

94TH CONGRESS
1ST SESSION

H. R. 11201

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 1975

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) introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

A BILL

To approve the Compact of Permanent Union Between Puerto Rico and the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Congress hereby approves the following compact:

4 "COMPACT OF PERMANENT UNION BETWEEN
5 PUERTO RICO AND THE UNITED STATES

6 "1. The Free Associated State of Puerto Rico

7 "The people of Puerto Rico constitute an autonomous
8 body politic organized by their own, free and sovereign

1 will and in common agreement with the United States under
2 the juridical structure and official name of the Free Asso-
3 ciated State of Puerto Rico.

4 "The people of Puerto Rico, a cultural community of
5 Hispanic language and tradition, citizens of the United States
6 as well as citizens of Puerto Rico, have repeatedly decided
7 and have expressed—in their Constitutional Convention, in
8 referendums and in a plebiscite specifically held to that
9 effect—their purpose to live in permanent union with the
10 United States upon mutually satisfactory and just bases.

11 "In fulfillment of the terms of that plebiscite and subject
12 to the approval of the Congress of the United States and the
13 ratification in referendum by the people of Puerto Rico, it is
14 hereby agreed to reaffirm, to consolidate and to improve the
15 relationship already established, by means of this Compact of
16 Permanent Union between Puerto Rico and the United
17 States.

18 "2. Jurisdiction and Authority of the Free Associated
19 State of Puerto Rico

20 "a. The Free Associated State of Puerto Rico has juris-
21 diction over the population and Island of Puerto Rico, its
22 territorial seas, and the population, islands and territorial seas
23 adjacent to Puerto Rico.

24 "b. The right of the Free Associated State of Puerto Rico
25 to govern itself is hereby recognized, as well as the right to

1 exercise all the necessary powers and authority to govern the
2 people of Puerto Rico according to its own Constitution and
3 laws, to represent them, and to make a compact with the
4 United States as to the nature of its present and future
5 political relations.

6 "c. In the exercise of their power of self-government,
7 the people of Puerto Rico now propose:

8 "1. To agree with the United States upon the norms,
9 provisions, and procedures set forth in this Compact;

10 "2. To agree upon the exercise by the United States
11 of the powers and attributes specified in this Compact;

12 "3. To reserve all other powers and attributes of
13 their political life to the Free Associated State of Puerto
14 Rico or to the people of Puerto Rico;

15 "4. To recognize the Supreme Court of the United
16 States as the final judge of the meaning and application
17 of the Constitution and laws of the United States as well
18 as of this Compact, including the decision whether the
19 laws of the United States or the laws of Puerto Rico
20 conform to this Compact and the Constitution and the
21 applicable laws of the United States.

22 d. The United States will have responsibility for and
23 authority with respect to international relations and defense
24 affecting the Free Associated State of Puerto Rico. The Free
25 Associated State may participate in international organiza-

1 tions and make educational, cultural, health, sporting, pro-
2 fessional, industrial, agricultural, financial, commercial, sci-
3 entific, or technical agreements with other countries con-
4 sistent with the functions of the United States, as determined
5 by the President of the United States and the Governor
6 of the Free Associated State on a case-by-case basis.

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

8 "a. Lands

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

1 “b. Navigable Waters

2 “The harbor areas and navigable streams and bodies of
3 water and submerged land underlying the same in and
4 around the Island of Puerto Rico and the adjacent islands
5 and waters not reserved by the United States for public pur-
6 poses nor alienated in any other way, shall become and shall
7 continue to be the property of the Free Associated State;
8 *Provided*, That the laws of the United States for the pro-
9 tection and improvement of the navigable waters of the
10 United States and the preservation of the interests of naviga-
11 tion and commerce, shall continue in force as at present,
12 unless contrary agreed to; *Provided, further*, That nothing
13 contained in this Compact shall be construed so as to affect
14 or impair in any manner the terms or conditions of any au-
15 thorizations, permits or other powers heretofore lawfully
16 granted or exercised in or in respect of said waters and sub-
17 merged land in and surrounding said Island and its adjacent
18 islands by the Secretary of Defense or other authorized officer
19 or agent of the United States.

