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MEETING WITH GOVERNOR HERNANDEZ
OF PUERTO RICO
Wednesday, December 3, 1975
5:00 pm
Mr. Cannon's Office



THE WHITE HOUSE
WASHINGTON

December 3, 1975

JMC:

They didn't want the Ad Hoc
Advisory Report transmitted
until after the first of the
year.

Jim Cavanaugh



THE WHITE HOUSE
WASHINGTON

INFORMATION

December 3, 1975

MEMORANDUM FOR: JIM CANNON
FROM: JIM CAVANAUGH
SUBJECT: Tonight's Staff Meeting

Pat -
Fili
Puerto Rico

1. New York City. I asked for reactions on the President's New York City proposal from those who had been out of town over the weekend. Quern, Massengale, Humphreys, and Parsons reported that the proposal seemed to go over very well with most of the people they talked to.
2. I indicated to the staff your appreciation for the good work they had done on very short notice to summarize the budget issues and the memorandums to you prior to your meetings with the President.
3. SOTU. Art Quern gave an update on the generalities of the State of the Union plans.
4. Coleman Meeting. Steve McConahey reported that the reaction to the Coleman meeting with the President was very good, that we've gotten some good press stories from it, and that the Secretary reports that it has greatly strengthened his bargaining position in the House.

Steve thinks he and Schmults may need another meeting tomorrow with the Secretary, Cal Collier, and others to assess where we are and where we should be going.

5. Puerto Rico. Jim Falk reports that the Puerto Rico situation is deteriorating quickly, with Senator Jackson holding hearings today. Falk says he had calls today from Senator Fannin and John Rhodes.

To what point?
Jim



THE WHITE HOUSE

WASHINGTON

December 5, 1975

File

MEMORANDUM FOR: JIM CANNON

FROM: JIM FALK *97*

SUBJECT: Status Report on Puerto Rico

As requested, I am turning over my Puerto Rico files to Sam Halper and I wanted to give you a status report as of this date.

1. The Ad Hoc Committee's report has been received by us on behalf of the President.
2. The report in the form of a proposed compact has been sent to each member of the President's Cabinet for comments. All have responded with one exception -- The Ambassador to the United Nations.
3. I have asked OMB's Legislative Reference Director James Frey to proceed to prepare draft transmittals from the President to the Congress. Note: This is a routine function of OMB designed to keep a central control on transmittals to the Congress.
4. An options paper can be readied for staffing within the White House to be moved to the President within a matter of days. This kind of administrative function will not cause any delay in the process.
5. There are, however, serious policy concerns and I feel very strongly that it would be wrong to rush a routine transmittal to Congress of this material this month.
6. I have given Jim Cavanaugh notes of my conversations with representatives of Senator Fannin Ranking Republican of the Senate Interior Committee and John Rhodes, House Minority Leader as well as George Cordova, former Resident Commissioner of Puerto Rico and Mayor Carlos Romero of San Juan.

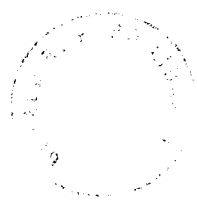


7. In summary, key Administration supporters in the Senate and in the House would like to provide the White House with some input prior to the transmittal to the Congress. Or in the alternative, if there is a major push to send the proposed compact to Congress this month, it should not be done without you personally talking to John Rhodes (or Dennis Taylor) and Senator Fannin (or Harrison Lesch).

8. Internally there are two other key forces in the review process. They are Don Ogilvie, Associate Director of OMB and Steve Lowe, of NSC.

9. My responsibilities as the President's Representative on this matter, pursuant to the Federal Advisory Committee Act PL 92-463, 1972 have been fully discharged.

10. All materials in my possession are being transferred with this memorandum.



THE WHITE HOUSE
WASHINGTON

December 3, 1975

*Plen to
Hilo*

MEMO OF CONVERSATION

WITH: Mayor Carlos Romero Barcelo
and James Falk

DATE: December 2, 1975

At lunch in Miami Beach, I outlined the options we presently perceived regarding the transmittal of the Ad Hoc Advisory Committee's proposed compact. Mayor Romero strongly recommended delay until January in transmittal so that it would not appear that the President was being forced to act by Jaime Benitez and Governor Hernandez Colon.

MEMO OF CONVERSATION

WITH: Don Ogilvie, Mary Brownell and Jim Falk

DATE: December 3, 1975

OMB will prepare a transmittal to the Congress and will research the question of the time which the President has to act on the Ad Hoc Committee's report.

OMB and NSC were advised of the hearings being commenced by Senator Jackson which began today and we were advised that Jaime Benitez threatens to introduce the compact in December if the President is not going to transmit the same before the end of the year.



MEMO OF CONVERSATION

WITH: Dennis Taylor, for Minority Leader John Rhodes
and Jim Falk

DATE: December 3, 1975

Having talked with George Cordova, former Resident Commissioner of Puerto Rico, Taylor requested that we not transmit to the Congress until Governor Colon's memo to John Rhodes could be shared with the White House. Or in the alternative, if we felt pushed to transmit, to give the Minority Leader as much notice in advance as possible.

MEMO OF CONVERSATION

WITH Harrison Leshe, Senate Interior Committee,
and Jim Falk

DATE: December 3, 1975

Republicans in the Seante would prefer not to have the transmittal until after the first of the year because there is so much end of session business before them already, that it would not get any attention.



THE WHITE HOUSE

WASHINGTON

December 5, 1975

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FROM: JIM FALK *97*

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THE WHITE HOUSE
WASHINGTON

Date

12/22/75

TO:

Jim Cannon

FROM:

JIM FALK 7

☒ For your information

☐ For your appropriate handling

☐ For your review and comment

☐ Return to me

☐ Return to file

☐ Return to central files

Comments:

1) Passes
2) helper
24!

Falk
Pinto



JAIME BENITEZ
RESIDENT COMMISSIONER, PUERTO RICO

COMMITTEE:
EDUCATION AND LABOR

SUBCOMMITTEES:
EQUAL OPPORTUNITY
LABOR STANDARDS
POSTSECONDARY EDUCATION

COMMITTEE:
INTERIOR AND INSULAR AFFAIRS

SUBCOMMITTEES:
TERRITORIAL AND INSULAR AFFAIRS
ENERGY AND ENVIRONMENT
WATER AND POWER RESOURCES

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AREA CODE 809: 724-0171

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

December 17, 1975

Mr. James Falk
Domestic Counsel
The White House
Washington, D. C.

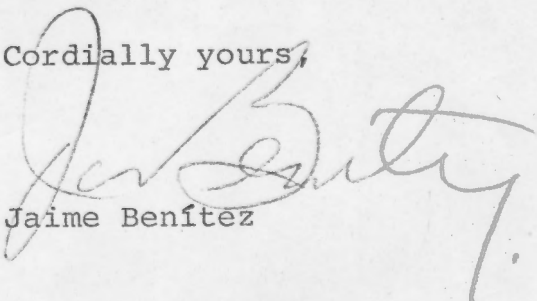
Dear Jim:

I am happy to advise you that I have today filed as a bill The Compact of Permanent Union between Puerto Rico and the United States, having as co-authors, among others, all members of the Subcommittee on Interior and Insular Affairs and the leading Democratic and Republican members of the Interior Committee. Hearings have been tentatively scheduled for January 20th, 1976.

I am delighted that Don Clausen and all his colleagues on the Republican side have agreed with the basic principle that this bill should be considered outside of partisan considerations. I am enclosing a copy of his remarks on the Floor today, as well as a copy of my own remarks. We both look forward to the earliest possible termination of the White House review.

I wish to assure you that we will examine with the utmost interest and earnest hope for a forthcoming agreement all recommendations as we may receive from the White House.

Cordially yours,


Jaime Benítez



December 17, 1975

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have tried to make sure that an equitable position was maintained.

So again I compliment my colleague, the gentleman from New York (Mr. Koch) for making this point and I think he should be commended.

Mr. KOCH. Mr. Speaker, I thank the gentleman from California. I would like to add that when the gentleman from California (Mr. Roussetor) who is a very good friend of mine, and I are in accord, then we must be correct.

PERSONAL EXPLANATION

Mr. GUDE. Mr. Speaker, on roll No. 777, the vote on the conference report accompanying H.R. 9861, Department of Defense appropriation, I was recorded as not voting. I was present at the time and voted "yea." I supported H.R. 9861 when it was first considered by the House, the gentleman from California report as well.

CONGRESS IS IN DISFAVOR WITH THE PEOPLE

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from California (Mr. Bell) is recognized for 5 minutes.

Mr. BELL. Mr. Speaker, there has never been a time when Federal Government—and particularly our branch of Federal Government here on Capitol Hill—has been in such disfavor.

People are fed up with Washington and with Congress. They think that we have been all talk and no action on matters that really unt in this Nation, and for the most part they have been right.

Unfortunately for our public reputation in the last 2 years—we have shown that we can act and act decisively when it comes to feathering our own nest.

More self-serving measures to benefit members of Congress have been approved in the past 2 years than during any comparable period in our history.

What we have done for ourselves in 1974 and 1975 simply cannot be justified on the basis of inflation or larger necessities or increased congressional responsibilities.

We have raised our salaries.

We have created automatic future raises for ourselves by tying our salaries to a cost of living index.

We have increased the number of free trips to our home districts during Congress from 36 to 52.

