

THE WHITE HOUSE

WASHINGTON

January 14, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM CANNON *Jim*

SUBJECT:

Puerto Rico Statehood Act of 1977

This is to present for your consideration the proposed legislation enabling the people of Puerto Rico to achieve the status of statehood for their Commonwealth.

The bill has been cleared by:

1. Department of the Interior
2. Department of Justice
3. Department of Defense
4. General Services Administration
5. Office of Management and Budget
6. Department of State

The message to Congress has been cleared by Counsel's Office (Kilberg), Max Friedersdorf, OMB (Mitchell) and Robert Hartmann.

I recommend that you sign the attached letter of transmittal.

THE WHITE HOUSE

WASHINGTON

Dear Mr. President:

I submit herewith to the Congress the Puerto Rico Statehood Act of 1977.

The purpose of the Act is to extend to the people of Puerto Rico the opportunity to achieve the status of statehood if they should so desire.

Since 1900, Presidents and Congresses have debated the question of statehood for Puerto Rico.

Some progress has been made in providing the people of Puerto Rico with greater autonomy and a greater measure of self-government. But these great people are still not represented with a vote in either the House or Senate. They are still not represented in the election of a President.

Full equality for the people of Puerto Rico cannot come without full representation.

The social and economic progress to which they aspire cannot come without the political equality of statehood.

Any change in the status of the Commonwealth must be accomplished by the mutual consent of the people of Puerto Rico and the United States.

As Congress considers the appropriate course of action relating to the permanent status of Puerto Rico, it is essential that the dignity and self-respect of the great people of Puerto Rico be a matter of the highest consideration.

Accordingly, the legislation I propose would establish, within the framework of the United States Constitution and the Constitution of the Commonwealth of Puerto Rico, a sequence of steps reflecting the historic procedures

by which present states entered the Union, while recognizing the special circumstances of the Commonwealth of Puerto Rico and the aspirations of the citizens of the Commonwealth.

First, in recognition of the fact that statehood for Puerto Rico would require the resolution of many complex issues, Congress would establish a joint U.S.-Puerto Rico Commission to enable the people of Puerto Rico to participate effectively in determining the terms and conditions for Puerto Rico's proposed admission to statehood. By providing a forum for the reaching of a broad understanding of the issues and implications involved in admission to the Union, this Act would ensure that the advantages and disadvantages and the rights and responsibilities of statehood are fully presented to the people of Puerto Rico -- before deciding whether their Commonwealth should become a state.

Second, Congress, after receiving the Commission Report, would set the terms and conditions of statehood.

Third, the Act provides for an island-wide referendum among the people of Puerto Rico on whether the Commonwealth should become a state.

Fourth, the Act proposes that if the referendum passes, delegates to a Constitutional Convention will meet to frame a Constitution for the proposed state.

Fifth, the new constitution would be presented to the people of Puerto Rico for ratification.

Sixth, the proposed State constitution, if ratified, would be submitted to the President of the United States and to Congress for approval.

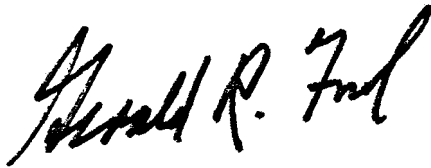
Seventh, upon approval of the proposed Constitution, the voters of Puerto Rico would elect two Senators and five Members of the House of Representatives.

Eighth, the Governor of Puerto Rico would certify the results of the election to the President, and the President would proclaim Puerto Rico a state.

After more than three-quarters of a Century of discussion about Puerto Rico, it is time to act and act positively. By passage of this Act the representatives of the people of the 50 States will say to the people of Puerto Rico: Join us as equals.

I urge the Congress to act.

Sincerely,

A handwritten signature in black ink, reading "Gerald R. Ford". The signature is written in a cursive style with a large, sweeping "G" and "F".

The Honorable Nelson A. Rockefeller
President of the Senate
Washington, D.C. 20510

Section-by-Section Summary of the Puerto Rico
Statehood Act of 1977

Statement of Purposes

- Enables the people of Puerto Rico to achieve the status of Statehood for the Commonwealth of Puerto Rico, if they so desire;
- Establishes a sequence of steps by which the complex issues associated with Puerto Rico's admission to the Union may be addressed in an orderly way; and
- Insures that the people of Puerto Rico would be fully aware of the merits and responsibilities of Statehood before deciding whether their Commonwealth should become a State.

Title I. Puerto Rico Statehood Commission

Sec. 101.

- Establishes the Puerto Rico Statehood Commission to develop a broad understanding throughout Puerto Rico of the implications of Statehood so that the people of Puerto Rico can be fully knowledgeable of the merits and responsibilities of Statehood.

