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Committee on U. S. Dependencies
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Porto Rico and the United States

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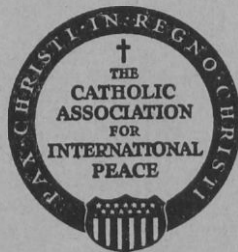
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The Committee on U. S. Dependencies

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A Report of the Committee on U. S. Dependencies

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THE CATHOLIC ASSOCIATION FOR
INTERNATIONAL PEACE

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THANKS for the issuance of this Report are due to the College of Saint Elizabeth, Convent Station, New Jersey, in response to the Holy Father's recent appeal, "May they all unite in the peace of Christ in a full concord of thoughts and emotions, of desires and prayers, of deeds and words—the spoken word, the written word, the printed word—and then an atmosphere of genuine peace, warming and beneficent, will envelop all the world."

PORTO RICO AND THE UNITED STATES

Study Presented

to

The Catholic Association *for* International Peace

by

The Committee on U. S. Dependencies

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INTERNATIONAL PEACE

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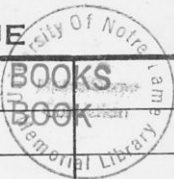
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BOOK



THIS is a Report of the Committee on U. S. Dependencies of the Catholic Association for International Peace and is being issued as a Study from this Committee. It was presented and discussed at the regular annual meeting of the organization. The Committee cooperated in the final form of the Report and the passages involving moral judgments were presented to the members of the Ethics Committee for its consideration. It was presented to the Executive Committee which ordered it published. As the process indicates, this Report, being the Report only of a Committee, is not a statement from the whole Association.



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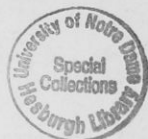
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PREFACE

THIS report is submitted to the Catholic Association for International Peace by its committee on Dependencies as the first of a series of reports which will eventually appear in united form with general as well as specific recommendations. The series is planned to cover Hawaii, the Canal Zone, and the Philippines. It will not, however, include in its scope other areas, such as Haiti, Cuba, or Nicaragua, over which the United States has some supervisory power, or with whom this country has concluded agreements which create an unusual status or relationship. These regions are properly for the consideration of other committees.

The "dependency" status is the reason why reports are being made on these territories for the Catholic Association for International Peace. The relationship of dependent regions to the governing state is neither one of equality under the same law, nor that of member-state in a federation; but rather, the relationship of ruler and subject with such modifications of that relationship as the governing state sees fit to allow. The whole life of a people, in all its phases, its institutions of government, its degree of participation in political activity, its opportunities for self-development along lines of education and the application of scientific knowledge to its problems, even the opportunities for its inhabitants to earn a living, may be and usually is subject to the dominant power and policy of another country. The dependent territory can do effectively only what it is permitted to do by the superior authority; its very constitution, if it has a written one, is normally a statute passed by a legislature other than its own.

The status of dependency is therefore a problem which inevitably raises questions of international ethics. It is a problem which calls for continuing and progressive analysis, for continual specific definitions of justice. The application of human justice is a very practical consideration on earth. Justice cannot be established nor administered between two parties without clear understanding of the truths of their situation, and mutual willingness to arrive at a judgment. The subject of justice between states or areas of modern society merits consideration by any organization devoted to the cause of international peace. For such an organization of Catholics, whose interests should be international by virtue of the uni-

versal character of their Church; of Catholics who possess the concept of a world association under a moral law which binds nations collectively as well as individuals singly, any question of establishing justice in particular cases between nations should rouse eager interest and stimulate further investigation.

There are several reasons why Porto Rico is the first dependency to receive the consideration of a report:

(1) It is, in a sense, the most dependent. Its economic life is now closely bound with that of the United States, and under American rather than under local control.

(2) For this and for other reasons, it is in grave need of study and relief. Since 1924 the island has suffered a severe economic depression, as a result of the fall in the price of sugar, its principal product, for that and succeeding years. This depression was immeasurably increased by the September hurricane of 1928, which resulted in the loss of lives, and damage to property, principally to coffee plantations, to the extent of 78 million dollars.¹

These disasters have put the question of the nature of the responsibility of the American people for the people of this dependency into the foreground of public discussion. As discussion is frequently partisan, the accuracy of facts presented must be determined. No public-spirited citizen can conscientiously remain in ignorance.