20 “4. Internal Revenue

21 “a. Except as provided in subsection b of this section and
22 in section 9 of this Compact, the Internal Revenue laws of
23 the United States shall not have effect in the Free Associated
24 State of Puerto Rico.

1 “b. The income tax laws of the United States may have
2 effect in Puerto Rico only upon the income of residents of
3 Puerto Rico derived from United States or foreign sources,
4 but income tax payments to the Free Associated State of
5 Puerto Rico upon income derived from United States or
6 foreign sources shall be credited against Federal income tax.

7 “5. Reciprocity Provisions

8 “a. There shall exist full reciprocity between the Free
9 Associated State of Puerto Rico and the United States, the
10 states of the Union and any other body politic of the United
11 States, concerning the following:

12 “1. Giving full faith and credit to official certifica-
13 tion, documents and judicial proceedings;

14 “2. Accepting and honoring rights of removal and
15 surrender of fugitives;

16 “3. Mutually exempting from taxation the official
17 obligations issued under the authority of any of the jurisdic-
18 tions referred to above.

19 “b. In the interests of cooperation and efficiency, and
20 when compatible with their legal responsibilities and au-
21 thority, officials of the departments and agencies of the Free
22 Associated State of Puerto Rico and officials of the depart-
23 ments and agencies of the United States are directed to assist
24 one another in the execution of their respective functions.

1 “6. Common Citizenship—Its Rights and Duties

2 “All persons born in Puerto Rico are citizens of the
3 United States and have all the rights, privileges and im-
4 munities inherent in that citizenship as well as duties perti-
5 nent thereto. While residing in Puerto Rico, they shall also
6 enjoy all the rights, privileges and immunities, and shall have
7 all the duties which the Constitution and laws of Puerto Rico
8 confer and impose on its citizens. In case of a change of
9 residence to any state or other jurisdiction of the United
10 States, the citizens of the Free Associated State of Puerto
11 Rico shall have in addition to their rights and duties as
12 citizens of the United States, all the rights, privileges and
13 immunities, as well as the duties of citizenship established by
14 the Constitution and laws of that state or jurisdiction. Like-
15 wise, any citizen of the United States who changes his resi-
16 dence to Puerto Rico shall, in addition to his rights and duties
17 as a citizen of the United States, acquire all the rights, privi-
18 leges and immunities as well as the duties established by the
19 Constitution and laws of Puerto Rico.

20 “7. Security and Common Defense

21 “Laws of the United States relating to defense and na-
22 tional security shall apply to the Free Associated State in
23 accordance with their terms. The President and the Gover-

1 nor will consult and cooperate to facilitate objectives of de-
2 fense and national security.

3 "8. Currency

4 "The currency of the United States shall be the exclu-
5 sive currency of Puerto Rico. The laws of the United States
6 relating to currency, coinage, gold and silver shall apply to
7 Puerto Rico, in accordance with their terms.

8 "9. Common Market

9 "a. Economic, trade and commercial relations between
10 the United States and the Free Associated State of Puerto
11 Rico shall be conducted within the framework of the com-
12 mon market heretofore and hereafter established between the
13 United States and the Free Associated State.

14 "The Free Associated State shall not impose tariffs or
15 duties of any kind on articles imported into Puerto Rico from
16 the United States, nor shall the United States impose tariffs
17 or duties of any kind on articles imported into the United
18 States from Puerto Rico.

19 "b. Except as hereinafter provided, laws and tariff pro-
20 visions of the United States on articles imported from for-
21 eign countries shall be applicable in the Free Associated
22 State.

23 "c. The income from customs duties, licenses for im-
24 ports, tariffs and taxes collected by the United States in
25 Puerto Rico, as well as Internal Revenue taxes which may

1 be collected on articles transported from Puerto Rico to the
2 United States, shall be paid into the Treasury of Puerto
3 Rico, after deducting the expenses of such collections. The
4 terms "income" and "taxes" referred to in the preceding
5 sentence shall not be understood in any limited way and
6 they extend to every kind of revenue, direct or indirect, of
7 any nature.