Sec. 102.

- Sets forth the duties of the Commission and lists some of the issues the Commission should study.

Sec. 103.

- Authorizes the Commission to hold hearings, establish facts, conduct studies, and secure information from Federal agencies;

Sec. 104.

- Describes the composition of the Commission: five members appointed by the President of the United States and five members appointed by the Governor of Puerto Rico;
- Sets forth the method of selecting a Chairman, filling vacancies, selecting a quorum and determining the composition of the Commission.

Sec. 105.

- Provides for a staff and its compensation;
- Authorizes the Commission to use the facilities of the Executive Branch of the Federal government.

Sec. 106.

- Requires the Commission to submit a final report to the President, the Governor of Puerto Rico (who would make the report available to the people of Puerto Rico), the Congress and the Legislative Assembly of Puerto Rico;

- Provides an opportunity for additional Congressional or Presidential action concerning the terms of Puerto Rico's admission into the Union, to be made in light of the nature or content of the final report.

Sec. 107.

- Exempts the Commission from the Federal Advisory Committee Act.

Sec. 108.

- Authorizes the Commission to purchase or rent property.

Sec. 109.

- Authorizes the appropriation of sums of money for the Commission.

Title II. Puerto Rico and Statehood

Sec. 201.

- Provides for an island-wide referendum for the people of Puerto Rico on the proposition whether Puerto Rico should become a State;
- Provides, if the referendum passes, for a convention of delegates, duly elected by the people of Puerto Rico, for the purpose of adopting the United States Constitution and framing a constitution for the State government of Puerto Rico.

Sec. 202.

- Provides for the submission of the proposed State constitution to the people of Puerto Rico for ratification;
- Provides, if the constitution is ratified, for a certified copy of the proposed constitution of Puerto Rico to be submitted to the President and the Congress for approval;
- Provides for a proclamation for the elections of two Senators and five Representatives for the new State of Puerto Rico.

Sec. 203.

- Provides for the proclamation of the Governor of Puerto Rico for election of two Senators and five Representatives;
- Provides for the certification of the results of the election to the President;
- Provides for the President's proclamation announcing the results of the election and upon the issuance of this proclamation, the Commonwealth would be deemed admitted by Congress into the Union;
- Provides that until the Commonwealth is admitted into the Union the laws of the Commonwealth and the officers of the Commonwealth would continue to discharge their duties;

- Provides that upon admission of Puerto Rico into the Union all of the Commonwealth laws shall remain effective except as changed by Congress, the new State constitution or the State legislature.

Sec. 204.

- Entitles Puerto Rico to five members in the House of Representatives until the taking effect of the next reapportionment.

Sec. 205.

- Authorizes appropriations for expenses of the elections required by this Act.