We have—in addition—given ourselves and one of our staff members a round trip to the organizational is of each Congress.

We have increased our annual staff allowance by \$1,250—up 23.8 percent.

We have increased our district office allowance by 42.8 percent. We have increased the telecommunications communication formula with the practical effect of increasing our allowances in this area.

We have increased our staff salary allowance by \$32,000—up 18.5 percent.

We have increased the permissible size

of our office staffs from 16 to 18—up 12.5 percent.

We have increased the allowance for air mail and special delivery stamps by 25.2 percent.

We have created a new budget of approximately \$5,000 per member to reimburse the printing costs of two newsletters each year.

We have passed—and await Senate action—on legislation which will probably more than double the tax deduction for our living expenses in the District of Columbia.

In the last 20 years while the population of this country was increasing by 30 percent—and inflation was eroding the value of the dollar by 83 percent—the cost of running Congress has increased by 560 percent.

It has been estimated by one national organization that—in just the last 2 years—the average cost to the American taxpayer of maintaining each Member of Congress has risen from \$376,505 to \$488,505, approximately a 30-percent increase.

This means that citizens now must pay \$112,000 more than they did in 1973 to keep each of us in business.

I am not sure they think we are worth it.

And I suggest that as we wind up our legislative business for this year—and prepare to return home for the holidays—we plan an especially diligent effort to test grassroots sentiment.

When we reconvene on January 6, I hope that we will recognize better than we have in the past that—especially in times of inflation—people expect us to perform as we have urged all other segments of the economy to perform, and keep costs down.

If you do not do this, I am afraid there will be a major housecleaning in the elections next November.

And, thereafter, many Members will not be around to enjoy the unprecedented array of conveniences that have been approved on Capitol Hill in the last 24 months.

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

I just noticed the gentleman mentioned something about pay raises for Congress. That is a matter dear to my heart since I campaigned against it and I voted against it. It has always been my experience, though, that in the past many Members of Congress supported the same thing and campaigned against it and voted against it, but they were always the first in line to pick it up.

So many Members—I do not say just myself alone, but many Members—including myself, took the next step which I believe exhibits our determination to keep spending in line, and that is to turn back in our pay raises. So every month I send a check down to the Department of the Treasury turning back my pay raise, as do many other Members.

I would hope the other gentlemen would support that move. If all 312

against the pay raise would take that step, that would return a considerable amount of money to the U.S. Treasury.

Mr. BELL. For the gentleman's information I have been doing that ever since we got it.

Mr. HARKIN. I congratulate the gentleman in the well for that move, and I would hope that other Members would follow suit.

Mr. BELL. I thank the gentleman.

A NEW COMPACT BETWEEN PUERTO RICO AND THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Puerto Rico (Mr. Benitez) is recognized for 60 minutes.

Mr. BENITEZ. Mr. Speaker, I am pleased to introduce today a bill approving a new Compact of Permanent Union between Puerto Rico and the United States. After 2 full years of studies, deliberations, hearings and discussions, a joint advisory group appointed by the President of the United States and the Governor of Puerto Rico in September 1973 to recommend ways of improving the present Commonwealth status, has unanimously endorsed the adoption of the measures embodied in this bill.

It was my privilege to be a member of that advisory group which included the gentleman from Washington (Mr. Foley) and the gentleman from California (Mr. Clausen). Both of them, together with the then Senator from Kentucky, Mr. Cook, acting as cochairman, the Senator from Louisiana, Mr. Johnston, the Senator from New York, Mr. Buckley, the ex-Governor of Illinois, Mr. Ogilvie, and Mr. Paul Howell of Texas constituted the appointees of the President of the United States. The delegation from Puerto Rico, appointed by Gov. Hernandez Colon, included the founder of the Commonwealth status, former Gov. Luis Muñoz Marin, the president of the senate, the speaker of the house of representatives, the secretary of state of the Commonwealth, two other distinguished Puerto Rican citizens and myself.

This new compact involves a reaffirmation and clarification of the basic concepts of Commonwealth status approved by the Congress of the United States and the people of Puerto Rico after an extensive process of consultation conducted in the nature of a compact. That extensive process began with our general elections of 1948 and was completed when all the mutual conditions were agreed upon and that agreement was proclaimed by the Governor of Puerto Rico on July 25, 1952.

The new compact broadens the autonomy of Puerto Rico, formalizes and extends the flexibility of adjustments in the implementation of common purposes which has been an outstanding merit of the relationship between United States and Puerto Rico. The new compact conforms with the findings of the United States-Puerto Rico Status Commission report of August 1966, with the terms of the plebiscite held on July 23, 1967, with the needs of changing times.

century, we are bound to acknowledge that there is no perfect political status anywhere. The free associated State is now and will continue to be quite imperfect. The proposals embodied in the new pact reflect, however, our mature judgment as to what should be done at this juncture by the Congress, the White House, the Government and the people of Puerto Rico to reaffirm, strengthen and facilitate the continued identification of basic goals and our joint democratic striving for a nobler and more worthwhile relationship in the years ahead.

SUPPORT FROM PUERTO RICO

The great majority of the people of Puerto Rico support the principles of the bill. By far the largest segment of such supporters favor the free associated State as a definite, final status for Puerto Rico. But over and above those supporters, many Puerto Ricans endorse this bill even though they may believe in eventual statehood or in eventual independence. They appreciate that the improvement of Commonwealth hurts no one and benefits all. They believe that since their own first choice is out of the question as long as they are a minority, they should support desirable improvements in the present status. They understand that working for a different status is not precluded by the improvement of Commonwealth. They hold that in the meantime the common goal should be to strengthen the community at large rather than to weaken it. This is the patriotic, intelligent, and socially responsible attitude.

Unfortunately, party leaders favoring statehood or independence have such vested interests in their own ideological positions that they fail to see the overriding interests and desires of the majority. Knowing they speak only for a minority in each case, they nonetheless feel bound to oppose any improvement in the position of the community. They act in accordance with the well-known but discredited doctrine that the job of the opposition is to oppose, to oppose and to oppose. Such obstinacy, if allowed to prevail, would only serve to paralyze democratic government. I invite once again all Puerto Ricans, regardless of partisan consideration, to support the basic goals and objectives of this new compact of permanent union.

BRIEF POLITICAL BACKGROUND

For the benefit of those Members who may be unfamiliar with our 77-year-old debate on political status, I shall explain briefly why neither statehood nor independence are majority choices. After the Spanish-American War of 1898 the two political parties that were immediately formed in Puerto Rico, the Republican and the Federal, favored and requested statehood.

THE STATEHOOD REQUEST

It was then generally assumed in Puerto Rico that statehood would be promised immediately by the Congress and extended shortly thereafter. After all, Puerto Rico had just received an autonomous charter in 1897 from the Spanish monarchy and statehood was assumed to be the equivalent of Spanish autonomy. Further on landing in Puerto

Rico, in 1898, General Miles had proclaimed that his troops were bringing to the island "the freedoms and blessings of American democracy." It was taken for granted that the history of American expansion to the West, the constitutional constraints, and the genius of American federalism guaranteed full inclusion under the flag, the Constitution, and the Union. On August 15, 1899, the commanding general, George W. Davis, published throughout Puerto Rico a circular from which I quote:

Under the American Constitution the whole theory of government is based on the principle that the people themselves are to make and enforce their own laws.

The changes that have already been made, and those now intended, should supply for the island, until otherwise provided by the Congress, a form of government resembling, as respects the superior branches, the Territorial from heretofore applied in the United States to those portions of the national domain in a transition state or one preparatory to full statehood and membership in the National Union.

Puerto Rican leaders had a rude shock and a bewildered awakening as the Congress, the President, the Supreme Court, and the Nation at large debated the implications of their great leap forward into the uncertainties of "manifest destiny." The immediate outcome was a new chapter in American constitutional development which could be entitled "keep all options open, but some less open than others." That approach was bluntly stated by Chief Justice Fuller, of the U.S. Supreme Court as follows:

If an organized and settled province of another sovereignty is acquired by the United States, Congress has the power to keep it like a disembodied shade, in an intermediate state of ambiguous existence for an indefinite period.

THE FORAKER ACT—1900-17

The first Organic Act, known as the Foraker Act, was approved in 1900. It lasted until 1917 although it was proposed as an interim bill and was specifically entitled "an act temporarily to provide revenues and civil government for Puerto Rico and for other purposes." The Foraker Act was an extremely limiting political document, sharply contrasting with the Spanish Charter of Autonomy of 1897. It reserved all effective political power to the Governor and to his Executive Council, appointed by the President of the United States, with the advice and consent of the U.S. Senate. It allowed an elective House of Delegates which together with the Executive Council would constitute "the Legislative Assembly of Puerto Rico."

A body politic entitled "The People of Puerto Rico" was established. Its inhabitants were declared to be "citizens of Puerto Rico" and entitled to the protection of the United States. The Supreme Court decided that as such they would be "nationals" but not "citizens." It also created a new category of territorial status, the "unincorporated territory." As such, Puerto Rico could be included in or excluded from Federal legislation. As far as the Constitution itself was concerned, Puerto Rico was not necessarily covered except by such provisions as involved fundamental in-

dividual rights or essential structural requirements. This Supreme Court interpretation left a constitutional penumbra which has lasted to the present day. To avoid any implication of eventual statehood, the Foraker bill was amended the floor so that the elected Representative of Puerto Rico to the United States should be called Resident Commissioner rather than Delegate as had been the case in all previous territories since Northwestern Ordinance of 1790.