8 "d. The Free Associated State shall continue to enjoy
9 the right to levy tariffs upon or otherwise to restrict the
10 import of coffee from foreign countries or the United States;
11 and in a manner consistent with the international obligations
12 of the United States and after prior consultation and coordi-
13 nation with the Federal authorities concerned, the Free As-
14 sociated State may levy, increase, reduce or eliminate tariffs
15 and quotas on articles imported directly from foreign coun-
16 tries or transshipped through the United States: *Provided*,
17 That mutually agreeable procedures shall be established to:

18 "1. assure conformity with international obligations;

19 "2. assure that articles containing foreign compo-
20 nents shipped or transshipped from Puerto Rico to the
21 rest of the United States customs territory or from there
22 to Puerto Rico conform respectively to the laws;

23 "3. assure continuous communication and coordina-
24 tion between the United States Executive Branch and

1 the Free Associated State on economic and trade policy
2 and implementation.

3 "e. Notwithstanding any other provision of law, Puerto
4 Rico may import materials and articles duty free for subse-
5 quent shipment and sale to other parts of the United States
6 customs territory provided that the F.A.S. (free at side)
7 shipping price contains at least 35% value added in Puerto
8 Rico.

9 "f. It shall be the purpose of the United States and the
10 Free Associated State of Puerto Rico to pursue policies of
11 foreign trade expansion and liberalization in a manner com-
12 patible with the continued expansion of trade and commerce
13 within their common market. In international trade negotia-
14 tions, the United States will take into account the Free As-
15 sociated State's stage of economic development, and in
16 agreement with the Free Associated State, shall protect and
17 promote its economic interests by seeking the most favorable
18 conditions for Puerto Rico's exports abroad and sales to the
19 United States market. The Free Associated State shall be
20 accorded observer status within United States negotiating
21 delegations, shall be kept fully informed and shall be con-
22 sulted concerning negotiating positions and decisions. On
23 request and after consultation and agreement, the United
24 States shall seek to have the Free Associated State accepted
25 as an associated developing state which developed countries

1 recognize as qualifying fully to participate in all benefits
2 from any regional or worldwide system of preferences for
3 developing countries.

4 "10. Entry of Aliens into Puerto Rico

5 "a. Immigration laws, rules, regulations and procedures
6 of the United States shall apply to the Free Associated State
7 in accordance with their terms; *Provided*, That unless ex-
8 pressly prohibited by Federal law, the President of the
9 United States and the Governor of the Free Associated State
10 may from time to time agree, in the light of economic and
11 demographic considerations applicable to the Free Asso-
12 ciated State, to limit the number of aliens who may be ad-
13 mitted to Puerto Rico or to increase the quota of aliens who
14 may be admitted to Puerto Rico as resident aliens to meet
15 the needs of the Free Associated State for scientific, pro-
16 fessional, political, technical, sporting, cultural, industrial,
17 agricultural, and educational purposes.

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

22 "11. Representation of the Free Associated State of
23 Puerto Rico

24 "a. The Free Associated State of Puerto Rico shall be
25 represented in the Senate and the House of Representatives

1 of the United States by one representative in each House,
2 who shall be elected to that position according to the laws of
3 the Free Associated State. They shall have a seat in the
4 Senate and in the House of Representatives of the United
5 States and shall receive official acknowledgement from all
6 the departments of the Government of the United States
7 upon presentation by the Department of State of a certificate
8 of election issued by the Governor of the Free Associated
9 State. Such representatives shall have the qualifications es-
10 tablished for members of the Senate and the House of Repre-
11 sentatives, respectively, and shall have all the rights and
12 privileges of such members as are compatible with the
13 Constitution of the United States.

14 “b. In case of a vacancy in either of these positions, it
15 will be filled for the rest of the term according to the laws of
16 the Free Associated State.