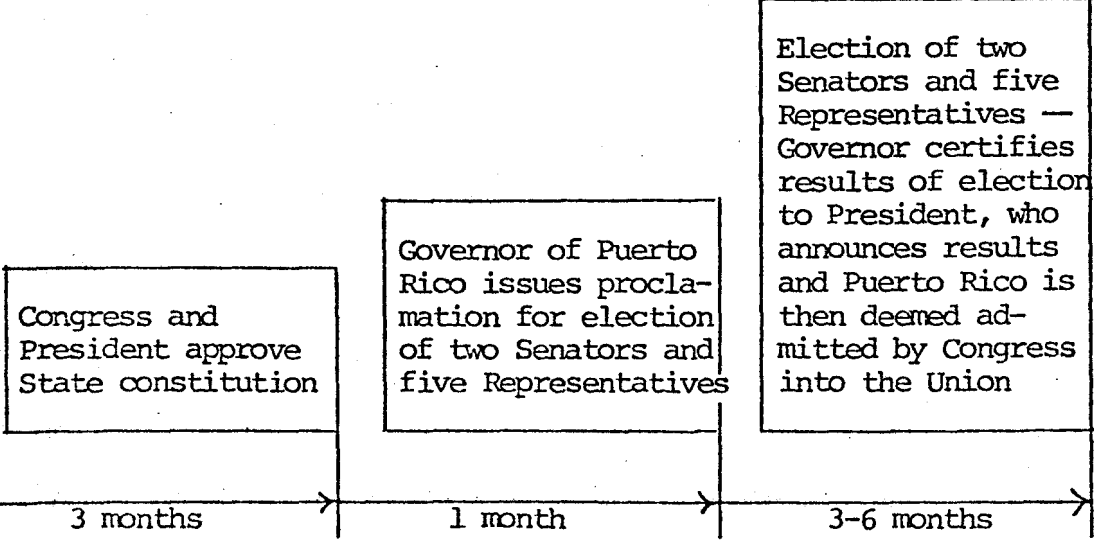
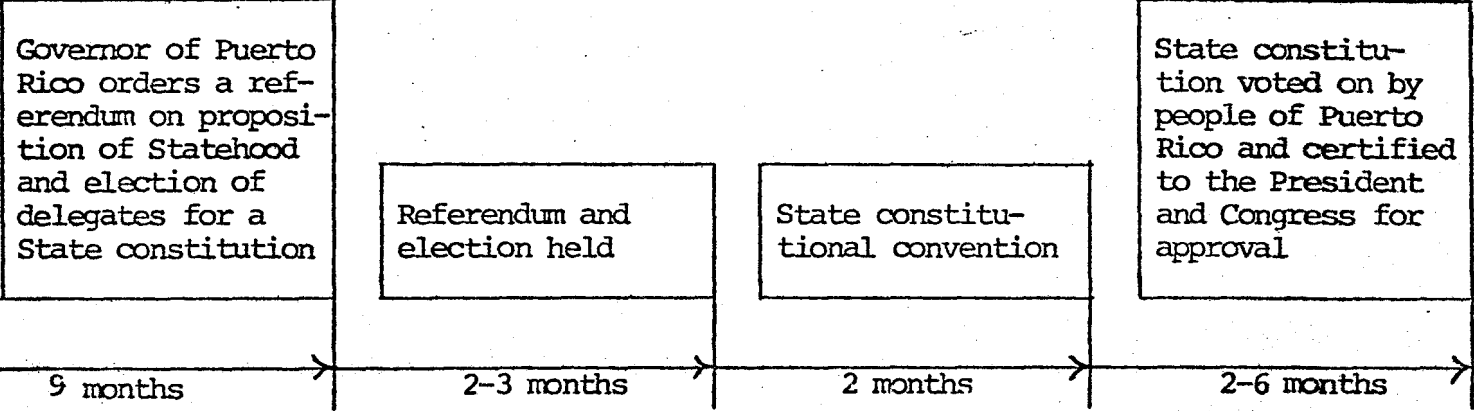
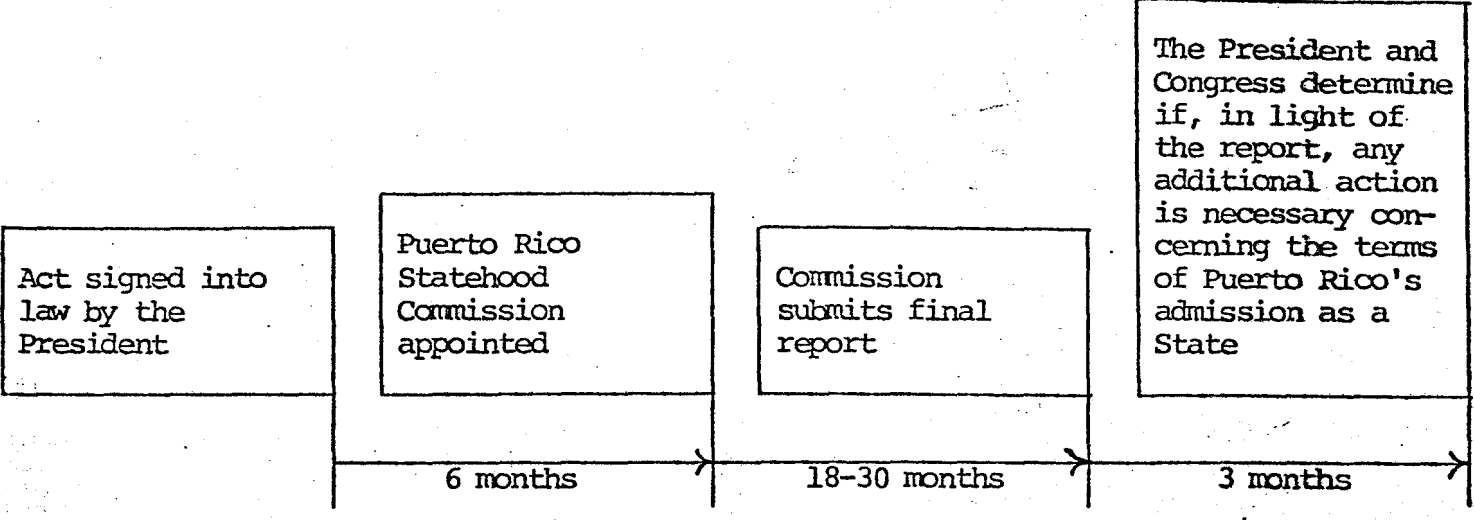
Sec. 206.