The economic arrangements provided for by the Foraker Act were in sharp contrast with its political provisions. They were designed to demonstrate that there was no intention of economically exploiting Puerto Rico. The Foraker provided for a common market, the exclusion of Puerto Rico from Federal taxation, and a basically flexible sui generis case-by-case resolution of tariff provisions.

THE JONES ACT—1917-52

The second and last organic known as the Jones Act, was approved in 1917. It extended U.S. citizenship to Puerto Ricans. It made elective the legislative Houses. The President continued to appoint the Governor and members of his cabinet with the advice and consent of the U.S. Senate, but Governor was entitled to appoint cabinet members with the advice and consent of the Puerto Rican Senate. Economic provisions of the Foraker were retained. They now form part of the Puerto Rican Federal Relations

During the first third of the century expressions by Presidents, Member Congress, and other public figures couraging statehood for Puerto Rico served to ruffle the sensitivities of a people. Political parties and political leaders in Puerto Rico readjusted approaches to deal with local problems and to face problems of relations with the United States.

By 1904 the Federal Party had solved itself into a broader political grouping, the Partido Unión de Puerto Rico pledged to "unite the Puerto Rican family" under the banner of local initiative, immediate improvements in government, and subsequently statehood or independence. From its inception until its disappearance in 1932, the Federal Party was the leading party in Puerto Rico.

By 1915 another party, a prolab organization which called itself the Socialist Party, was formed. The Republican Party, which had become the one which proposed statehood as the political status acceptable, lost all tions from 1904 until 1932. Yet, in the 1933 elections it was able to organize a legislative majority in conjunction with the Socialist Party, it refrained from insisting upon statehood, under assumption that they would be subjected to additional rejections.

ON INDEPENDENCE

The political debate in Puerto Rico required a deep note of exasperation in the thirties when the economic depression, two devastating hurricanes and initial confusions and frustrations of New Deal uncertainties provided

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dients of desperation, hopelessness, and intensive searches for new approaches. By this time many of the political and intellectual leaders of Puerto Rico were espousing independence. They had become thoroughly discouraged by the vast gulf of misunderstanding which increasingly seemed to isolate Puerto Rico from the United States and which seemed to render impossible any meaningful communication. The consistently inept Governors sent to Puerto Rico as political payoffs, the combination of benign neglect and overall amnesia in the Nation at large about the very existence of Puerto Rico did little to help the situation. There were, however, three main difficulties envisioned with regard to independence:

First. While there prevailed significant failings at the political level, the basic relationship in health, education, urban development, and justice showed a marked improvement over the past. The electorate, and particularly the working-class and the destitute distrusted independence. The experience of the neighboring republics was discouraging; the fear of the essentially feudal agricultural set up and of the domineering mentality of the of the Puerto Rican ruling class seemed to them to require the guarantees and balancing protections of United States citizenship.

Second. The nationalist movement, initiated early in the 1930's, preached and practiced violence as the only way of achieving independence after a resounding defeat at the polls in 1932. Identification of independence with violence and with nearby dictatorships further deterred the electorate from the independence movement. Additionally, the black shirts of the "Nationalist Liberation Army" were associated with Mussolini's Black Shirts and with Hitler's Brown Shirts.

Third. The awareness that the development of a competently trained, able middle class and the reconstruction of the economy were imperative prerequisites to a peaceful, evolutionary independence movement.

THE POLITICS OF SOUND AND FURY

The cavalier and clumsy manner in which Puerto Rican affairs were handled in Washington is attested to by the fact that President Franklin D. Roosevelt, in spite of his humane and broad overall view, appointed successively and carelessly two of the worst and most incompetent Governors Puerto Rico ever had. The first was a bumbling, insensitive old-rate newspaperman from Florida with an exceptional capacity for alienating friends and opponents alike. His successor was a superannuated, retired general from Georgia, with an imperial mien. Judge Advocate he had rendered the opinion that the United States could constitutionally grant independence to the Philippines. He was generally held responsible for the worst political tragedy in Puerto Rico history: the shooting of a group of nationalists participating in an unauthorized parade in 1937 when persons were killed. This has come to be known in Puerto Rico as the Ponceacre.

With such an accumulation of mistakes, misfortunes, and tragedies, it is understandable that the decade of the 1930's saw Puerto Rico going through the throes of its most difficult collective crisis. The profound stability, basic loyalties and wisdom of the community allowed Puerto Rico to withstand all impulses of despair or toward self-destruction.

PAN, TIERRA Y LIBERTAD

Out of the many struggles with the implications of ultimate choice came a vigorous concern with the meaning of political power and the potentials of the democratic process. Perhaps the most illuminating conclusion was the judgment that political status is not an end in itself but a means toward an end. The measure of all things is man, not the philosophical abstraction devoid of reality, but the human being, the man of flesh and bones, and particularly the destitute human being deprived of opportunities and alternatives. The basic tenet of this new level of political direction was that the unquestionable first item on Puerto Rico's agenda was social justice. Accordingly, a new party, the Popular Democratic Party, was founded by Luis Muñoz Marín, committed to the principle that the rectification of the injustices and deprivations suffered by the man of flesh and bones was, and by right ought to be, the basic purpose and objective of any society, particularly a poverty-ridden society.

The electoral process would be called upon to validate this purpose. The test would come if an all-encompassing program on behalf of the destitute majority was proposed and if that destitute majority endorsed the program at the polls. The Popular Democratic Party proposed such a program, symbolized in the slogan "pan, tierra y libertad"—"bread, land, and liberty"—and called for unity among the destitute through a moratorium on the debate of political status. The program centered on social justice, to be achieved through employment opportunities, minimum wages, maximum hours, land reform, free and public education for all, health services, public housing, greater taxation, industrial development, secret, free and universal suffrage, efficient government. The Popular Democratic Party won a partial victory in 1940 and total victory in 1944.

The new program was decisively aided and influenced by the wholehearted cooperation of the last mainland-appointed Governor: the brilliant and courageous administrator, Rexford G. Tugwell, appointed by President Roosevelt in October 1941. The effective, progressive, personal partnership which like-minded Rexford G. Tugwell and Luis Muñoz Marín worked out for the benefit of Puerto Rico set the stage for a subsequent institutionalized partnership between the United States and Puerto Rico.

THE FREE ASSOCIATED STATE

The desideratum of a free associated State political status for Puerto Rico dawned upon our leaders, as through a glass darkly, at the end of World War II, much against our own

then-acknowledged—and for us unworkable—established political formulae of the 18th and 19th centuries. As those of us who exerted leadership responsibilities in the 1940's faced an uncharted sea of troubles ahead, we realized the obligation to move away from the risks and pitfalls of the Scylla of Independence and the Charybdis of statehood. As we succeeded in a program of social, economic, industrial, cultural internal decolonization and reconstruction, we came upon the shores of our own undiscovered continent. For a while, like many other such travellers, we did not perceive the true dimensions, the real potentials or even the right name of the new land.

The status of free associated state has evolved more through a historical, economical, cultural, and political evolutionary process than through any theoretical formulation or preexisting model. Insofar as there has been any theory about the free associated state it has been provided by the Puerto Rican spokesman and interpreters.

We have met a high degree of misunderstanding, perplexity and even skepticism when not out-and-out resistance among many of our North American and Latin American political counterparts. These critics have been spared the task of having to forge out of their own vicissitudes a new political formula in the second half of the 20th century for a Western island one hundred miles long and 34 miles wide, with 800 persons per square mile and half of its terrain covered by mountains.

Four years ago, while discussing the issue with scholars in Spain, France, and Italy, I was gratified, although not particularly surprised, to discover that the concept of free associated state struck a more responsive chord among political thinkers in the Old World than in the New. The reason was not difficult to identify. The concept of the national state had run its full course in Europe. Mussolini, Stalin, and Hitler managed to achieve the ultimate reductio ad absurdum of the religion of nationalism, at least for the Western powers. The end of World War II produced, not only the liquidation of their empires, but also an active search for more valid forms of association within the European continent, both outside their national boundaries and within their central jurisdictions.

Previous economic exploitation, political abuses, and burning racial reactions hindered or precluded associations or accommodations with their former colonies, many of which proceeded to incorporate for themselves the discarded theories of nationalism and the adhesive tape of hate politics.

Furthermore, the doctrine of self-determination itself came back to plague many European countries as the political specter of cultural minorities asserted itself both within the territorial boundaries and even more pointedly in nearby islands: Corsica, Sardinia, Sicily, the Canary Islands, Catalonia, Wales, and Scotland have raised much more sophisticated

For many of my friends in Europe exploring with me the growing, darkening horizon of national minorities, the Puerto Rican experience and the free associated state relationship reflected a notable, infrequent instance of rationality governing the resolution of an emotional political impasse. In their expression, we had chosen to untie the Gordian knot rather than to cut it.

THE NEW COMPACT

There is one overall problem which this new compact endeavors to resolve. We must bring the compact up to date. There has been no significant revision of the norms and agreements since 1952. We knew then and said so, that changes would be necessary although the basic principles were lasting. Puerto Rico and the United States have in many ways outgrown the 1952 format. The world around us has changed significantly. We wish to adapt the principles of 1952 to the realities of 1975 and to the demands of the years ahead. The proposed compact endeavors to strengthen that reality. It also provides needed mechanisms to deal with difficult challenges ahead. This is the fourth proposal elaborated in Puerto Rico for such improvements since 1953.