The discussion itself has already produced proposals for certain changes and relief measures, which will require wise and tempered examination before it will be possible to determine whether they are just or adequate to meet the needs of the island. Several summary reports have been made by interested persons.²

Among these is a comprehensive survey of the island undertaken by the Brookings Institution of Washington, D. C. To it, and to other material on this subject, the attention of readers is directed.

When conditions are so unsettled, no definitive report can possibly be expected of this committee, and we shall therefore attempt to present only the outlines of some of the problems raised in Porto Rico, the character of relief measures proposed, and the studies under way.

¹ The Foreign Policy Association, Information Service: *The Problem of Porto Rico*, 1929, p. 437. The central Survey Committee reported a loss of \$85,300,000. *New York Times*, Nov. 28, 1929.

² A bibliography will be found at the end of this report.

PORTO RICO *and the* UNITED STATES

THE island of Porto Rico lies in the Caribbean Sea, closer to the shores of South America and to the Panama Canal than to the United States. Its climate is pleasant the year around. In the interior, there are mountains and hills, but around the shore, particularly in the south, the country lies low to the sea. Very tiny, containing only 3,435 square miles, Porto Rico has many miles of beautiful shoreline and long vistas of mountains, hills, valleys, and plains. Though in size it has only three times the area of Rhode Island, the smallest state of the United States, its population is large for an agricultural country. An estimate in 1930 gave it over 1,540,000 inhabitants and now it has more. Almost three-fourths are white descendants of Spaniards. The remaining one quarter are chiefly mulattoes. Only 4% of the population of the island is Negro. There are no Indians, although there are evidences of Indian blood in parts of the mountain country. The original inhabitants of the place were not treated so considerably as elsewhere in the Spanish colonies and those who were not driven out died out slowly in contact with their white conquerors.

There are, therefore, in Porto Rico over 400 persons to the square mile, as compared to estimates of 680 for Belgium (1928), of 100-800 per square mile for India (1921), and 345 for Germany (1925).³ It is necessary to remember that these figures are merely estimates. Though an American census is taken in Porto Rico, it is very possible that, because of the wandering character of laborers, insufficient medical attendance at births and deaths, and the congested areas of population in cities, large numbers of people have been left out of calculation. The recorded birth-rate for this population has increased in the first twenty-five years of the twentieth century from 20.5 per thousand in 1901 to 39.0 per thousand in 1925.⁴ Compared with the birth-rate of 20.6 per thousand of the United States in 1928, and with that of 18.6 for Germany⁵ in the same year, the rate of births to population in Porto Rico is high. A consideration of the death-rate will be found later on.⁶

³ *Statesman's Year Book*, 1930.

⁴ The Foreign Policy Association, Information Service: *The Problem of Porto Rico*, 1929, p. 452. Clark *et al.*, *Porto Rico and Its Problems* gives the rate of 40.55 per thousand for the period 1925-1928.

⁵ *Statesman's Year Book*, 1930.

⁶ *Infra* p. 30.

As will shortly be made clear, a great portion of this population lives a hand to mouth existence with insufficient food, unsanitary housing, inadequate educational opportunities, and little employment. The securing of a minimum subsistence level upon which these human beings can live healthy and decent lives is one of the most important, if not the most important, subject confronting the country.

Porto Rico does not lack economic resources upon which to draw in meeting its problem. Its chief agricultural exports are sugar, coffee, and tobacco, to which fruits have been added as a considerable item during the last ten years. In the year June, 1926-June, 1927, the export value of the first three commodities amounted to almost 92 million dollars of which sum sugar alone was responsible for almost 55 million dollars.⁷ Twelve years ago, this agricultural export (sugar, coffee, tobacco) with some manufactures earned a return of some 74 million dollars. The total exports from the island have exceeded in value 70 million dollars a year since 1916.⁸ Except in the earliest years and in 1924 the island during the period of American possession has constantly exported goods of a greater value than its imports.⁹ The introductory summary of export values omits consideration of the island's production for home consumption; this will be found further on in this study. Of the total exports of Porto Rico, over 90% finds a market in the United States; and the total trade of Porto Rico is about half that of Cuba, and considerably greater than that of any other Caribbean country. While the sugar lands of the island are poorer than those of Cuba and Santo Domingo, they pay no American tariff on their product. Various authorities compute their annual return per acre at from \$85-\$115,¹⁰ and the value of sugar cane and coffee lands at from \$300-\$500 per acre. Under such conditions, it becomes necessary to examine carefully why the standard of living on the island does not reveal greater signs of comfort.