- States that the United States District Court for the District of Puerto Rico is a court of the United States with judicial power derived from Article III, Section I of the United States Constitution.

Secs. 207 - 214.

- Provides certain housekeeping and other actions necessary to coordinate the Act with other statutes of the United States and the United States Constitution.

The time frame for this Act proceeds along the general outline (on the attached page) which could require 40-70 months.



TOTAL:
40-70 months

To the Speaker of the House of Representatives
To the President of the Senate

I submit herewith to the Congress the Puerto Rico Statehood Act of 1977.

The purpose of the Act is to extend to the people of Puerto Rico the opportunity to achieve the status of statehood if they should so desire.

Since 1900, Presidents and Congresses have debated the question of statehood for Puerto Rico.

Some progress has been made in providing the people of Puerto Rico with greater autonomy and a greater measure of self-government. But these great people are still not represented with a vote in either the House or Senate. They are still not represented in the election of a President.

Full equality for the people of Puerto Rico cannot come without full representation.

The social and economic progress to which they aspire cannot come without the political equality of statehood.

Any change in the status of the Commonwealth must be accomplished by the mutual consent of the people of Puerto Rico and the United States.

As Congress considers the appropriate course of action relating to the permanent status of Puerto Rico, it is essential that the dignity and self-respect of the great people of Puerto Rico be a matter of the highest consideration.

Accordingly, the legislation I propose would establish, within the framework of the United States Constitution and the Constitution of the Commonwealth of Puerto Rico, a sequence of steps reflecting the historic procedures by which present states entered the Union, while recognizing the special circumstances of the Commonwealth of Puerto Rico and the aspirations of the citizens of the Commonwealth.

First, in recognition of the fact that statehood for Puerto Rico would require the resolution of many complex issues, Congress would establish a joint U.S.-Puerto Rico Commission to enable the people of

Puerto Rico to participate effectively in determining the terms and conditions for Puerto Rico's proposed admission to statehood. By providing a forum for the reaching of a broad understanding of the issues and implications involved in admission to the Union, this Act would ensure that the advantages and disadvantages and the rights and responsibilities of statehood are fully presented to the people of Puerto Rico -- before deciding whether their Commonwealth should become a state.

Second, Congress, after receiving the Commission Report, would set the terms and conditions of statehood.

Third, the Act provides for an island-wide referendum among the people of Puerto Rico on whether the Commonwealth should become a state.

Fourth, the Act proposes that if the referendum passes, delegates to a Constitutional Convention will meet to frame a Constitution for the proposed state.

Fifth, the new constitution would be presented to the people of Puerto Rico for ratification.

Sixth, the proposed State constitution, if ratified, would be submitted to the President of the United States and to Congress for approval.

Seventh, upon approval of the proposed Constitution, the voters of Puerto Rico would elect two Senators and five Members of the House of Representatives.

Eighth, the Governor of Puerto Rico would certify the results of the election to the President, and the President would proclaim Puerto Rico a state.

After more than three-quarters of a Century of discussion about Puerto Rico, it is time to act and act positively. By passage of this Act the representatives of the people of the 50 States will say to the people of Puerto Rico: Join us as equals.

I urge the Congress to act.

A BILL

To enable the people of Puerto Rico to form a constitution and State government, to be admitted into the Union, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Puerto Rico Statehood Act of 1977. That it is the sense of the Congress of the United States that the appropriate status for the Commonwealth of Puerto Rico is Statehood and that the people of Puerto Rico should be able to achieve this status under the Constitution of the United States if they should so desire. The Congress recognizes, however, that the change from the status of Commonwealth to Statehood for Puerto Rico involves many complex issues, and it believes that the people of Puerto Rico should be fully apprised of those issues before they are asked freely to express their wishes on changing their status from Commonwealth to Statehood.

It is therefore the purpose of this Act, first, to establish a sequence of steps by which the complex issues associated with the proposed change of status of Puerto Rico from a Commonwealth to a State of the Union may be identified and addressed in an orderly way and the implications of such

a change in status be made known to the people of Puerto Rico, and further to enable the people of Puerto Rico to form a constitution and State government, so that Puerto Rico -- if it is the free choice of the people of that Commonwealth -- may be admitted into the Union on an equal footing with the original States.