We believe that both the United States and Puerto Rico should regain under a new compact of permanent union the drive and dynamism which distinguished our cooperation 20 years ago as symbolized then by Operation Bootstrap. We owe it to the new generations which did not participate in the struggles of the 1940's and the 1950's, to have for their own clarification a basic document reflecting the dignity and the quality of our relationship. The other basic Puerto Rican document, our Constitution, expresses our own efforts and aspirations in moving and forceful language. We need to have a new language governing our relationship. We must clarify the nature of that relationship through a clear, definite pronouncement for the present and for the future. It is high time that we remove the vestiges of the Jones and Foraker Organic Acts which survive today in the Puerto Rican Federal Relations Act with a new declaration. We propose instead the provisions of this bill, entitled compact of permanent union between Puerto Rico and the United States.

Finally, Mr. Speaker, I wish to thank Members from both sides who have been generous enough to cosponsor this bill. Since more than the allowed number of cosponsors had expressed their desire to support this presentation, I will submit later a second identical bill including an additional number of cosponsors.

This proposal, together with an extensive favorable report was submitted to the President of the United States on October 9 by former U.S. Senator and cochairman of the joint advisory group, the Honorable Marlow Cook. I was advised the day before yesterday by the White House staff that it will not be possible to render their recommendations to the Congress before the forthcoming recess. Given this delay I am certain it is

most expeditious all around to file this bill now, take care of the required preliminary parliamentary procedures before the Congress reconvenes, arrange for hearings at the earliest time thereafter, and if necessary postpone ultimate deliberations until after the recommendations from the White House and from the Departments are received and considered.

May I say in conclusion that it is my fondest hope and expectation that before we enter the first day of the third century of the birth of the United States this new compact, with endorsement of the Congress, the President of the United States and the people of Puerto Rico, will have become a definite reality.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise as a cosponsor of the legislation introduced by the Resident Commissioner of Puerto Rico which will establish a Compact of Permanent Union between Puerto Rico and the United States. As a member of the ad hoc advisory group on Puerto Rico, I am familiar with the compact and consider it a significant step in lessening the ambiguity which characterizes current Federal-Puerto Rican relations.

For over 2 years, the advisory group was involved with the complexities that have arisen, over the years, in the conduct of proceedings between the U.S. Federal and Puerto Rican Governments. The ad hoc advisory group was chartered to investigate these complicated relationships and to recommend measures which would lead to greater self-government for Puerto Rico. Further, the group was charged to establish guidelines, within the framework of the U.S. Constitution, relevant to the applicability of Federal statutory laws and administrative regulations in Puerto Rico. The legislation introduced today represents the product of intensive hearings and debate conducted both in Puerto Rico and Washington. In its final discharge of duty the advisory group concluded that—

This Compact as approved represents the consensus of the Group. It recommends the Compact be referred to both Houses by the President of the United States with his endorsement for congressional action.

Thus, this legislation, although significant in scope, is not all inclusive and requires further refinement through the legislative process.

Do not forget, the compact deals with matters of great moment, calling for profound changes in Federal-Puerto Rican relations. Accordingly, I join in the cosponsorship of this legislation only with the understanding that Congress must await the due deliberations and recommendations of the President and the executive branch. Moreover, in consideration of the compact, the separate views of those advisory group members—four from the mainland and four from Puerto Rico—who expressed a divergence of opinion on specific provisions of the compact, must receive congressional attention. Lastly, the Congress in holding hearings on the compact should invite all significant groups with views, either in support of or differing from those expressed in the compact, to testify, there-

by attaining broad-based and bipartisan support for the final document.

Contrary to the Covenant of the Northern Mariana Islands, which this body acted upon last summer, the Puerto Rican compact has yet to be submitted to the Puerto Rican electorate. Before that historic occasion, it is incumbent on the Congress to review in detail the provisions of this compact and to amend those sections which are not in consonance with modern federalism. Thus, all Puerto Ricans, at the time of their decision, will be assured that the compact upon which they are voting has received the full benefit of 200 years of congressional legislative experience.

With reference to specific sections of the compact, I find section 21 particularly troublesome. Recent precedent has led me to conclude that Congress, in dealing with U.S. territories, may agree to limit its regulation and control in certain fundamental constitutional areas. Such is the case in the compact, wherein section 21 enumerates 12 fundamental provisions of the compact which are constitutionally derived and can only be altered by mutual consent of the U.S. Congress and the Puerto Rican electorate. On the other hand, section 21 also stipulates that the remaining sections of the compact can only be changed, with the mutual approval of both Governments. It is this aspect which raises doubts. In my view, those nonfundamental sections of the compact are subject to alteration or abrogation by the Congress unilaterally and without the consent of the Puerto Rican Government.

I view the future relationship between the United States and Puerto Rico as one of the most important in this hemisphere. Not only is Puerto Rico a key link with our friends in the Caribbean but it is a major economic and cultural bridge with our friends in Latin America. The final draft compact must be the fairest and finest attainable as a result of the legislative process. We, in the Congress, will be carefully scrutinized and judged by our performance and ability to deliver a responsive and responsible legislative improvement in our Federal relations with Puerto Rico. The ultimate compact must be overwhelmingly satisfactory to the U.S. Congress, the executive branch, the American people and most importantly, the members of the American family residing in Puerto Rico and their elected officials.

Mr. Speaker, the continuing experience which typifies dynamic democracy, functioning within a republican form of government, characterizes the legislation introduced today. Puerto Rico's final political destiny remains to be determined; but in my view, the compact which will emerge from the Congress in conjunction with the recommendations of the administration, the Puerto Rican Government and expert testimony assures Puerto Rico an integral place within the American political family. The very strong ties of the past will become increasingly closer as we work cooperatively toward strengthening the union between the 50 States of the United States and the Free Associated State of Puerto Rico.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENITEZ (for himself, Mr. BADILLO, Mr. PHILIP BURTON, Mr. DON H. CLAUSEN, Mr. HALEY, Mr. SKUBITZ, Mr. TAYLOR of North Carolina, Mr. STEIGER of Arizona, Mr. KASTENMEIER, Mrs. MINK, Mr. LUJAN, Mr. STEPHENS, Mr. VISORITO, Mr. RUPPE, Mr. WON PAT, Mr. DE LUCA, Mr. LAGOMARSINO, Mr. MILLER of California, Mrs. PETTIS, Mr. JOHNSON of California, Mr. UDALL, Mr. MELCHER, Mr. RONCALIO, Mr. BINGHAM, and Mr. SEIBERLING):

H.R. 11200. A bill to approve the Compact of Permanent Union Between Puerto Rico and the United States; to the Committee on Interior and Insular Affairs.

By Mr. BENITEZ (for himself, Mr. ECKHARDT, Mr. SANTINI, Mr. TSONGAS, Mr. HOWE, Mr. WEAVER, Mr. CARR, Mr. RISENHOOVER, Mr. PATMAN, Mr. PEPPER and Mr. DENT):

H.R. 11201. A bill to approve the Compact of Permanent Union Between Puerto Rico and the United States; to the Committee on Interior and Insular Affairs.

By Mr. CRANE (for himself, Mr. ABDONOS, Mr. BURGESS, Mr. CLANCY, Mr. DEL CLAWSON, Mr. DON H. CLAUSEN, Mr. CONLAN, Mr. HUTCHINSON, Mr. LONG of Maryland, Mr. FLOWERS, Mr. FRENZEL, Mr. ICHORD, Mr. LATTA, Mr. MONTGOMERY, Mr. MANN, Mr. PICKLE, Mr. RISENHOOVER, Mr. SARASIN, Mr. SATTERFIELD, Mr. SPENCE, Mrs. SMITH of Nebraska, Mr. TALCOTT, Mr. VANDER JAGT, Mr. CHARLES WILSON of Texas, and Mr. YATON):

H.R. 11202. A bill to require that the U.S. Government prepare and make public an annual consolidated financial statements utilizing the accrual of accounting; and for other purposes; to the Committee on Government Operations.

By Mr. DERRICK (for himself, Mr. MANN, Mr. HOLLAND, Mr. SPENCE, Mr. JENNETTE, and Mr. STEPHENS):

H.R. 11203. A bill to authorize the Secretary of the Interior to establish the Old Ninety Six and Star Fort National Historical Park in the State of South Carolina; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. FENWICK (for herself, Mr. SCHUE, Mr. FORSTER, Mr. BINGHAM, Mr. KOCH, Mr. GUD, Mr. FLORIO, Mr. HARRINGTON, Mr. HEINZ, Mr. ELBERG, Mr. OTTINGER, Mr. SOLARZ, Mr. BADILLO, Mr. PIKE, Mr. LEVITAS, Ms. ASZUG, Mr. ADDABBO, Mr. DOMINICK, Mr. DANIELS, Mr. GRADISON, Mr. ROE, and Mr. HORTON):

H.R. 11204. A bill to establish a Commission on Security and Cooperation in Europe; to the Committee on International Relations.

By Mr. GUYER:

H.R. 11205. A bill to establish a reduced rate of postage for letters sealed against inspection mailed by private individuals; to the Committee on Post Office and Civil Service.