The political problems of Porto Rico seem singularly unified; they center about its dependency status. The question of the island's present and future freedom to regulate its own

⁷ *27th Annual Report of the Governor of Porto Rico, 1927*, p. 13. The 30th Report, 1930, p. 23, gives sugar 53 million dollars export value.

⁸ *30th Annual Report of the Governor of Porto Rico, 1930*, p. 20, table 20.

⁹ *Ibid.*, p. 20. The total production in value 1926-27 amounted to over 108 million dollars of which more than 100 million was shipped to the United States.

¹⁰ The Foreign Policy Association. Information Service, estimated the production at nearly \$100 an acre, average in 1928. *The Problem of Porto Rico, 1929*, p. 448.

affairs is the first to strike the attention. It has roused much clamor, which, though probably justifiable, has tended to obscure other important phases of the whole problem. Porto Rico came into the possession of the United States as a result of the treaty that ended the Spanish-American war, and has since been governed under rules laid down for it by the Congress and the Supreme Court of the United States. Is it, in the future, to become a state of the United States, an independent country, a region like to a British "crown colony" or a British self-governing dominion, or is its government to take another entirely new form?

I

ECONOMIC DEPENDENCY—THE FACTS

A. DEPENDENCE OF PRODUCTION UPON
THE AMERICAN MARKET

1. *Farming for the Export of Money Crops.*—Agricultural and industrial economy in Porto Rico, as elsewhere, developed in the nineteenth century on somewhat *laissez-faire* lines, that is, in a society where each man looked out for his own interest primarily and where individual profit was the first consideration. As a result, the agricultural production of Porto Rico is not planned for, and not adequate for meeting the common food needs of its own population, but rather has been organized to meet the demands of its market. While the island lay under Spanish law, that market was in some degree in Europe; geographically, the North Coast of South America might also be an excellent market. However, during the latter part of the nineteenth century, American capital became interested in the sugar plantations of the West Indies, and it watched with interest, if it was not instrumental in furthering, the Spanish-American war. Porto Rican agricultural production today is organized with an eye upon the American market, and the preferred status of Porto Rican sugar on that market, maintained partly by the exemption Porto Rican sugar enjoys under the American tariff.

With reference to tariff, the island is in the same position as that of an American state. Porto Rican citizens pay the same import duties as do continental Americans. Whereas Cuban sugar enters the United States under a duty of \$1.76

per hundredweight, and sugar from Santo Domingo comes in under a duty of \$2.20 per hundredweight,¹¹ sugar from Porto Rico pays no tariff at all; consequently poorer or less efficiently managed sugar plantations in Porto Rico can compete with those of other countries on the American market. In 1898, when the United States took over the island, its chief crops were coffee and sugar; many of its landowners were Porto Rican and Spanish. Today its chief crop is sugar and its most important landowners, as will be seen later, are American corporations. More than 720,000 short tons of sugar of a value of nearly 54 million dollars were exported from Porto Rico in the year 1930.¹² Sugar not only brings in over half of the total export values, but sugar production is estimated to occupy nearly 35% of the total cultivated acreage of the island¹³ and employs between 85,000 and 100,000 laborers. Coffee, tobacco and fruits, which are being exported in increasing measure, form the bulk of the remaining agricultural product. Of these commodities, little more than the poorer grades of coffee and some fruit, chiefly bananas, are consumed at home. The rice, which with black coffee of poorer grade forms the chief item of diet among the rural laborers, is imported, as are red beans and codfish, from the United States. The bulk of Porto Rican coffee finds a considerable, but apparently diminishing market in countries of the European continent; it would seem that an increasing amount of it is sold to Europe by the way of the New York market.¹⁴ Altogether, the figures of the Governor's report show that the ratio of exports to Europe to that of exports to the United States is steadily decreasing. In 1927 out of export values of over \$108,000,000 the United States was credited with more than \$100,000,000. In 1930 out of products amounting to 99 million dollars, 95 million went to the United States. The gains from the sale of sugar, tobacco and fruits go largely to the stockholders of American corporations resident in the United States.