17 “12. Applicability of Federal Laws

18 “a. The laws of the United States applicable to the Free
19 Associated State on the date of approval of this Compact shall
20 continue in effect except and to the extent repealed or modi-
21 fied by this Compact, or incompatible with it, and except as
22 hereafter modified, suspended or repealed in accordance with
23 law.

24 “b. Laws hereafter enacted by the Congress, unless other-
25 wise provided by this Compact, shall not be applicable to the

1 Free Associated State unless such laws explicitly refer to the
2 Free Associated State and except as provided in subsections
3 c and d of this section 12.

4 "c. Laws of the United States enacted after the effective
5 date of this Compact which are applicable to the Free Asso-
6 ciated State pursuant to the powers and functions expressly
7 vested in the United States in this Compact, shall apply to
8 the Free Associated State unless and except to the extent
9 that they are incompatible with this Compact except as other-
10 wise provided in subsection d of this section 12, and except as
11 may otherwise be provided by order of a court of competent
12 jurisdiction.

13 "d. Prior to final passage of any legislation applicable to
14 the Free Associated State, the Governor or Resident Com-
15 missioner thereof shall be entitled to submit to the Congress
16 objections as to the applicability of said legislation to the Free
17 Associated State, whereupon the Congress shall specifically
18 act upon those objections so as to determine whether the
19 proposed law is essential to the interests of the United States
20 and is compatible with the provisions and purposes of this
21 Compact. If the respective committee or committees by vote
22 express agreement with the objections, the Free Associated
23 State will be held exempt from those affected provisions of
24 the proposed law in the event of its final enactment: *Pro-*
25 *vided*, That this paragraph shall not apply to proposed laws

1 which directly affect the rights and duties of citizens, security
2 and common defense, foreign affairs, or currency.

3 "e. Rules, regulations and orders issued by the depart-
4 ments and agencies of the United States after the effective
5 date of this Compact shall apply to the Free Associated State
6 unless and except to the extent that they are incompatible
7 with this Compact. In the event that the Free Associated
8 State shall notify a department or agency of the United
9 States that it objects to the application of any such rule,
10 regulation or order to the Free Associated States, such rule,
11 regulation or order shall not be applicable to the Free Asso-
12 ciated State unless and until the department or agency shall
13 find and declare that the application thereof to the Free
14 Associated State is essential to the interests of the United
15 States and is compatible⁹ with this Compact. Any such deter-
16 mination shall be subject to judicial review in accordance
17 with law.

18 "13. Assignment of Federal Functions to the Free Asso-
19 ciated State

20 "a. The Government of the United States may from
21 time to time transfer to the Free Associated State the total
22 or partial performance of functions vested in the United
23 States; *Provided*, That the Government of the Free Asso-
24 ciated State agrees to perform them.

1 “Except as otherwise agreed to, the Government of the
2 Free Associated State, its agencies and dependencies shall
3 assume the expenses and responsibilities inherent in the
4 assignment received.

5 “The officials and employees of the Government of the
6 United States in charge of the functions on the date of their
7 transfer shall retain the rights previously acquired by reason
8 of their employment.

9 “b. The Congress of the United States, in appropria-
10 tions legislation applicable to the Free Associated State,
11 shall provide maximum flexibility for the use of such funds,
12 consonant with the purposes and objectives of the appro-
13 priations, so that the use of such funds may be adapted to
14 the special circumstances and conditions relevant to the
15 administration of the program in the Free Associated State.

16 “14. Joint Commission

17 “a. There is hereby created a Joint Commission com-
18 posed of six (6) members, three (3) members and their
19 successors appointed by the President of the United States
20 and three (3) members and their successors appointed by
21 the Governor of the Free Associated State of Puerto Rico.
22 Said appointments shall be for an initial period of five years,
23 at the expiration of which, the Commission shall be subject
24 to review by the President of the United States and the

1 Governor of the Free Associated State relative to its mem-
2 bership and continuation. The Commission shall adopt its
3 own internal regulations.