By Mr. HANLEY:

H.R. 11206. A bill to amend titles II and XVIII of the Social Security Act to provide for the payment of wife's, husband's, widow's, and widower's insurance benefits without regard to age in cases of disability (and for medicare coverage for those entitled to such benefits); to the Committee on Ways and Means.

By Mr. HUGHES:

H.R. 11207. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who have attained age 65 or who are disabled a refundable tax credit for property taxes paid by them on their principal residences or for a certain portion of the rent they pay for their principal residences; to the Committee on Ways and Means.

By Mr. JENNETTE (for himself, Mr. ROSE, and Mr. YOUNG of Alaska):

H.R. 11208. A bill to amend title 5, United States Code, to provide that certain air traffic specialists be considered as air traffic controllers for retirement and certain other purposes; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL of New York:

H.R. 11209. A bill to amend the Age Discrimination in Employment Act of 1967 to prohibit an employer from requiring evidence of age of an applicant for a job, and for other purposes; to the Committee on Education and Labor.

By Mr. MURTHA:

H.R. 11210. A bill to amend title 18, United States Code, so as to impose mandatory minimum terms with respect to certain offenses, and for other purposes; to the Committee on the Judiciary.

H.R. 11211. A bill to amend title 18 of the United States Code with regard to the additional sentence imposed for commission of a felony while using or unlawfully carrying a firearm; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 11212. A bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. OTTINGER (for himself, Ms. ASZUG, Mr. BADILLO, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. EDGAR, Mr. ELBERG, Mr. FLOOD, Mr. HARRINGTON, Mr. HARRIS, Mrs. HECKLER of Massachusetts, Ms. HOLTZMAN, Mr. KOCH, Mr. LEHMAN, Mr. METCALFE, Mr. MITCHELL of Maryland, Mr. MURPHY of New York, Mr. RIEGLE, Mr. RODINO, Mr. SCHUE, Mr. SOLARZ, Mr. WAXMAN, Mr. WOLFE, and Mr. HELSTOSKI):

H.R. 11213. A bill to authorize temporary assistance to help defray rent payments by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions; to the Committee on Banking, Currency and Housing.

By Mr. REUSS:

H.R. 11214. A bill to authorize the Secretary of Housing and Urban Development to enter into contracts with State and local governments to provide interest subsidy payments with respect to bond issues in order to broaden and stabilize the municipal capital market and to establish within the Department of Housing and Urban Development a Municipal Technical Assistance Office; to the Committee on Banking, Currency and Housing.

By Mr. SYMINGTON (for himself and Mr. MOSHER):

H.R. 11215. A bill to make the National Bureau of Standards an independent agency, and for other purposes; to the Committee on Science and Technology.

By Mr. VIGORITO:

H.R. 11216. A bill to provide that certain law enforcement officers who, by reason of an agency reorganization, lost their coverage

under the law enforcement retirement provisions of title 5, United States Code, shall be entitled to have such coverage restored to the Committee on Post Office and Civil Service.

By Mr. WIGGINS:

H.R. 11217. A bill to amend titles 18 and 28 of the United States Code to permit the use of unsworn declarations under penalty of perjury as evidence in Federal proceedings; to the Committee on the Judiciary.

H.R. 11218. A bill to establish a National Court of Appeals, and for other purposes; to the Committee on the Judiciary.

H.R. 11219. A bill to improve the appellate court system, and for other purposes; to the Committee on the Judiciary.

By Mr. ABDONOS:

H.R. 11220. A bill to authorize grants to Indian controlled community colleges; to the Committee on Education and Labor.

By Mr. AUCOIN (for himself, Mr. DUNCAN of Oregon, and Mr. WEAVER):

H.R. 11221. A bill to repeal the act terminating Federal supervision over the property and members of the Confederated Tribes of Siletz Indians of Oregon; to reinstitute the Confederated Tribes of Siletz Indians of Oregon as a federally recognized sovereign Indian tribe; and to restore to the Confederated Tribes of Siletz Indians of Oregon and its members those Federal services and benefits furnished to federally recognized American Indian tribes and their members; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CLEVELAND (for himself and Mr. HARRINGTON):

H.R. 11222. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

By Mr. HARRINGTON:

H.R. 11223. A bill to reform the food stamp program; to the Committee on Agriculture.

By Mr. LITTON (for himself, Mr. DOWNEY of New York, Mr. ELBERG, Mr. JONES of North Carolina, Mr. LONG of Maryland, Mr. MURPHY of New York, Mr. PATTON of New York, Mr. POAGE, Mr. ROSE, Mr. WON PAT, and Mr. YATON):

H.R. 11224. A bill to reduce the payments by the United States to the United Nations, and for other purposes; to the Committee on International Relations.

By Mr. LITTON (for himself, Mr. BADILLO, Mr. CARNY, Ms. CHISHOLM, Mr. DOWNEY of New York, Mr. EDGAR, Mr. FAUNTROY, Mr. FRAZER, Mr. HANNAPFORD, Mr. HELSTOSKI, Mr. MAZZOLI, Mr. MITCHELL of Maryland, Mr. PATTON of New York, Mr. RUSSO, Mr. RYAN, Mr. SOLARZ, and Mr. WEAVER):

H.R. 11225. A bill to provide that the terms of office of the Director of Central Intelligence and the Director of the Federal Bureau of Investigation shall be 10 years and that no individual shall hold such office more than once; jointly to the Committees on Armed Services, and the Judiciary.

By Mr. OTTINGER (for himself and Mr. EDWARDS of California):

H.R. 11226. A bill to dedicate the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas in grateful recognition of his contributions to the people of the United States; to the Committee on Interior and Insular Affairs.

By Mr. RHODES:

H.R. 11227. A bill to amend the Internal Revenue Code of 1954 to provide that the current withholding tables will remain in effect until March 15, 1978; to the Committee on Ways and Means.

THE WHITE HOUSE

WASHINGTON

December 22, 1975

MEMORANDUM FOR: RUSSELL E. TRAIN,
Environmental Protection Agency

FREDERICK B. DENT,
Special Representative for Trade
Negotiations

FROM: JIM CANNON

SUBJECT: Puerto Rico

Attached for your review and comments are copies of the proposed Compact of Permanent Union Between Puerto Rico and the United States: Report of the Ad Hoc Advisory Group on Puerto Rico. The document, completed after two years of studies and hearings, would replace the presently operative compact of permanent union between Puerto Rico and the United States which has been in force since 1950. The draft proposes several important changes in areas under your jurisdiction, and your analysis and appraisal, to be used in drafting a decision memorandum for the President, will be greatly appreciated.

I would be obliged if I could have your comments by close of business on Tuesday, December 30.

Attachment

cc: Sam Halper



THE WHITE HOUSE

WASHINGTON

December 15, 1975

MEMORANDUM FOR:

Russell E. Train
ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS

FROM:

JAMES CANNON

Frederick B. Dent

SUBJECT:

Puerto Rico

Attached for your review and comments are copies of the proposed Compact of Permanent Union Between Puerto Rico and the United States: Report of the Ad Hoc Advisory Group on Puerto Rico. The document, completed after two years of studies and hearings, would replace the presently operative compact of permanent union between Puerto Rico and the United States which has been in force since 1950. The draft proposes several important changes in areas under your jurisdiction and your analysis and appraisal, to be used in drafting a decision memorandum for the President, will be greatly appreciated.

I would be obliged if I could have your comments by close of business on

Thurs, Dec. 30.

Gr. Cavanaugh's suggestion)

Attachment



December 15, 1975

MEMORANDUM FOR

THE ENVIRONMENTAL PROTECTION AGENCY
THE OFFICE OF THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS

FROM: JAMES CANNON

SUBJECT: ~~PUERTO~~ PUERTO RICO

Attached for your review and comments are copies of the proposed COMPACT OF PERMANENT UNION BETWEEN PUERTO RICO AND THE UNITED STATES: Report of the Ad Hoc Advisory Group on Puerto Rico. The document, completed after two years of studies and hearings, would replace the presently operative compact of permanent union between Puerto Rico and the United States which has been in force since 1950. The draft proposes several important changes in areas under your jurisdiction and your analysis and appraisal, to be used in drafting a decision memorandum for the President, will be greatly appreciated.

I would be obliged if I could have your comments by close of business on DAY and DATE.

Attachment



[1/13/76]

~~1/13/74~~
~~JR~~

Dunlop

~~letter~~

My letter

a) money

u report





THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

January 9, 1976

Copy sent to Sam Halper

Puerto Rico

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

Dear Mr. Cannon:

This is in response to a request from Mr. Sam Halper of your staff for further comments from the Department of Transportation concerning the proposed Compact of Permanent Union between Puerto Rico and the United States.

My primary concern about the proposed Compact is that it does not make clear the political status of Puerto Rico or, more specifically, the implications of that status for existing Federal transportation authorities and responsibilities. Puerto Rico would no longer be a Commonwealth, yet it would not become a totally independent nation. It would be called a Free Associated State. The jurisdiction of the United States to apply Federal transportation laws in Puerto Rico is not clearly stated. This leaves the enforcement of Federal statutes in question. It also leaves unclear the eligibility of Puerto Rico for certain kinds of Federal financial assistance and the requirements upon which such assistance should be conditioned.