¹¹ The Foreign Policy Association, Information Service: *The Problem of Porto Rico*, 1929, p. 453. An analysis of the comparative cost of production of sugar is contained in the Brookings Institution report: Clark et al., *Porto Rico and Its Problems*, 1930, p. 647.

¹² *30th Annual Report of the Governor of Porto Rico*, 1930, p. 13. The largest crop recorded is that for 1930. In 1927, 575,000 tons brought almost 55 million dollars in price.

¹³ Dana, Arnold G., *Porto Rico's Case*, 1928, pp. 10-11. Clark et al., *Porto Rico and Its Problems* puts the figure at 40%.

¹⁴ *30th Annual Report of the Governor of Porto Rico*, 1930, p. 25. The Foreign Policy Association reports that "it is estimated that coffee production has decreased one-third since Spanish times." *The Problem of Porto Rico*, 1929, p. 449.

2. *Importing Food in an Agricultural Country.*—The result of this emphasis on the production of export commodities is that the people must subsist chiefly upon solid foods imported from the United States and elsewhere.¹⁵ Fresh green vegetables, milk and dairy products, eggs and fresh meat are deplorably lacking in the islanders' diet.¹⁶ A recent independent study reports that about 20% of the arable land of Porto Rico is used in the production of food for home consumption,¹⁷ or the equivalent of one acre for every eight persons of the 1927 population. The same author quotes the 1925 report of the island's commissioner of agriculture to the effect that the annual production of meat per person was 9.2 pounds, and the annual production of milk per person, 10 quarts.¹⁸ Under such conditions fresh milk and meat are luxuries, and many thousands of children go without milk 365 days of the year. Twelve years ago a special agent of the United States Department of Labor reported that the daily diet of a Porto Rican laborer's family, when its members were working (an important condition) was as follows:

“Breakfast—black coffee, without milk and quite often without sugar;

Lunch—rice and beans, or rice and codfish, or codfish and plantains;

Supper—the same as lunch.”

He added that frequently the landowner permitted laborers to eat bananas and other tropical fruits gratis and that sometimes men made an entire meal exclusively of bananas. Today apparently landowners, finding fruit a valuable export product, have begun to charge their laborers for it. The conditions pictured as of ten years ago have not changed. The 1927 report of the island's Bureau of Labor says that bananas, codfish, rice, beans, corn-meal and coffee without milk are still the diet of the coffee laborers. To them beef and pork are infrequent articles of diet, and bread a luxury. Bananas are often sold two to five for one cent (where they used to be five cents for one hundred), and are consumed in quantities. Rice, with beans, pigeon peas, and kidney beans, is the leading food of all rural

¹⁵ *Ibid.*, p. 451. About one-half of the food supply of Porto Rico, insufficient as it is to nourish the peoples, comes from abroad and the bulk of it comes from the United States.

¹⁶ Dana, Arnold G., *op. cit.*, pp. 10-11.

¹⁷ *Ibid.*, p. 25.

¹⁸ United States Department of Labor. *Labor Conditions in Porto Rico*. Report of special agent, Joseph Marcus, of the U. S. Employment Service. Government Printing Office, 1919.

