

Puerto Rico:

When is a colony not a colony?

by Don Kniseley

Puerto Rico has been subject to some degree of outside control since the 16th century. Though only 3600 square miles in area and offering little in the way of natural resources, Puerto Rico's strategic military location in the Caribbean has ensured its continued political domination.

The Spanish settled on the island five hundred years ago in their frantic search for gold. They established a garrison there, from which they could maintain vigilance over all travel to and from the Caribbean. (Over a period of several generations.) They also managed to eliminate or assimilate all native islanders. The colony (originally called Borinquén) soon came to have an economy based on sugar cane, with labour being supplied by African slaves. Things changed little until the eighteenth century, when the first independence movement appeared and was quickly quashed.

The dream of an independent Puerto Rico persisted, however, and was almost realized in 1897. However, as soon as the weakening Spanish Empire severed colonial ties, the island was invaded and captured by the U.S. in the final act of the Spanish-American war (1898).

After two years of military occupation, the U.S. Congress passed the Foraker Law, which brought nearly all Puerto Rico affairs under the official control of the U.S. government. Discontent with the U.S. presence and influence led to the Jones Act of 1917, which made all Puerto Ricans U.S. citizens. Until 1952 however, Puerto Rico was formally and unquestionably to remain a U.S. colony.

The present commonwealth status of Puerto Rico has its roots in U.S. Public Law 600 of 1950. It allowed Puerto Rico to establish its own constitutional government, subject to approval by a majority of Puerto Ricans in a referendum and by the U.S. Congress. This law allowed the U.S. to maintain that Puerto Rico was no longer a colony, because its people had "effectively exercised their right to self-determination . . . by freely and fully participating in the establishment of a Commonwealth associated with the United States." However, the essential nature of the relationship remains unchanged. Decisions regarding such issues as wage standards, tariffs, defense, currency, and immigration are made in Washington without direct Puerto Rican representation.

Operation Bootstrap

U.S. political and economic dominance has meant on the one hand that Puerto Rico has enjoyed one of the highest per capita living standards in Latin America. Assuming the "trickle down" theory

of capitalist development, it is true that some workers have benefitted from substantial U.S. investments.

On the other hand, the huge U.S. economic presence has meant that Puerto Rico has served as a pool of cheap labour for American corporations. It has also ensured that Puerto Rico produces goods primarily for export on an inflated international world market rather than for its own development.

One reason for the present level of U.S. investment is the program Puerto Ricans adopted to counteract a sagging sugar industry in the late



Puerto Rican people at a pro-independence demonstration.

1940's. Partly on the advice of U.S. officials, it was decided that rapid industrialization was the answer. In order to secure the capital for this industrialization Munoz, the first elected governor of the island, launched a program of irresistible incentives to U.S. business. Operation Bootstrap exempted almost all firms from Puerto Rican taxes for up to ten years. This, coupled with the large labour supply, low wage rates, and exemption from U.S. federal income taxes (part of the 1917 Jones Act) meant that companies locating in Puerto Rico have enjoyed phenomenal profits. Astonishingly, ten percent of the worldwide profits received from direct U.S. investment come from Puerto Rico, and annual profit rates as high as 90% have been reported.

Despite their continued popularity over the years, both Munoz (a political folk hero who began his public career as a socialist) and Bootstrap have primarily served U.S. investors and a small Puerto Rican elite. That industrialization and growth in GNP have been substituted for real development is evidenced by the fact that income disparity is higher in Puerto Rico than in America.

But even economic growth has waned in recent years. Some firms have relocated in search of even cheaper labor in other Latin

tries.

Other reports indicated that the CIA liaison with Hussein was only a part of the U.S.' network of intrigue in the Mideast. Saudi Arabian officials as well as Iranian leaders have long had close ties with the CIA, the Feb. 22 Washington Post reported.

Other world leaders reported to have received CIA bribes at one time or another are: Chiang Kai-shek, the Dalai Lama of Tibet and Archbishop Makarios of Cyprus.