To the extent that the United States continues to be responsible for Puerto Rican defense and international affairs, we should make sure that the interests of the Coast Guard, insofar as they affect national security, are protected, and that the United States continues to represent Puerto Rico in international organizations concerned with air, sea, and surface transportation.

To the extent that Puerto Rico continues to benefit from Federal financial assistance, we should make sure that the use of Federal funds is governed by either those requirements that would be applicable if Puerto Rico were a State or by specifically stated criteria that express a special continuing Federal interest in Puerto Rico and assure the efficient management of Federal resources.



My letters of July 9 and November 19, 1975 stated these views. The enclosed comments address this issue and others in more detail. I offer them for your use in hope that they will assist you in preparing the Administration's position on the proposed Compact.

Sincerely,

William T. Coleman, Jr.
William T. Coleman, Jr.

Enclosure



COMMENTS ON THE PROPOSED COMPACT OF PERMANENT UNION
BETWEEN PUERTO RICO AND THE UNITED STATES

Section 2d. - This Department represents the United States, along with the Department of State in most instances, on various bodies of the United Nations, the Inter-Governmental Maritime Consultative Organization (IMCO), the International Civil Aviation Organization (ICAO), the International Telecommunications Union (I.T.U.), the U.N. Commission on International Trade Law (UNCITRAL), the United Nations Conference on Trade and Development (UNCTAD), the Economic Commission for Europe (ECE), and the Economic Commission for Latin America (ECLA). These international organizations deal with various topics including the safety of life at sea, the establishment of uniform rules of maneuvering for vessels in the proximity of one another, prevention of pollution of the marine environment by oil and other hazardous polluting substances, allocation of frequencies from the limited spectrum of the radio frequency band, the regulation of civil aviation matters such as personnel licensing, Rules of the Air, operation of aircraft, aircraft nationality, airworthiness, facilitation, telecommunications, air traffic services, search and rescue, accident investigation, airports, aircraft noise and security; various economic transportation issues are dealt with in other international organizations.

Section 2d recognizes the responsibility of the United States to represent Puerto Rico in regard to international relations and matters of defense; however, it would allow Puerto Rico to participate in international organizations covering a list of subjects specified in that section and also consistent with the functions of the United States. The section is ambiguous;



it could be assumed that Puerto Rico would have non-voting status similar to observers or similar to the District of Columbia Representative to Congress, or the contrary, Puerto Rico might have full voting rights. There would be instances when presence of a Puerto Rican delegation on the various committees on which members of this Department sit as United States delegates would not be consistent with United States foreign policy. Puerto Rico would still be closely associated with the United States and for it to take a position radically different from that of the United States would place a severe strain on our relations with other nations. Since this Compact recognizes that the United States has responsibility with respect to Puerto Rico's international relations, it seems entirely proper that Puerto Rico should have a voice in the formulation of the United States negotiating position. We do not believe that it should have a separate and equal voice in international organizations.

Section 3a. - This Department has Federal property in Puerto Rico. There are Coast Guard bases in San Juan and Ponce; a loran station at Cape San Juan, an air station at Punta Borinquen, and various lighthouses and other aids to navigation for both ship and aircraft navigation. The United States renders valuable services to Puerto Rico from these property holdings. Search and rescue services are provided by a rescue coordination center in San Juan and the ships and aircraft stationed in Puerto Rico.



Drug traffic into Puerto Rico and the mainland United States from South and Central America is interdicted by ship and aircraft patrols that often originate from Puerto Rico. By the terms of section 3a the title to Federal land holdings would revert to Puerto Rico. The section further provides that the United States may continue to use this land as long as it is used for public purposes. "Public purposes" is undefined and should at least be modified by the phrase "of the United States."

Further, the matter of compensation for the Federal use of lands that would belong to Puerto Rico under the Compact is not addressed. We may assume that Puerto Rico might want to negotiate leases for those parcels and that the United States might wish to compensate Puerto Rico for their use, but the budgetary impact of this decision on the Department of Transportation is a matter that should be considered by Congress.

In addition, the exercise by the United States of the power to condemn land is not mentioned. The political status of Puerto Rico under the proposed Compact leaves this issue unsettled. Occasionally, this Department must condemn land to establish new land based aids to navigation. We believe that the United States must retain the power to condemn land for public use in Puerto Rico.


Section 3b. - We view section 3b as one of the most serious areas of concern. Presently, many Federal statutes apply to Puerto Rico because of its status as a Commonwealth or because the statutes have as a basis of jurisdiction the navigable waters or airspace of the United States, waters and airspace subject to the jurisdiction of the United States, or waters and airspace of the United States.

The Compact will do away with the status of Puerto Rico as a Commonwealth and will create a new status as an Associated Free State. This body politic is not defined elsewhere in law and the ramifications of this new political entity are not clear. Those laws which now apply to the Commonwealth of Puerto Rico by virtue of its status as a Commonwealth probably will no longer apply to the Free Associated State.

Those laws which have as the bases of jurisdiction noted above include the Federal Boat Safety Act (46 U.S.C. 1451 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and the laws relating to maritime safety found in Title 46, United States Code, and the Federal Aviation Act (49 U.S.C. 1309 et seq.).

This Department by the authority of the above-named Acts makes grants to the States for their recreational boating programs, insures compliance with boat construction standards, arranges for the removal of oil spills, monitors the safety compliance of United States merchant marine by a program of inspections of vessels and licensing of seamen, maintains air traffic control, issues airmen's licenses, and certifies airports, aircraft, and air carriers. For this reason the before-mentioned jurisdictional bases on which to apply Federal laws to Puerto Rico should be restated. The language of section 3b is not adequate to do this.

There are three ways in which this could be accomplished. This first would be by a total grant of independence to Puerto Rico thereby making Puerto Rico the sole sovereign. However, this alternative is clearly rejected by the language of the Compact. Alternatively, there are two other methods that would clarify the question of navigable waters. Either is acceptable, but more importantly the applicability of Federal law to Puerto Rico would be clear.



Option I - United States retains existing authority and responsibility over waters in Puerto Rico.

Section 3b (First Proviso):

" . . . Provided, that waters in and around the Island of Puerto Rico and the adjacent islands which, at the time this compact enters into force, have the status of navigable waters of the United States, waters subject to the jurisdiction of the United States, or waters of the United States for the purposes of statutes administered by any agency of the United States shall retain that status for the purposes of those statutes as amended, repealed, or otherwise modified, . . ."

Note: Under this formulation subsequently enacted statutes will have to be drafted to specifically apply to the waters in Puerto Rico. This point appears to be consistent with the overall thrust of the Compact.

Option II - Puerto Rico obtains authority and rights over waters in Puerto Rico to the same extent as if it were a State.

Section 3b (First Proviso):

" . . . Provided, that waters in and round the Island of Puerto Rico and the adjacent islands shall be subject to the statutes of the United States which apply to navigable waters of the United States, waters subject to the jurisdiction of the United States, or waters of the United States to the extent that similarly situated waters located within any State of the United States would be so subject, . . ."



Note: Unlike the first option, this would have prospective effect. The reason for this is that an on-going parallel system with the States would be set up by this option. As such it would be illogical to make a distinction between pre-Compact and post-Compact statutes.

We reiterate that the political status of Puerto Rico is not clear under the proposed Compact. This, in turn, leaves the enforcement of many Federal laws in Puerto Rico in doubt. For instance, the Federal Aviation Act is enforced in the navigable airspace of the United States. Without clarification, Puerto Rico may not be included in the navigable airspace.

Section 12e. - This section would have a major impact on the regulatory program of the Department of Transportation. This Department, as authorized by law, issues many regulations. The basic statute which provides the authority to issue regulations should establish the jurisdiction of the statute. This is rightfully a Congressional determination which, once made, should not be tampered with on a case-by-case basis.

Additionally, the regulations promulgated by this Department are interdependent parts of an integrated program; therefore, it would be undesirable to break these programs apart through a "pick and choose" process.

In summary, the scheme of Federal laws enforced by the Department of Transportation in Puerto Rico as a whole provide valuable services to the people of Puerto Rico. I feel that the Compact should be modified as suggested to provide for the uniform application to Puerto Rico of all of the Federal statutes enforced by this Department.

Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.

~~CONFIDENTIAL~~

Determined to be an
Administrative Marking

THE WHITE HOUSE

WASHINGTON

January 30, 1976

INFORMATION

By SD NARA, Date 4/7/2015

MEMORANDUM FOR: JIM CANNON

FROM: SAM HALPER *SH*

SUBJECT: PUERTO RICO

Feli
Puerto Rico



To keep you posted--

Rep. Don Clausen yesterday afternoon over the phone: "The whole Committee--not only the Republicans--is getting very upset with the unresponsiveness of the Administration on these issues"(relating to the Compact).

Please see enclosed booklet listing Clausen as ranking minority member on the Burton subcommittee.

In case you have not already done so, please see the NYT editorial of today on Puerto Rico (attached), particularly the references to 1) the adverse effect of the minimum wage and 2) need for a new look at the Puerto Rican economic problem. The NYT stresses examination of federal programs; I repeat my plea for a look at the entire economic mess, federal programs included; else the U.S. may find itself simply devising new techniques for pouring money into an open drain.

Am meeting Monday night with Carlos Romero Barcelo to feel out the Stateholders' position. Also to give them some sense of communicating with the Domestic Council on this issue.