Title I. Puerto Rico Statehood Commission

Sec. 101. Establishment and Purpose of the Commission

There is hereby established a Commission to be called the "Puerto Rico Statehood Commission," the purpose of which shall be to develop a broad understanding throughout Puerto Rico of all the issues and implications involved in changing the status of Puerto Rico from that of a Commonwealth to that of a State of the Union so that the people of Puerto Rico can be fully knowledgeable of the merits and responsibilities of Statehood for Puerto Rico before they are asked freely to decide the question of Statehood.

Sec. 102. Duties of the Commission

It shall be the duty of the Commission to make comprehensive, factual studies to determine the effect of Statehood on the political, economic, and cultural status and aspirations of the people of Puerto Rico, and to sponsor public

discussions of the issues throughout the Commonwealth. These studies and discussions shall include, but not be limited to:

(a) the economic issues that relate to the status of Statehood for Puerto Rico;

(b) the jurisdictional limits of Puerto Rico, including rights or interests to the natural resources therein;

(c) the effect of any necessary changes in internal revenue laws that may be or become applicable to Puerto Rico, including levels of revenue sharing, customs and duty collections and related questions;

(d) fair labor standards, health, welfare, social services, and education;

(e) questions of a cultural nature, including the use of Spanish as the official language of the State;

(f) possible transfer of Federal real or personal property to Puerto Rico; and

(g) the general question of the applicability of the United States Constitution and Federal laws to Puerto Rico.

Sec. 103. Powers of the Commission

(a) In carrying out its duties under this Act, the Commission is authorized to hold such hearings and take such testimony, establish such facts, conduct such studies, and make such expenditures as, in its discretion, it deems advisable to carry out the purposes of this Act.

(b) The Commission is authorized to secure from any department, agency, or instrumentality of the Executive Branch of the Government any information it deems necessary to carry out its functions under this resolution, and each such department, agency, or instrumentality is authorized and directed to furnish such information -- consistent with the security of the United States -- to the Commission and to conduct such studies and surveys as may be requested by the Chairman or the Vice Chairman when acting as Chairman.

(c) If the Commission requests of any witness or of any Government department, agency, or instrumentality the production of any materials which have theretofore been submitted to such witness or Government agency on a confidential basis, and the confidentiality of those materials is protected by statute, the material -- consistent with the security of the United States -- may be made available to the Commission and shall be held in confidence by it.

Sec. 104. Composition and Appointment of the Commission

(a) The Commission shall be composed as follows:

(1) Five (5) members of the Commission shall be appointed by the President of the United States and five (5) members shall be appointed by the Governor of Puerto Rico, within six (6) months from the date of this Act.

(2) Selection of the members shall take into consideration, and be based upon, expertise and knowledge in the fields of social and economic progress, law, and disciplines related to the aspirations of free people.

(b) The members of the Commission shall, at their first meeting, elect from among themselves a permanent Chairman and Vice Chairman by simple majority vote of those voting. In the event that the members do not elect a Chairman or a Vice Chairman at their first meeting, the President, after consultation with the Governor, shall designate the Chairman or the Vice Chairman as may be appropriate.

(c) Vacancies in the membership of the Commission shall not affect the power of the remaining members to execute the functions of the Commission and shall be filled in the same manner as in the case of the original appointment.

(d) Six (6) members of the Commission shall constitute a quorum but a smaller number, as determined by the Commission, may hold hearings or conduct study missions.

(e) Officials or employees of the Executive, Legislative or Judicial Branches of the Federal Government who are members of the Commission shall serve without compensation

in addition to their regular pay, but they may be reimbursed in accordance with applicable Federal laws and regulations for travel, subsistence, and other necessary expenses incurred by them in the performance of duties vested in the Commission.

(f) All other members of the Commission shall receive compensation for each day such members are engaged in the actual performance of duties vested in the Commission at a daily rate not to exceed the rate specified for Level IV or the Executive Schedule under Section 5315 of Title 5 of the United States Code. Each such member may be reimbursed for travel expenses, including per diem in lieu of subsistence, in accordance with applicable Federal laws and regulations.

Sec. 105. Staff of the Commission

(a) The Commission may, by record vote of a majority of the Commission members, appoint, without regard to the provisions of the Civil Service Laws and the Classification Act of 1949, an Executive Director of the Commission and a General Counsel. The compensation of the Executive Director and the General Counsel shall be set by the Commission at rates not to exceed those that now or hereafter are prescribed for the highest rate for Grade 18 of the General Schedule

under Section 5332 of Title 5 of the United States Code. The Executive Director is authorized to appoint, without regard to the provisions of the Civil Service Laws and the Classification Act of 1949, such professional staff members and clerical assistants as the Commission shall determine are necessary to perform its functions under this Act. The Executive Director shall prescribe the duties and responsibilities of such staff members and fix their compensation at rates not in excess of those now or hereafter prescribed in the General Schedule for Civil Service employees under Section 5332 of Title 5 of the United States Code having similar duties and responsibilities.

