pending final decision by the Puerto Rican courts.

## Sec. 15 Entry of Aliens Into P.R.

a. U.S. immigration laws shall apply in P.R. The President and the governor may from time to tome limit the number of aliens coming into P.R. (unless Congress by Joint Resolution decides otherwise). None of the above is to affect the right of unimpeded transit between the U.S. and P.R.

### Sec. 16 Effective Date

The Compact must be approved by Congress and by a Puerto Rican referendum. The effective date shall be agreed upon by the President and the Governor, but its not to be more than one year following its approval by the electorate.

## Sec. 17 Transition

This Compact is not to interrupt or impair the jurisdiction of courts or quasi-judicial agencies over pending matters at the effective date. P.R. laws effective on this date will continue to be so.

## Sec. 18 Amendments

Compact amendments may only be made by mutual agreement between the U.S. and P.R. with the approval of the electorate of P.R.

## WASHINGTON

## May 6, 1976

MEMORANDUM FOR:

JIM CANNON DAVID LISSY

SUBJECT:

FROM:

~

Puerto Rico -- Mininum Wage

You asked to be kept posted.

The attached indicates higher rates to go into effect in three areas.

Attachment

CONTACT: Marian Nelson OFFICE: (202) 523-8743 AFTER HOURS:(703) 941-3049 USDL 76-728 FOR RELEASE: IMMEDIATE Friday, April 23, 1976

**U. S. DEPARTMENT OF LABOR** 

CE OF INFORMATION, WASHINGTON, D. C. 20210

MINIMUM WAGE TO INCREASE FOR THREE PUERTO RICAN INDUSTRIES MAY 1 New minimum wage rates for three Puerto Rican industries were scheduled to be published in the Federal Register today, the Labor Department announced.

Effective May 1, 1976, new higher rates will apply to the following industries, all of which are currently required to pay a minimum wage of \$1.90 an hour:

-- laundry and dry cleaning - \$2.05 an hour (to be raised to \$2.15 on January 1, 1977 and to \$2.30 on May 1, 1977);

-- hospital and related institutions - \$2.05 (to be raised to \$2.15 on January 1, 1977 and to \$2.30 on May 1, 1977); and

-- education - \$2.05 (to be raised to \$2.20 on January 1, 1977 and to \$2.30 on May 1, 1977).

Puerto Rican minimum wage rates are periodically reviewed on an industry-by-industry basis to determine whether increases are in order. Eventually, minimum rates for all industries will be brought into line with mainland federal minimum rates.

This program is administered by the Wage and Hour Division of the Department's Employment Standards Administration.

# # # # #

# THE WHITE HOUSE WASHINGTON

May 13, 1976

MEMORANDUM FOR:	JIM CANNON
THRU:	MAX FRIEDERSDORF
FROM:	CHARLES LEPPERT, JR. C.
SUBJECT:	Rep. Philip Burton (D Calif.)

Adrian Winkel of the Subcommittee on Territorial and Insular Affairs, called for Rep. Burton to request White House participation in a panel discussion of the Puerto Rico Compact and the report of the Ad Hoc Committee on the Political Status of Puerto Rico.

The panel discussion will be held at 10 a.m. on Monday, May 17, 1976, in Room 1324 Longworth House Office Building.

Winkel indicated that Burton expects somebody from the White House to be available for the informal discussion.

I suggest that we advise Burton whether or not we will have somebody from the White House present for the discussion. If we do not wish to participate, then we should give our reason(s) for not doing so at this time. An alternative would be to have Emmett Rice, the Director of the Office of Territories, Department of the Interior, appear for the Administration.

cc: Tom Loeffler Pat Rowland