Mr. HARRISON. Thank you, Mr. Chairman.

Mr. HERLONG. The next witness is the Honorable Santiago Polanco-Abreu, our distinguished Resident Commissioner from Puerto Rico. We are happy to have you with us.

STATEMENT OF HON. SANTIAGO POLANCO-ABREU, RESIDENT COMMISSIONER OF PUERTO RICO

Mr. POLANCO-ABREU. Mr. Chairman, members of the committee, I regret that I was unable to be here last Thursday when the oil import legislation was under consideration and I appreciate your courtesy in hearing my statement at this time.

On Thursday, Sergio Camero, Administrator of Puerto Rico's Economic Development Administration—"Fomento" as it is called in Puerto Rico—explained what we feel are the extremely serious economic consequences this legislation would have for Puerto Rico. I would like to present another aspect of the Commonwealth's objections to these bills.

The language of these proposals runs counter to the entire concept of Puerto Rico's Commonwealth relationship with the United States.

With the committee's permission and in the interests of time, I will submit, rather than read, a legal memorandum covering this point which I submitted to the Senate Finance Committee last year.

The legislation in question was S. 2332 but the principle applies to the oil import legislation before this committee.

I think that the best way of outlining Puerto Rico's objections to this facet of the bills is to trace their legislative history. By my last count the committee had before it some 47 of these oil quota bills. All are generally similar in objective and language and substantially similar to S. 2332 by Chairman Long of the Senate Finance Committee.

Their effect, insofar as Puerto Rico is concerned, would be to reduce or eliminate entirely the movement of controlled petroleum products from insular refineries to the U.S. mainland. The specific means to do this and as embodied in the S. 2332 type bill is by the addition of a new section to the national security provision of the Trade Expansion Act of 1962.

This new wording would define as "imports" the onshore movement of these petroleum products. In effect, these products would be classified as if they were "imports" from a foreign country.

Mr. Chairman, when I first read the language of S. 2332 I was naturally concerned. I was also a little puzzled. Never in three-quarters of a century has Congress seriously considered erecting an artificial barrier to the free flow of products between Puerto Rico and the U.S. mainland.

Such a restriction would be entirely contrary to the "free trade" concept embodied in the Puerto Rico Organic Act of 1900 by which civil government was established for the island following its cession to the United States by Spain.

The same free trade relationships were reenacted in the Jones Act of 1917. And these specific provisions were again reenacted in Public Law 600 of the 81st Congress which provided for the compact establishing the Commonwealth of Puerto Rico.