(b) In carrying out any of its functions under this Act, the Commission is authorized to utilize, without reimbursement, the services, information, facilities and personnel of the Executive departments and agencies of the Government of the United States, and the Executive Director is authorized to procure expert and consultant services in accordance with the provisions of Section 3109 of Title 5 of the United States Code.

Sec. 106. Final Report

(a) The Commission shall submit a final report to the President of the United States, the Congress of the

United States and to the Governor of Puerto Rico, who shall make the report available to the people of Puerto Rico, and the Legislative Assembly of Puerto Rico not earlier than eighteen (18) months nor later than thirty (30) months from the date of the original appointment of the tenth Commissioner. The Commission shall cease to exist not later than sixty (60) days after submission of its final report.

(b) Within ninety (90) days after the submission of the final report of the Commission, the President of the United States and the Congress of the United States, whether jointly or separately, shall determine whether the nature and content of the final report requires any modification of this Act, additional legislation or other action concerning the terms for Puerto Rico's admission as a State of the Union.

Sec. 107. Federal Advisory Committee Act

The Commission shall be exempt from the provisions of the Federal Advisory Committee Act, 86 Stat. 770, 5 U.S.C., Appendix 1.

Sec. 108. Use of Property, Facilities and Services

To the extent of available appropriations, the Commission may obtain by purchase or rental such property, facilities and

services as may be needed to carry out its duties. Disposal of property shall be in accordance with the existing laws of the United States.

Sec. 109. Authorization

There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Title, as hereinabove set forth.

Title II. Puerto Rico and Statehood

Sec. 201.

(a) Subject to the requirements hereinafter set forth, the qualified electors of the Commonwealth of Puerto Rico shall vote for

(1) the adoption or rejection of the following proposition: "Shall Puerto Rico be admitted into the Union as a State?";

(2) delegates to form a convention for the purpose of framing a constitution for the proposed State of Puerto Rico. Said convention shall consist of that number of delegates which equals the number of Senators and Representatives serving in the Legislative Assembly of Puerto Rico at the time of enactment of this Act and each delegate shall represent, as nearly as is possible, an equal portion of the total population of Puerto Rico.

(b) The Governor of Puerto Rico shall -- as soon as possible under the constitution and laws of the Commonwealth but in any event within three hundred and seventy-five (375) days after receipt by him of the report of the Puerto Rico Statehood Commission established by Title I of this Act -- by proclamation, in which the aforesaid proposition and the aforesaid apportionment of delegates to the convention shall be fully specified and announced, order a referendum on said proposition and an election of the delegates aforesaid on a day designated by him in the proclamation, not earlier than sixty (60) days nor later than ninety (90) days after the date on which the proclamation is issued. Such referendum and election for delegates shall be held and conducted, and the returns made, and the certificates of the results of such referendum and of persons elected to such convention issued, as nearly as may be, in the same manner as is prescribed by the laws of the Commonwealth regulating referenda and elections of members of the Legislative Assembly, and the provisions of such laws are hereby made applicable to such referendum and election. The said convention, when called to order and organized, shall be the sole judge of the election and qualification of its own members.

(c) In the event the foregoing proposition is adopted by a majority of the qualified electors of Puerto Rico, the delegates to the convention duly elected shall meet at a time and place to be designated by the Governor. After organization they shall declare on behalf of the people of the Commonwealth of Puerto Rico that they adopt the Constitution of the United States, whereupon the said convention shall be, and is hereby, authorized to frame a constitution and provide for a State government for Puerto Rico, in the manner and under the conditions contained in this Title. The constitution shall be republican in form, shall include a bill of rights and shall not be repugnant to the Constitution of the United States and the principles of the Declaration of Independence.

(d) In the event the foregoing proposition is not adopted by a majority of the qualified electors of Puerto Rico, the provisions of this Act shall thereupon cease to be effective.

Sec. 202.

(a) Upon the completion of the constitution by the convention, the convention shall provide for the submission of the constitution to the people of Puerto Rico for ratification at an election which shall be held on a day named by the convention and at which election the qualified voters

of Puerto Rico shall vote directly for or against such proposed State constitution and for or against any provisions thereof separately submitted.