4 "b. This Joint Commission has as its principal assign-
5 ment to help in the perfection of the relations, including legal
6 and administrative, between the United States and the Free
7 Associated State in agreement with the fundamental objec-
8 tives expressed in this Compact and, to that effect, shall have
9 the following specific assignment:

10 "1. The Commission shall study the desirability of
11 retaining, modifying or eliminating the application of
12 specific Federal laws to the Free Associated State and
13 shall give priority in such study to the laws pertaining to
14 communications, coastal shipping and administration of
15 Selective Service. The Commission shall submit its re-
16 ports to the President and to the Governor. When the
17 report recommends the discontinuance of the applicabil-
18 ity of a particular law or part of a law to the Free Asso-
19 ciated State, and the President of the United States and
20 the Government of the Free Associated State concur
21 with the recommendation, it shall be submitted to the
22 Congress of the United States. If ninety days, counted
23 from the date that Congress receives the recommenda-
24 tion, shall elapse without either House rejecting it, said
25 law shall cease to have effect in Puerto Rico.

1 “2. The Commission shall also study the possible
2 transfer of Federal functions to agencies of the Free
3 Associated State, in accordance with the provision of
4 section 13-a and shall make the pertinent recommenda-
5 tions. When they involve the transfer of particular Fed-
6 eral functions to the Free Associated State, such recom-
7 mendations shall be submitted to the President of the
8 United States and the Governor of the Free Associated
9 State. If both agree with the recommendations, the
10 President shall by Executive Order provide for such
11 transfer and shall transmit such Executive Order to the
12 Congress. Any such Executive Order shall become
13 effective at such time as it shall specify, unless either
14 House of Congress, within ninety days from receipt of
15 the Executive Order, shall object.

16 “3. The Commission shall also study, with the high-
17 est priority, the desirability of recommending a system of
18 contributory payments from the Government of the Free
19 Associated State to the Treasury of the United States, to
20 be initiated at the appropriate time, in gradual ways
21 which will not substantially impede the economic and
22 social development of Puerto Rico, based upon disburse-
23 ments which shall be made by the Legislature of the
24 Free Associated State from the general fund or any other

1 sources subject to the legislative action of the Free
2 Associated State.

3 "c. The Commission shall have a professional and tech-
4 nical staff and may use the services of the research institu-
5 tions which it deems convenient; and is hereby authorized to
6 request and receive the cooperation of any department,
7 agency, or bureau of the United States or of the Free Asso-
8 ciated State.

9 "d. The Commission shall have an annual budget, to be
10 shared in equal parts by the Government of the United
11 States and the Government of the Free Associated State. The
12 Commission shall formulate its own budget proposal
13 annually. There shall be appropriated by the respective gov-
14 ernments such sums as are necessary to sufficiently fund the
15 functions and operations of the Commission for the first two
16 years.

17 "15. Judicial Review

18 "a. The courts of the United States and of the Free
19 Associated State shall have concurrent jurisdiction with
20 respect to justiciable questions arising under this Compact,
21 and actions instituted in the courts of the Free Associated
22 State may not be removable to a Federal court on the sole
23 grounds that provisions of this Compact are in issue.

24 "b. Nothing contained in this section shall prohibit the
25 Free Associated State or any individual from instituting

1 and maintaining any action or proceeding in the assertion
2 of a claim or cause of action under this Compact in any court
3 with competent jurisdiction.

4 "c. Final judgments and decrees entered by the highest
5 court of the Free Associated State in which decision could
6 be had may be reviewed by the Supreme Court of the
7 United States in like manner as final judgments and decrees
8 rendered by the highest court of a state in which decision
9 could be had.

10 "16. United States District Court

11 "a. There shall exist a United States District Court for
12 the Free Associated State whose jurisdiction shall be the
13 same as that of other District Courts of the United States,
14 including the jurisdiction over the naturalization of qualified
15 aliens and residents in the Free Associated State.

16 "b. All the procedures, pleadings, and records shall be
17 conducted in Spanish, unless the Court, in the interest of
18 justice, shall otherwise determine.