laborers. These cost from 7 cents to 12 cents a pound in 1927. Laborers in the sugar-cane, tobacco and fruit growing districts consumed similar foods to those of the coffee section, with the sole difference, the addition of a few other articles of diet—beef, pork, bread and candies, both imported and domestic. Bananas were used as a substitute for plantains, sweet potatoes, dasheens, and yams which cost two to ten times the price of bananas. Beef was generally sold around 24 cents, pork 30 cents a pound. When one notes that the average laborer's wages, when he works, vary from 75 cents to \$2.00 a day (more often only \$1.25 or \$1.50 per day as an upper limit) and that he works for from four to eight months a year, the bureau's report that the coffee laborer (and frequently the sugar laborer) spends all his earnings for foodstuffs, incapable of nourishing him, is clearly not an overstatement.¹⁹ Malnutrition, chronic illness, and inefficient labor may be expected as results of such a food situation; and Porto Rican conditions fulfill these expectations.²⁰

3. *Suggestions for a Better Balanced Agricultural Production.*—This very elementary problem of the production and distribution of foodstuffs, in justice, requires some solution from the officials of Porto Rico or its landowners. If Porto Rico alone cannot solve the problem, because among other reasons her agricultural production is bound up with the consumption of her products in the United States, the same common justice, the interest of the whole in any of its parts, the interest of the strong for the weak link in a society, requires intelligent investigation and helpful action on the part of the United States. Several suggestions have been made, as follows:

(a) That plantation landowners set aside or be compelled to set aside plots for their workers to cultivate for themselves. To do this, it is not necessary that plantations be split apart, though this might become desirable. Small holdings might be shaved off the larger estates without much harm done to the efficiency of the large unit of land in the production or grinding of cane. This suggestion is in accord with the Encyclical *Rerum Novarum* of Pope Leo XIII which says, "If working

¹⁹*Porto Rico*: 12th Annual Report of the Bureau of Labor to the Legislative Assembly of Porto Rico, March 31, 1928, pp. 37-38. *The Survey of the Public Educational System of Porto Rico*, published by the International Institute of Teachers' College, Columbia University, in 1926, p. 84, reports the cost of the daily diet of a family of five (1925) as 55.4 cents in the sugar area and 39.4 cents in the coffee area. The defects of the islanders' diet are corroborated in the Brookings Report: *Porto Rico and Its Problems*.

²⁰ See below, pp. 29, 30.

people can be encouraged to look forward to obtaining a share in the land, the result will be that the gulf between vast wealth and deep poverty will be bridged over, and the two orders will be brought nearer together."

(b) That others be encouraged to buy or rent small plots on which to develop truck gardens. If owners were unwilling to sell or rent, compulsion might be used to split or shave estates. The use of the power and authority of the state (in this case of the United States) to distribute the ownership and control of land among a larger number of citizens is quite consistent with the principles of Christian ethics. To quote from the *Code of Social Principles* prepared by the International Union of Social Studies and published by the Catholic Social Guild at Oxford—

"The material goods of this world are primarily intended by Divine Providence to satisfy the essential needs of all."

And—"Under the influence of various factors, such as geographical position, the nature of the soil and subsoil, industrial technology, customs, laws, and so on, private ownership can take on different forms, have wider or narrower application, and be subject to certain restrictions. In proportion as legislation and private initiative can exert an effective influence they should strive to set up that form of private ownership which best brings out its inherent advantages."

In the Encyclical of Pope Pius XI, *Quadragesimo Anno*, issued May 24, 1931, are many statements of ethical principle which might be applied to the subject under discussion. Among them we find the following: "This program (of uplifting the proletariat) cannot, however, be realized unless the propertyless wage earner be placed in such circumstances that by skill and thrift he can acquire a certain moderate ownership, as was already declared by Us, following in the footsteps of Our predecessor. But how can he ever save money except from his wages and by living sparingly, who has nothing but his labor by which to obtain food and the necessaries of life? . . . History proves that the right of ownership, like other elements of social life, is not absolutely rigid. . . . When the civil authority adjusts ownership to meet the needs of the public good, it acts not as an enemy, but as the friend of private owners, for thus it effectively prevents the possession of private property, intended by Nature's Author in His wisdom for the sustaining of human life, from creating intolerable burdens and

so rushing to its own destruction. It does not, therefore, abolish but protects private ownership and, far from weakening the right of private property, it gives it new strength."