(b) If the constitution is adopted at said election by a majority of the legal votes cast, a certified copy of the same shall be submitted to the President of the United States and to the Congress for approval, together with the statement of the votes cast thereon and upon any provisions thereof which were separately submitted to and voted upon by the people of Puerto Rico. If Congress and the President approve said constitution and the separate provisions thereof, or if the President approves the same and Congress fails to disapprove the same within ninety (90) days of continuous session as defined in section 906 of title 5 of the United States Code, the President shall certify such fact to the Governor of Puerto Rico who shall, within thirty (30) days after receipt of such notification from the President, issue his proclamation for the elections, as hereinafter provided, for all officers of all elective offices under the Constitution. The officers so elected shall in any event include two Senators and five Representatives in Congress.

(c) If the constitution is rejected at the election by a majority of the legal votes cast, the Governor of Puerto Rico shall reconstitute a convention, as herein before provided, for the purpose of framing a constitution which shall be presented to the people of Puerto Rico for acceptance in the same manner as herein above provided.

Sec. 203.

(a) The proclamation of the Governor of Puerto Rico required by subsection (b) of Sec. 202 of this Title shall provide for the holding of a general election on a date to be fixed by the Governor, except that such general election shall be held not earlier than three (3) months nor later than six (6) months after receipt of notification from the President of approval of the constitution. At such election, the officers required to be elected as provided in subsection (b) of Sec. 202 shall be, and officers for other elective offices provided for in the constitution of the proposed State of Puerto Rico may be, chosen by the people. Such election shall be conducted in the manner provided for by the constitution and laws of the proposed State of Puerto Rico and the returns of the election shall be made and certified in such manner as such constitution and laws may prescribe. The Governor of Puerto Rico shall certify the results of said election to the President of the United States, who thereupon shall immediately issue his proclamation announcing the result of the election and, upon the

issuance of said proclamation of the President of the United States, the Commonwealth of Puerto Rico shall be deemed admitted by Congress into the Union, by virtue of this Title of this Act, on an equal footing with the other States.

(b) Until such Commonwealth is so admitted into the Union, all of the officers of the Commonwealth, including the Resident Commissioner in Congress from such Commonwealth, shall continue to discharge the duties of their respective offices. Upon the issuance of such proclamation by the President of the United States and the admission of the State of Puerto Rico into the Union, the officers elected at such election, and qualified under the provisions of the constitution and laws of such State, shall proceed to exercise all the functions pertaining to their offices in or under or by authority of the government of such State, and officers not required to be elected at such initial election shall be selected or continued in office as provided by the constitution and laws of such State. The Governor of such State shall certify the elections of the Senators and Representatives in the manner required by law, and such Senators and Representatives shall be certified to be admitted to seats in Congress and to all the rights and privileges of Senators and Representatives of other States in the Congress of the United States.

(c) (1) Upon admission of the State of Puerto Rico into the Union as herein provided, all of the Commonwealth laws then in force in the Commonwealth of Puerto Rico shall be and continue in full force and effect throughout said State except as modified or changed by this Act, by the constitution of the State, or by the legislature of the State. All of the laws of the United States shall have the same force and effect within the said State as elsewhere within the United States.

(2) As used in paragraph (1) --

(a) the term "Commonwealth laws" includes (in addition to laws enacted by the Legislature of the Commonwealth of Puerto Rico) all laws or parts thereof enacted by the Congress the validity of which is dependent solely upon the authority of the Congress to provide for the government of Puerto Rico prior to the admission of the State of Puerto Rico into the Union, and

(b) the term "laws of the United States" includes all laws or parts thereof enacted by the Congress that (i) apply to or within Puerto Rico at the time of the admission of the State of Puerto Rico into the Union, (ii) are not "Commonwealth laws" as defined in subparagraph (a), and (iii) are not in conflict with any other provisions of this Title; provided, however, that the State and Local

Fiscal Assistance Act of 1972, as amended, 86 Stat. 919, 31 U.S.C. 1221, et seq., shall apply to Puerto Rico.

Sec. 204.

The State of Puerto Rico upon its admission into the Union shall be entitled to five Representatives until the taking effect of the next reapportionment, and such Representatives shall be in addition to the membership of the House of Representatives as now prescribed by law. Such temporary increase in the membership shall not operate either to increase or decrease the permanent membership of the House of Representatives as prescribed in the Act of August 8, 1911 (37 Stat. 13), nor shall such temporary increase affect the basis of apportionment established by the Act of November 15, 1941 (2 U.S.C. 2a), for the Eighty-third Congress and each Congress thereafter. The laws of the United States governing the election of Senators and members of the House of Representatives shall become applicable to Puerto Rico upon the certification by the President of the approval of the constitution pursuant to Section 202 of this Act.

Sec. 205.

There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums as may be necessary for defraying

the expenses of the elections provided for in this Act and of the convention, and for the payment of the members and officers and employees thereof under the same rules and regulations and at the same rates as are provided in the case of members of the Legislature of the Commonwealth of Puerto Rico, and the disbursements of money appropriated by this section shall be made by the Treasury of the United States.