19 "c. The selection of the jurors shall be conducted and
20 their requisites shall be guided in accordance with the laws
21 of the United States; *Provided*, That such selection and req-
22 uisites are consistent with subsection b of this section.

23 "d. The United States District Court shall not intervene
24 to prevent the establishing or collecting of any tax imposed
25 by the laws of the Free Associated State.

1 “17. Labor

2 “a. The public policy of the United States and of the
3 Free Associated State is declared to be that the minimum
4 wage in Puerto Rico be equivalent to the minimum wage in
5 the United States as soon as economic conditions in Puerto
6 Rico so permit.

7 “The Free Associated State of Puerto Rico shall have
8 exclusive jurisdiction over all matters pertaining to minimum
9 wages and working hours, except for the shipping and avia-
10 tion industries, which shall be covered by the appropriate
11 Federal laws, as may be determined by the Congress of the
12 United States.

13 “b. The Free Associated State of Puerto Rico shall have
14 exclusive jurisdiction over all matters pertaining to labor-
15 management relations, except for the shipping and aviation
16 industries, which shall be covered by the appropriate Fed-
17 eral laws, as may be determined by the Congress of the
18 United States.

19 “c. The Free Associated State of Puerto Rico shall have
20 exclusive jurisdiction over all matters pertaining to laws and
21 regulations on occupational health and safety, except for the
22 shipping and aviation industries, which shall be covered by
23 the appropriate Federal laws, as may be determined by the
24 Congress of the United States.

1 "18. Ecology

2 "The primary authority to regulate the ecology and
3 environmental quality in Puerto Rico shall reside in the
4 Free Associated State of Puerto Rico.

5 "19. Effective Date

6 "In order to become effective, this Compact shall require:

7 "a. Its approval by the Congress of the United States;

8 "b. Its approval by the electorate of the Free Associated
9 State in a special referendum called to that effect by the
10 Legislative Assembly of Puerto Rico;

11 "c. The official proclamation of its approval by the elec-
12 torate of the Free Associated State and the determination
13 of its effective date, which shall be determined by agreement
14 between the President of the United States and the Governor
15 of the Free Associated State, to have effect within a period
16 not longer than one year following its approval by the
17 electorate.

18 "20. Transition

19 "Nothing in this Compact shall be deemed to interrupt
20 or impair the jurisdiction of the courts or quasi-judicial agen-
21 cies over matters pending before them at its effective date
22 nor to affect, until their normal expirations, any franchises,
23 permits and other grants issued prior to such effective date.
24 Actions by either the United States or the Free Associated

1 State prior to this Compact which would be lawful at its
2 effective date shall not be affected in any way by its approval.

3 "21. Amendments

4 "In order to respect the right of self-government guar-
5 anteed by this Compact, the United States agrees that the
6 provisions of this Compact may be modified only by mutual
7 agreement between the Government of the United States
8 and the Government of the Free Associated State of Puerto
9 Rico, and with respect to the provisions that regulate the
10 fundamental relations between the United States and the
11 Free Associated State, namely:

12 " (1) Free Associated State of Puerto Rico

13 " (2) Jurisdiction and Authority

14 " (3) Legal Title to Lands

15 " (5) Reciprocity Provisions

16 " (6) Common Citizenship

17 " (7) Security and Common Defense

18 " (8) Currency

19 " (9a) Common Market

20 " (10b) Unimpeded Transit

21 " (11) Representation of Puerto Rico

22 " (12) Applicability of Federal Laws

23 " (21) Amendments

24 with the approval of the electorate of the Free Associated
25 State of Puerto Rico."

94TH CONGRESS
1ST SESSION

H. R. 11201

A BILL

To approve the Compact of Permanent Union
Between Puerto Rico and the United States.

By Mr. BENNETT, Mr. BUCHANAN, Mr. SASTINI,
Mr. THOMAS, Mr. HOWE, Mr. WEAVER, Mr.
CARR, Mr. RISHENOVER, Mr. PATMAN, Mr.
PEPPER and Mr. DENT

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Referred to the Committee on Interior and Insular
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