American countries. Dependence on so many imports has meant higher and higher prices for essential commodities. This trend has been accomplished by decreasing bargaining power in terms of exports. For apart from its sugarcane, Puerto Rico essentially only "exports" its labor. It has become a processing station for U.S. raw materials -- chiefly petrochemicals and pharmaceuticals. Partly as a result of this situation, the recent worldwide recession took on catastrophic proportions in Puerto Rico. Unemployment is presently

dissatisfaction with commonwealth status and bolstered independence forces. This was reflected in last year's general election, in which Carlos Romero Barcelo and the New Progressive Party came to power at the expense of the long-standing Popular Democratic Party. Although Romero has long been an advocate of eventual statehood, many feel the electorate voted for change rather than for inclusion in the U.S. Nevertheless, the election may have prompted President Gerald Ford to suggest that Puerto Rico become a 51st state.

Both Ford and his successor, President Carter, have in recent months publicly reaffirmed Puerto Rico's right to political self-determination. Both have also intimated that the U.S. would be quick to respond positively to any change in status desired by the majority of islanders. Most Americans and Puerto Ricans no doubt concur with such a democratic notion, but the prevailing conditions make it unlikely that a change either to statehood or to independence will come so easily.

The island's population is culturally homogeneous. There will certainly be a reluctance on the part of some to further assimilation brought about by statehood. Another factor could be the two-fifths of all Puerto Ricans who live in the continental U.S., mostly in New York City. There is a strong nationalist faction among these "mainlanders" which would probably become a militant, perhaps a violent, force against U.S. statehood. In addition, there would probably be some degree of opposition on the part of the U.S. public to the annexation of Puerto Rico, on account of the massive federal funds necessary to alleviate the island's economic difficulties.

A concerted movement for independence as opposed to statehood, may also result in armed struggle in Puerto Rico. Carlos Gallisa, leader of the Puerto Rican Socialist Party, publicly voiced that eventually in a recent speech, much to the chagrin of the then governor Hernandez Colon and the U.S. State Department. One is tempted to draw an ironic parallel with the American Revolution of 1776 in which a minority of dissidents led the colonies in armed insurrection.

If dependence became a reality, the island might be faced with a monumental logistics problem. Puerto Rico's high population density already compounds its social ills and few more inhabitants can be tolerated. If sizeable numbers of mainlanders chose to return to an independent homeland, the result might be chaos.

The exigencies of the present, then, point to political change in Puerto Rico; change, at best unpleasant for some, at worst convulsive to the entire island and its emigrants. But, though a change in political status may be a prerequisite for economic development in Puerto Rico, neither statehood nor independence will guarantee substantive improvements in the quality of life for all Puerto Ricans. The danger exists that, whether nation or state the island will remain a hinterland dependent upon and feeding the dominant American economy -- a colony of lesser degree.

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other Arab nations and personalities. Jordan was also used as a conduit for funneling money to the reactionary forces during the Lebanese civil war, to the Kurdish rebels in Iraq and to the reactionary government in Oman.

Curiously, the revelations about Hussein came on the same day as U.S. Secretary of State Cyrus Vance was scheduled to meet with him as part of a 6-day tour of Mideast coun-

around 20% by conservative estimates. Nearly half of the population depends on U.S. Department of Agriculture food stamps.

Status Quo, Statehood, or Independence?

The issues of Puerto Rico's economy and its political status are inexorably linked. Since the passage of Public Law 600, the U.S. has insisted that all questions about Puerto Rico are an internal matter. This view has come under fire in recent years as a result of the United Nations' Resolution 1514, which calls for complete de-colonization of all non-self-governing territories. Such territories may then determine the nature of their political relationships with other countries.

The crucial question is whether the conditions set out in Resolution 1514 have been sufficiently met with respect to Puerto Rico. The U.S. State Department is quick to point to repeated plebiscites in which Puerto Ricans have overwhelmingly rejected statehood and independence in favour of commonwealth status. Opponents claim that no more than one third of all eligible voters participated in these referenda, and that none has been subject to international supervision.

The U.S. government plays down intervention by the U.N. and would likely veto any 'intolerable' decision taken by the Security Council with respect to Puerto Rico. Debate in the de-colonization committee, however, has unified the Third World in calling for Puerto Rican independence. It has also fuelled the dormant independence movement within Puerto Rico.

The current economic malaise has

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