Sec. 206.

The United States District Court for the District of Puerto Rico established by and existing under title 28 of the United States Code is a court of the United States with judicial power derived from article III, section 1, of the Constitution of the United States.

Sec. 207.

Effective upon the admission of the State of Puerto Rico into the Union --

(1) the first paragraph of section 1252 of title 28, United States Code, is amended by striking out "and any court of record of Puerto Rico";

(2) section 1258 of title 28 of the United States Code is repealed, and the analysis of chapter 81 of such title is amended by striking out "1258. Supreme Court of Puerto Rico; appeal; certiorari."

(3) section 3771 of title 18 of the United States Code is amended by striking out "in the Supreme Court of Puerto Rico,"; and

(4) the first paragraph of section 3772 of title 18 of the United States Code is amended by striking out "in the Supreme Court of Puerto Rico,".

Sec. 208.

The first paragraph of section 2 of the Federal Reserve Act, as amended (38 Stat. 252), is amended by striking out the last two sentences thereof and inserting in lieu thereof the following: "When any State is admitted to the Union, the Federal Reserve districts shall be readjusted by the Board of Governors of the Federal Reserve System in such manner as to include such State. Every national bank in any State shall, upon commencing business or within ninety days after admission into the Union of the State in which it is located, become a member bank of the Federal Reserve System by subscribing and paying for stock in the Federal Reserve bank of its district in accordance with the provisions of this Act, and shall thereupon be an insured bank under the Federal Deposit Insurance Act, and failure to do so shall subject such bank to the penalty provided by the sixth paragraph of this section."

Sec. 209.

Notwithstanding the admission of the State of Puerto Rico into the Union, authority is reserved to the United States, for the exercise of the Congress of the United States the power of legislative jurisdiction as provided in article 1, section 8, clause 17 of the Constitution of the United States, over lands within the said State which are owned and controlled by the United States and over which such legislative jurisdiction was exercised immediately prior to the admission of the said State.

Sec. 210.

(a) Nothing contained in this Act shall be construed as depriving the Federal Maritime Commission Board of the exclusive jurisdiction heretofore conferred on it over common carriers engaged in transportation by water between any port in the State of Puerto Rico and other ports in the United States, or possessions, or as conferring on the Interstate Commerce Commission jurisdiction over transportation by water between any such ports.

(b) Effective on the admission of the State of Puerto Rico into the Union --

(1) the last sentence of section 505 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1155), is amended by striking the words "and the Commonwealth of Puerto Rico" where they appear at the end of the section;

(2) the first sentence of section 506 of the Merchant Marine Act, 1936 (46 U.S.C. 1156), is amended by inserting immediately before ", or an island possession or island territory" the following: ", the State of Puerto Rico";

(3) section 605(a) of the Merchant Marine Act, 1936 (46 U.S.C. 1175), is amended by inserting immediately before ", or an island possession or island territory", the following: ", the State of Puerto Rico";

(4) the last sentence of section 606 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1176) is amended by striking the words "or the Commonwealth of Puerto Rico" where they appear at the end of the section; and

(5) the second paragraph of section 714 of the Merchant Marine Act, 1936 (46 U.S.C. 1204), is amended by inserting immediately before ", or an island possession or island territory" the following: ", the State of Puerto Rico".

Sec. 211.

(a) Section 101(a)(36) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(36)) is amended by striking out "Puerto Rico,".

(b) Section 212(d)(7) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(7)) is amended by striking out in the first sentence "Puerto Rico.".

(c) The first sentence of section 310(a) of the Immigration and Nationality Act (8 U.S.C. 1421(a)) is amended by striking out "and for Puerto Rico".

(d) Nothing contained in this Act shall be held to repeal, amend, or modify the provisions of section 302 of the Immigration and Nationality Act (8 U.S.C. 1402).

Sec. 212.

Nothing contained in this Act shall operate to confer United States nationality, nor to terminate nationality heretofore lawfully acquired, or restore nationality heretofore lost under any law of the United States or under any treaty to which the United States is or was a party.

Sec. 213.

If any provision of this Act, or any section, subsection, sentence, clause, phrase, or individual word, or the application thereof in any circumstance is held invalid the validity of the remainder of the Act and of the application of any such provision, section, subsection, sentence, clause, phrase, or individual word in other circumstances shall not be affected thereby.

Sec. 214.

All Acts or parts of Acts in conflict with the provisions of this Act, whether passed by the Legislature of Puerto Rico or by Congress, are hereby repealed.