This plan for rental or ownership by Porto Ricans, however, suffers from certain defects. Such gardens require some leisure or full-time interest, with a permanent home and the investment of some capital. Rental requires in addition the consent of other landowners to release a portion of their land for tillage. While many Porto Ricans have leisure, comparatively few laborers have permanent homes. They follow rather the harvest and the need for labor; still fewer have any capital. One who earns nothing can save nothing; a Porto Rican working man who earns less than enough to feed his family can scarcely be expected to save enough to buy or rent a small farm. The man who already owns agricultural land of a productive character is not likely to dispose of it without a tempting return. Some form of compulsion would probably be required to change matters but this should not deter the United States government. It is, moreover, uncertain whether the introduction of independent small farmers would ease the food situation for many beyond the farmers themselves, although these might be very numerous if compulsion were brought to bear.

(c) A third solution provides for the reduction of the duties on certain items of food and other necessities in the American tariff, as applied to Porto Rico, as the island's industries and products are certainly not those of the United States. While this measure is possible and desirable, it involves the political status of Porto Rico and will be discussed later.

Clearly, before Porto Rico can expect independently to grow more of her own foodstuffs, or to have their cost cut, greater interest must be taken in her people, capital must be provided somewhere, and islanders must have the wherewithal to buy the island-grown foods. This last requirement raises questions of employment. For the first two requirements, at least three sources of capital may be imagined: private philanthropy; Porto Rican public aid approved by the legislative assembly and backed by public funds which are just now lacking; and official aid from America administered under an appropriation of the Congress of the United States. These will be further discussed later.

What has been said of agricultural production in sugar is

in the main true of other agricultural products, such as coffee and tobacco, and also of industrial production. Since the island has become American, not only has sugar production increased in proportion to the production of other agricultural products, but a change in the scale of farming has been accompanied by the installation of modern machinery in the mills, supplanting native labor. It is possible to argue that all three of these changes are economically good, in that they reduce the costs of production and therefore contribute to the economic welfare of society; to maintain this thesis requires proof that the gain is generally distributed among those who work to produce and those who consume sugar as well as among those whose capital is invested in its production. While it may be tenably argued that increase of capital in Porto Rico has resulted in some general spread of wealth in the United States, not even that is clear, nor can it be traced to sugar income; but it is economically certain that no part of the gain in Porto Rico has been shared with Porto Rican laborers.

Coffee production has proportionally decreased. This may be economic wisdom, as Porto Rican coffee lands are known to be poorer than those of other coffee-producing areas. On the other hand, coffee production employs 200,000 men. However, this reduction in the comparative importance of the Porto Rican coffee crop has further increased the dependent status of the islander, inasmuch as (a) coffee production was more generally in native hands; (b) such native producers as remain find their European and possible South American markets sensitive in some degree to adverse American tariffs upon the goods they might buy there in exchange for coffee.

4. *Industrial Production.*—A cursory survey of the remaining production of Porto Rico reveals a sorry absence of varied economic life requiring technical skill. This report is not a brief for the introduction of the factory system and large scale production. It aims only to present a picture of the comparative singleness and lack of complexity of the island's production, which may be thought to contribute to its lack of self-sufficiency, and to enhance its dependent relationship. About four-fifths of the tobacco exports from Porto Rico to the United States has generally consisted of unstemmed and stemmed leaf tobacco, and scraps,²¹ which have thus been imported in a raw or semi-raw condition into the United States

²¹ 30th Annual Report of the Governor of Porto Rico, 1930, p. 24.

and manufactured in this country into cigars, cigarettes, pipe and chewing tobacco. When it is realized that over 99% of Porto Rican tobacco exports found in the same year as usual their market in the United States, it will be seen that tobacco manufacture, as at present organized, is another example of dependence on American markets. It is however an industry which has several hundred factories and does employ seasonally several tens of thousands of men, who are occupied chiefly at land labor. Some 5,000 women are employed at tobacco stripping. Porto Ricans are among the owners of tobacco factories. Fruit growing areas, which have in recent years yielded a rapidly increasing return, are most extensively American-owned; but here the condition of the workers is reported to be best. Even this industry depends upon market conditions in the United States. When the grapefruit season in Florida continued unexpectedly two months longer than usual one year, the Porto Rican grapefruit growers lost out; some of their product was canned in order to avoid further loss.²²

The chief remaining manufacture of the island is that of clothing for women and children, which exported in 1926-27 over 8 million dollars worth of goods, almost exclusively to the United States. This needlework industry employed in the following year, 1927-28, more than 40,000 women and about 900 men.²³ Nine-tenths of the women worked at home rather than in factories, to which they came once a week, sometimes over long distances, with handwork over which they had spent their "free" intervals of 50-70 hours a week—they received frequently \$1.00 for the week's work.