Addendum:

Saw Clausen this afternoon regarding my assistance on a statement. He said several times that he wants to hold up the Compact, to stop Burton from pushing it through his Committee. "Our interest is to delay," he says. He would like to see you and asked if you would call him. (Office # 225-3311). He's busting to talk to the Administration. Clausen is nothing great but he's the best we have to work with at the moment. I suggest you see him, stroke him but make it brief. (I reiterated to him this afternoon that I was not speaking for the [REDACTED] White House.)

*Make
appointment
for me*

U.S. House of Representatives

Committee on Interior and Insular Affairs

94th CONGRESS
2d Session

1324 Longworth House Office Building
Washington, D.C. 20515
Telephone: 225-2761

JAMES A. HALEY, Florida, *Chairman*
ROY A. TAYLOR, North Carolina
HAROLD T. JOHNSON, California
MORRIS K. UDALL, Arizona
PHILLIP BURTON, California
ROBERT W. KASTENMEIER, Wisconsin
PATSY T. MINK, Hawaii
LLOYD MEEDS, Washington
ABRAHAM KAZEN, JR., Texas
ROBERT G. STEPHENS, JR., Georgia
JOSEPH P. VIGORITO, Pennsylvania
JOHN MELCHER, Montana
TENO RONCALIO, Wyoming
JONATHAN B. BINGHAM, New York
JOHN F. SEIBERLING, Ohio
HAROLD RUNNELS, New Mexico
ANTONIO BORJA WON PAT, Guam
RON de LUGO, Virgin Islands
BOB ECKHARDT, Texas
GOODLOE E. BYRON, Maryland
JAIME BENITEZ, Puerto Rico
JIM SANTINI, Nevada
PAUL E. TSONGAS, Massachusetts
ALLAN T. HOWE, Utah
JAMES WEAVER, Oregon
BOB CARR, Michigan
GEORGE MILLER, California
THEODORE M. (TED) RISENHOOVER,
Oklahoma
WRIGHT PATMAN, Texas
JOE SKUBITZ, Kansas, *Ranking Minority Member*
SAM STEIGER, Arizona
DON H. CLAUSEN, California
PHILIP E. RUPPE, Michigan
MANUEL LUJAN, JR., New Mexico
KEITH G. SEBELIUS, Kansas
ALAN STEELMAN, Texas
DON YOUNG, Alaska
ROBERT E. BAUMAN, Maryland
STEVEN D. SYMMS, Idaho
JAMES P. (JIM) JOHNSON, Colorado
ROBERT J. LAGOMARSINO, California
VIRGINIA SMITH, Nebraska
SHIRLEY N. PETTIS, California

SUBCOMMITTEES

National Parks and Recreation

Jurisdiction—

The national park system, its units, and related units which are established for the protection, conservation, preservation, or recreational development of nationally significant areas

Outdoor recreation plans and programs

Historic and prehistoric preservation programs

Members—

Mr. TAYLOR, *Chairman*

Mr. BINGHAM

Mr. BYRON

Mr. CARR

Mr. de LUGO

Mr. ECKHARDT

Mr. HOWE

Mr. JOHNSON, Calif.

Mr. KASTENMEIER

Mr. KAZEN

Mr. MEEDS

Mrs. MINK

Mr. RONCALIO

Mr. SEIBERLING

Mr. STEPHENS

Mr. TSONGAS

Mr. WON PAT

Mr. SEBELIUS

Mr. SKUBITZ

Mr. CLAUSEN

Mr. RUPPE

Mr. STEELMAN

Mr. BAUMAN

Mr. LAGOMARSINO

Mrs. SMITH

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SUBCOMMITTEES

Water and Power Resources

Jurisdiction—

Irrigation and reclamation projects and other water resources development programs, including policies and procedures relating thereto

Compacts relating to the use and apportionment of interstate waters

Water rights

Saline water research and development program and water resources research program

Water resources planning conducted pursuant to the Water Resources Planning Act

Activities of the National Water Commission

Legislation affecting the use of geothermal resources for the production of water and power

Members—

Mr. JOHNSON, Calif., *Chairman*

Mr. BENITEZ

Mr. HOWE

Mr. KAZEN

Mr. MEEDS

Mr. MILLER

Mr. RISENHOOVER

Mr. RONCALIO

Mr. RUNNELS

Mr. SANTINI

Mr. TSONGAS

Mr. WEAVER

Mr. WON PAT

Mr. LUJAN

Mr. SKUBITZ

Mr. CLAUSEN

Mr. SYMMS

Mrs. SMITH

Mrs. PETTIS

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SUBCOMMITTEES

Energy and the Environment

Jurisdiction—

Environment impacts of any laws or programs under the jurisdiction of the Committee

Special oversight with respect to nonmilitary nuclear energy and research and development, including the disposal of nuclear waste

Members—

Mr. UDALL, *Chairman*
Mr. BENITEZ
Mr. BINGHAM
Mr. CARR
Mr. de LUGO
Mr. ECKHARDT
Mr. MELCHER
Mr. MILLER
Mr. RONCALIO
Mr. SEIBERLING
Mr. TSONGAS
Mr. VIGORITO
Mr. WEAVER

Mr. STEELMAN
Mr. SKUBITZ
Mr. STEIGER
Mr. LUJAN
Mr. BAUMAN
Mr. SYMMS

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SUBCOMMITTEES

Territorial and Insular Affairs

Jurisdiction—

Puerto Rico, Guam, the Virgin Islands, American Samoa, Antarctica, the Trust Territory of the Pacific Islands, and the insular possessions of the United States, except matters affecting revenue and appropriations

Members—

Mr. BURTON, *Chairman*
Mr. BENITEZ
Mr. de LUGO
Mr. KASTENMEIER
Mr. MEEDS
Mr. MILLER
Mrs. MINK
Mr. STEPHENS
Mr. TAYLOR
Mr. VIGORITO
Mr. WON PAT

Mr. CLAUSEN
Mr. SKUBITZ
Mr. RUPPE
Mr. LAGOMARSINO
Mrs. PETTIS

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SUBCOMMITTEES

Mines and Mining

Jurisdiction—

- Mining interests generally
- Mineral resources of the public lands
- Mineral land laws, and claims and entries thereunder
- Geological survey
- Mining schools and experimental stations
- Petroleum conservation on the public and other Federal lands and conservation of the radium supply in the United States
- Proposed long-range domestic minerals and energy programs, including availability of domestic minerals and energy to fulfill all domestic requirements

Members—

Mrs. MINK, *Chairman*
Mr. BINGHAM
Mr. BYRON
Mr. CARR
Mr. ECKHARDT
Mr. HOWE
Mr. KAZEN
Mr. MELCHER
Mr. RUNNELS
Mr. SANTINI
Mr. SEIBERLING
Mr. UDALL
Mr. VIGORITO

Mr. RUPPE
Mr. SKUBITZ
Mr. STEIGER
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Mr. STEELMAN
Mrs. PETTIS

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SUBCOMMITTEES

Indian Affairs

Jurisdiction—

- Relations of the United States with the Indians and Indian tribes, and other Indian matters
- Special oversight with respect to all programs affecting Indians

Members—

Mr. MEEDS, *Chairman*
Mr. MELCHER
Mr. RISENHOOVER
Mr. STEPHENS
Mr. TAYLOR

Mr. YOUNG
Mr. JOHNSON

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SUBCOMMITTEES

Public Lands

Jurisdiction—

Public lands generally, including entry, easements, withdrawals, and grazing

Forfeiture of land grants and alien ownership, including alien ownership of mineral lands

Forest reserves created from the public domain

National Wilderness Preservation System

Members—

Mr. MELCHER, *Chairman*

Mr. BURTON

Mr. BYRON

Mr. JOHNSON, *Calif.*

Mr. PATMAN

Mr. RISENHOOVER

Mr. RUNNELS

Mr. SANTINI

Mr. TSONGAS

Mr. UDALL

Mr. WEAVER

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FULL COMMITTEE STAFF

Charles Conklin, *Staff Director*
Lee McElvain, *General Counsel*
William L. Shafer, *Consultant on Mines, Minerals,
and Public Lands*
Adrian P. Winkel, *Consultant on Territorial and
Insular Affairs*
Henry R. Myers, *Special Consultant on Nuclear
Energy Matters*
Roy Jones, *Assistant Counsel on Oversight Matters*
William M. Anderson III, *Budget Analyst*
Eni Hunkin, *Assistant Counsel*
Patricia Murray, *Full Committee Clerk*
Miriam Waddell, *Secretary-Clerk*
Sandra Metcalf, *Secretary-Clerk*
Bertha Drotos, *Calendar Clerk*
Kathy C. Loeffler, *Receptionist*
Jim Henson, *Finance Clerk*
Marston L. Becker, *Printing Clerk*,
Room 410, H.O.B. Annex, Telephone: 225-5519
Edward Gaddis, *Staff Assistant*
John Peterson, *Staff Assistant*

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Room 1329, Telephone: 225-6065

Michael C. Marden, *Minority Counsel*
Janet Niebel, *Administrative Assistant*
Sonya Cockrell, *Secretary to Counsel*
Tom Dunmire, *Consultant on Territorial and In-
sular Affairs*
Clay Peters, *Consultant on National Parks and
Recreation*
Christine Allwine, *Secretary to Consultants*
Rooms 416-417, H.O.B. Annex, Telephone:
225-4861
Jack Daum, *Consultant on Water and Power
Resources*
Robert L. Terrell, *Consultant on Public Lands*
Michael D. Jackson, *Consultant on Indian Affairs*
Michael B. Metz, *Consultant on Energy and the
Environment*
Dale Nicholls, *Counsel on Mines and Mining*
Gail Whitestone, *Secretary to Consultants*
Frances Diehl, *Secretary to Consultants*

