State of California Board of Equalization

Memorandum

325,1220

Sacramento, California January 4, 1954

To: File

From: Bill Holden

Subject: Status of Puerto Rico

In the recent case of Mora v. Mejias, 115 F. Supp. 610, the United States District Court for Puerto Rico ruled that Puerto Rico was a "state" for the purposes of 28 U.S.C.A. Section 2281 relating to the convening of a three judge court.

The reasoning of the court was that the Act intended to accord great respect to the legislative and administrative actions of the states because of their sovereign position in our federal system.

In Stainback v. Mo Rock Ke Lok PO, 336 U.S. 368, the Supreme Court held that a three judge court was not required to be called where the statute in question was an Act of the legislature of the Territory of Hawaii. The reason was that a territory is not sovereign and is subject to Congressional regulation.

In the Mora case the court held that Puerto Rico under its new constitution and its new status as a commonwealth had sufficient independence and semi sovereignty to be treated as a state for the limited purpose in question.

This holding would seem to support our ruling that the shipment of merchandise to Puerto Rico is an export. In other words, Puerto Rico now has a status making it very largely independent of the federal government and thus close to being a separate nation.

BH:ja