

Historical Overview of Puerto Rico's Economy and its Political Status

- 1823 – The **Monroe Doctrine** stated that further efforts by European governments to colonize land or interfere with states in the Americas would not be accepted by the U.S.; Spain's colony in Cuba was exempted.
- 1898 – **Spanish American War**, a ten-week war that led to the **Treaty of Paris** which gave the U.S. control of **Cuba** and indefinite colonial authority over **Puerto Rico, Guam** and the **Philippines**.
- 1900 – The **Foraker Act**, also known as the Organic Act of 1900, extended all federal laws of the United States to be in effect on the island.
- A governor and an executive council appointed by the President.
 - A House of Representatives with 35 elected members.
 - A non-voting Resident Commissioner in Congress.
 - A judicial system with a Supreme Court.
 - U.S. overseen of the national guard and defense.
 - The application of U.S. maritime and international trade laws.
- 1917 – The **Jones Act** conferred U.S. citizenship on Puerto Ricans; **English** instruction in schools and **military service** are mandated.
- 1921—**Section 262 of the Revenue Act** (later re-numbered as **Section 931**) exempted from U.S. taxation all corporations that received at least 80% of their income from U.S. possessions, if at least 50% came from active business; income was taxable on repatriation but liquidated distributions were tax free.
- 1938 – **Fair Labor Standards Act** introduces federal minimum wage, industry committees are established.
- 1947-Puerto Rico's **Industrial Incentive Act** is enacted granting tax exemption to U.S. corporations, a core component of the industrial development plan know as **Operation Bootstrap**.
- 1948--The United States allowed Puerto Ricans to elect their own governor, **Luis Munoz Marin** (1898-1980).
- 1950--The U.S. Congress approved **Public Law 600** (P.L. 81-600) which led to Puerto Rico's own local constitution but left all the provisions of the Jones Act unchanged.
- 1952--Puerto Rico adopted the name of **Estado Libre Asociado** (literally translated as "Free Associated State"), officially translated into English as **Commonwealth**.
- 1976-- **Section 936 of the Tax Reform Act** converts federal tax exemption to a foreign tax credit.
- 1977--Amendments to FLSA mandates increases to establish **U.S. minimum wage**.
- 1992-- President George H. W. Bush directs all Federal departments, agencies, and officials to treat Puerto Rico administratively as if it were a State.
- 1996 --**Section 30A of the Small Business Protection Act** enacts a 10-year phase-out of the Sec. 936 tax credit; the program ended completely on December 31 2005.
- 2000-- President William J. Clinton signed executive Order 13183, which established the **President's Task Force on Puerto Rico's Status**.