

How strong are Puerto Rico's US apron strings?

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 of 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.

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 US in the final act of the Spanish-American war (1898).

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

The present commonwealth status of Puerto Rico has its roots in US 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 US Congress. This law allowed the US 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.

US 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 US investments.

On the other hand, the huge US economic presence has meant that Puerto Rico has served as a pool of cheap labour for American cor-

porations. 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 US investment is the program Puerto Ricans adopted to counteract a sagging sugar industry in the late 1940's. Partly on the advice of US officials, it was decided that rapid industrialization was the answer. In order to secure the capital for this industrialization Munos, the first elected governor of the island, launched a program of irresistible incentives to US 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 US 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 US investment come from Puerto Rico, and annual profit rates as high as 90% have been reported.

But even economic growth has waned in recent years. Some firms have relocated in search of even cheaper labor in other Latin 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 US 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 around 20% by conservative estimates. Nearly half of the population depends on US Department of Agriculture food stamps.

The issues of Puerto Rico's economy and its political status are inexorably linked. Since the passage of Public Law 600, the US 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 decolonization 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, which calls for complete de-with respect to Puerto Rico. The US 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 US government plays down intervention by the UN and would likely veto any "intolerable" decision taken by the Security Council with respect to Puerto Rico. Debate in the decolonization 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 and dissatisfaction with commonwealth status has 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 US. Nevertheless, the election may have prompted President Gerald Ford to suggest that Puerto Rico become a 51st state.

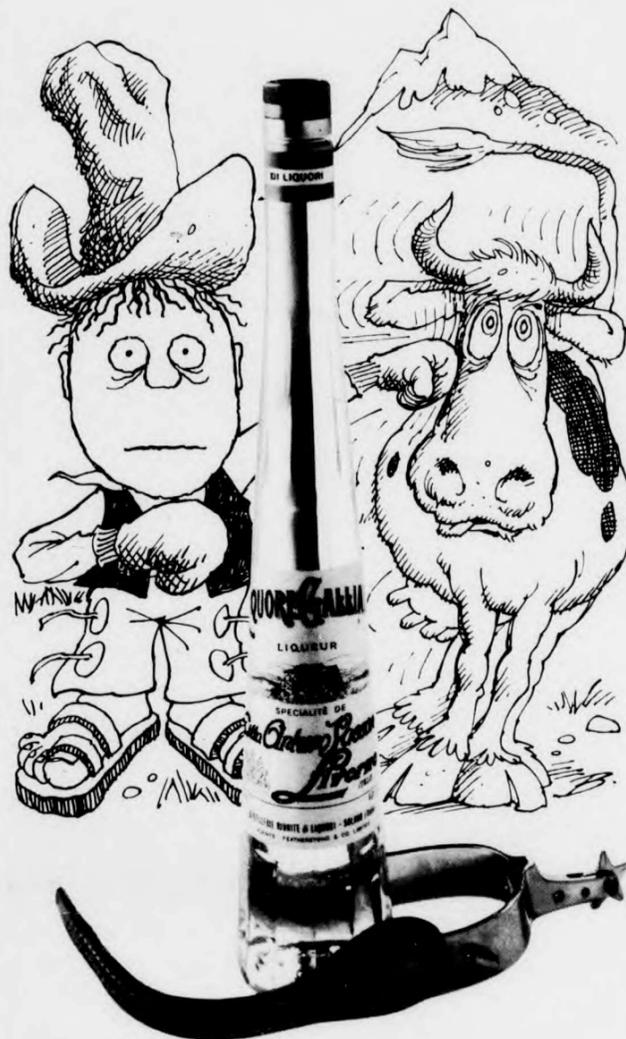
A concerted movement for independence as opposed to statehood, may also result in armed struggle in Puerto Rico. Carlos Gallisa, leader of the Puerto Rican Socialist Party, publicly voiced that eventually in a recent speech, much to the chagrin of the then governor Hernandez Colon and the US State Department.

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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