SUBCOMMITTEE STAFF

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Betty Nevitt, *Secretary*
Evelyn Bertorello, *Clerk*
L. D. Hyde, *Staff Assistant*
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Jim T. Casey, *Consultant*
Mary Lee Gennari, *Clerk*
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Telephone: 225-8331
Stanley E. Scoville, *Counsel*
Dale Pontius, *Counsel*
Dave Nix, *Staff Assistant*
Susie Fore, *Clerk*
Ann Mattheis, *Secretary*
Holly K. Saunders, *Secretary*
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Telephone: 225-9297
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Andrew Wiessner, *Staff Assistant*
Karen Lau, *Clerk*
Indian Affairs.—Room 422, H.O.B. Annex,
Telephone: 225-1684
Frank Ducheneaux, *Counsel*
R. D. Folsom, *Staff Assistant*
Rebecca Shapiro, *Clerk*
Joyce E. Palmer, *Staff Assistant*
Gunilla Foster, *Staff Assistant*
Public Lands.—Room 1522, Telephone: 225-3681
Thomas Cavanaugh, *Special Counsel on
Public Lands*
Harry Crandell, *Consultant*
Sharon CocKayne, *Clerk*
John Holden, *Secretary*

Depressed Puerto Ricans

130/76
The greatest concentration of human misery in this trouble-beset metropolis is among the million-member Puerto Rican community. They represent only about one-eighth of the total population, yet they constitute between a third and a half of New York City's welfare recipients. Thirty percent live below the poverty line in terms of family income.

NYT
Some indication of the distressed conditions under which Puerto Ricans subsist here emerges from a 138-page report prepared by the Federal Bureau of Labor Statistics from five-year-old data collected as part of the last decennial census. Representative Herman Badillo of the Bronx, who requested the study, rightly urges that

THE WHITE HOUSE
WASHINGTON

February 9, 1976

MEMORANDUM FOR: JAMES CANNON
FROM: BRENT SCOWCROFT
SUBJECT: Guam and Puerto Rico

I recognize the difficult nature and far-reaching implications of any change in the status of Guam and Puerto Rico and would be glad to discuss the subject with you.

Each of the two territories presents its own particular complications. There are similarities between the two situations, and I agree that we should consider whether a conceptual approach to progress towards self-government covering all territories is possible. I am inclined to believe, however, that most of the circumstances between the two are so different that we will have to consider them separately.

Since OMB has expressed a similar interest in this matter, I suggest that it participate in our discussion.



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: February 10, 1976

Time: 4:00 p.m.

FOR ACTION: Phil Buchen
Robert T. Hartmann
Jack Marsh
Max Friedersdorf
Jim Lynn

~~cc (for information) xx~~

Rogers Morton
Brent Scowcroft

FROM ~~THE STAFF SECRETARY~~ Jim Cannon

DUE: Date: February 13, 1976

Time: 12 noon

SUBJECT: Attached Memorandum to the President on
Proposed Compact on the Status of Puerto Rico

ACTION REQUESTED:

___ For Necessary Action

___ For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

~~XX~~ For Your Comments

___ Draft Remarks

REMARKS:



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: February 10, 1976

Time: 4:00 p.m.

FOR ACTION: Phil Buchen
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ACTION REQUESTED:

☐ For Necessary Action☐ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:



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____ For Necessary Action

____ For Your Recommendations

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____ Draft Reply

~~xx~~ For Your Comments

____ Draft Remarks

REMARKS: No objection - Ken Lazarus



2/10/76 - 4:45 pm

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: February 10, 1976

Time: 4:00 p.m.

FOR ACTION: ~~Phil~~ Buchen
Robert T. Hartmann
Jack Marsh
Max Friedersdorf
Jim Lynn

~~cc (for information) xx~~

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___ Draft Reply

~~-xx-~~ For Your Comments

___ Draft Remarks

REMARKS:

*Seems OK
Along*



DRAFT

THE WHITE HOUSE
WASHINGTON

DECISION

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON

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 all 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.

(Concurrences and comments)

_____ Approve

_____ Disapprove



THE WHITE HOUSE

WASHINGTON

February 11, 1976

MEMORANDUM FOR: JIM CAVANAUGH

FROM: MAX L. FRIEDERSDORF *M. L. F.*

SUBJECT: Attached Memorandum to the President on
Proposed Compact on the Status of Puerto Rico

The Office of Legislative Affairs concurs with the agencies
that the subject memorandum be approved.

Attachments

2/13/76

THE WHITE HOUSE
WASHINGTON

Jennifer:

Rogers Morton's office called to say that he concurs with the Puerto Rico memo.

Ann
5:24 pm

THE WHITE HOUSE
WASHINGTON

Mr. Marsh approves memo on
Compact with Puerto Rico

phone call
12:08 p.m.
2/12/76
(Donna)

2/10/76 - 4:45 pm

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: February 10, 1976

Time: 4:00 p.m.

FOR ACTION: ~~Phil~~ Buchen
Robert T. Hartmann
Jack Marsh
Max Friedersdorf
Jim Lynn

~~cc: for information~~

Rogers Morton
Brent Scowcroft

FROM ~~THE SECRETARY~~ Jim Cannon

DUE: Date: February 13, 1976

Time: 12 noon

SUBJECT: Attached Memorandum to the President on
Proposed Compact on the Status of Puerto Rico

ACTION REQUESTED:

___ For Necessary Action

___ For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

~~XX~~ For Your Comments

___ Draft Remarks

REMARKS:

*Seems OK
Along*

*OK as to Text.
I know nothing of the merits.*



DRAFT

THE WHITE HOUSE
WASHINGTON

DECISION

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON

SUBJECT: Proposed Compact on the Status of
Puerto Rico

BACKGROUND

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not mine
RFB

~~Refer to notes~~



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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

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(Concurrences and comments)

_____ Approve

_____ Disapprove

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

February 17, 1976

MEMORANDUM FOR: JIM CANNON

FROM: BRENT SCOWCROFT *BS*

SUBJECT: Your Proposed Memorandum for the President on the Status of Puerto Rico

I recognize the complexities involved in developing an Administration position on the Ad Hoc Advisory Group recommendation for a Compact of Permanent Union Between Puerto Rico and the United States. It will obviously take time to work this out, and we should move promptly so as to show early action.

In this connection, I understand that some of the government departments have been forwarding their comments directly to congressional committees. I believe that a memorandum should be circulated directing departments to coordinate their comments with the Domestic Council, NSC and OMB.

Since the Compact does not call for representation in the Congress by Puerto Rico in the same terms as that of states in the U.S., I suggest that the last sentence in the second paragraph of your memorandum be modified to read, "...the Compact would grant to citizens of Puerto Rico many of the benefits of statehood...." Other than that, the memorandum is fine.

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12958, Sec. 3.5

NSC Memo, 11/24/98, State Dept. Guidelines
By *W.H.M.*, NARA, Date *5/5/00*



[ca. 2/13/76]

SUMMARY OF RESPONSES

Memorandum to the President on Proposed Compact on the Status of Puerto Rico

CONCUR:

Phil Buchen (Lazarus)
Robert T. Hartmann (Smith)
Jack Marsh
Max Friedersdorf
Rogers Morton

SEE COMMENTS:

Brent Scowcroft
Jim Lynn



MEETING WITH GENERAL SCOWCROFT
ON PUERTO RICO & GUAM

Thursday, February 18, 1976
5:30 p.m.

General Scowcroft's Office

*Case
Sam Steger
on Monday*

File





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

FEB 20 1976

MEMORANDUM FOR JIM CANNON

FROM: Paul O'Neill

Ohim

SUBJECT: Comments on recommended position re proposed Compact
on the Status of Puerto Rico

We have reviewed the draft memorandum to the President and have the following comments about it:

1. The proposed interim response on the compact certainly is the correct position to take at this time.
2. The estimate that it will take until June 1 to develop an Administration position is about right provided that means we will have been able to identify and analyze all the objectionable provisions of the draft Compact and prepare a paper outlining those problems.
 - From preliminary analyses, the proposed compact raises numerous major issues - many of which are likely to be objectionable. In a few weeks we will be able to identify and analyze the most objectionable provisions.
 - We would strongly advise not trying to draft a new proposal for the following reasons:
 - there is no overall policy concerning relation with our remaining territories on which to base a substitute proposal;
 - there would be no assurance the Puerto Ricans would accept any revisions to the proposals in the draft compact which essentially were written by the Puerto Rican members of the Ad Hoc Advisory Group which developed it.



3. We would recommend deleting the present concluding sentence from the second paragraph of the draft memorandum and substituting the following sentences:

"The Compact would greatly increase the autonomy of Puerto Rico, grant it authorities concerning tariffs, immigration, possible exclusion from the application of Federal laws and participation in international organizations which are not now extended to the States. Further, it raises issues of Puerto Rican representation in the U.S. Congress and being granted the right to vote in Presidential elections. In spite of these sweeping proposed changes it would also maintain and apparently even broaden the present laws which exempt Puerto Ricans from paying various Federal taxes."