Not much other employment exists for skilled labor. The Porto Rican Bureau of Labor reported in the same year, 1927-28, that there were: about 1,000 masons on the island, working under some fifteen overseers, who received the unusual wage of \$6.00 a day; very few cabinet workers, due, it claimed, to the competition of American cheap furniture; enough skilled shoemakers, occupied now chiefly as cobblers, to supply the demand for labor if a shoe factory could be established on the island. It reported at the same time that the average working time of the more than 250 masons it interviewed was 11-20

²² 27th Annual Report of the Governor of Porto Rico, 1927, p. 31. In 1930 the fruit industry advanced rapidly in the value of its exports.

²³ 12th Annual Report of the Bureau of Labor to the Porto Rican Legislative Assembly, March 21, 1928, p. 11.

days a month, or a total of 4-8 months out of a year, that painters and electricians worked probably not more than 100 days a year; and that the most steadily occupied of skilled workmen on the island were linotypists, who worked steadily for the comparatively good wage of \$3.00 a day. It reported a total of over 28,000 skilled workers out of employment in some fifty towns on the island. While such conditions might be more properly presented under the standard of living and unemployment, they are presented here to show the lack of an alternative occupation to farm labor in the island which confronts the native who wishes to escape from an intolerable situation. Though 28,000 workers are a drop in the bucket (2%) as compared to a population of 1,400,000 people, it must be remembered that they probably are a third, or at least a fourth, of the total group of more or less skilled workmen; and that while their plight may be less obvious, it generally is not less dire than that of their rural countrymen.

5. *Suggestions for Improvement of Industrial Production.*—To improve their situation similar measures must be taken to those advocated for the improvement of agricultural work conditions.

(a) Native or folk industries may be introduced and fostered, as was toy making in New England, rug making and blanket weaving in the foothills of Virginia, Tennessee, and the Carolinas. To do this would require a well-trained and extremely self-denying force of educators, considerable time for securing exact information and capital which, as in the case of agriculture, could proceed only from philanthropic or state aid of the island or the United States; for the economic resources of the island offer little prospect for successful development of part-time industry. Economists also question the wisdom of any such general or extensive return to handwork, as would be involved in taking care of the Porto Rican population. On the contrary, the whole trend will probably be toward the increase of labor-saving machinery; and education in some form of handwork would be education thrown away. This conclusion is, however, for the distant future. At the present time, second unit schools, of which thirty-five have been established by the Porto Ricans, are training boys in agriculture and manual arts, and girls in weaving, lace work and dressmaking. Interested women, among them Mrs. Theodore Roosevelt, Jr., have founded several centers, where girls

trained in these schools can work under pleasant conditions for a wage of about \$1.00 a day.

(b) Porto Rican capital may be encouraged to engage in new industries, thus varying the conditions of economic and social life. It might be expected that local capital would have embraced such opportunity, if there were any local capital or if the opportunity were real. Interest would be also necessary before foreign capitalists would be willing to run the risk of investment in such variation of industry. One such industry adapted to the island's resources flourished under Spanish rule in Porto Rico as it does in Cuba today; that is the manufacture of spirits. This industry employed a large number of men and realized an income of over one million dollars a year in taxes to the government in the years before the War, but was legislated out of existence in the effort to make prohibition effective in the continental United States. While it cannot be alleged that the manufacture of spirituous liquors is an un-mixed blessing, it is somewhat ironical that the natural resources of the island should be adaptable for exactly the type of industry which America was seeking to control by elimination. The prohibition law was passed by the island as part of its acceptance of the 1917 law of the United States granting American citizenship. No enforcement law was passed and illicit manufacture is in some degree continued there.²⁴

From the above general facts of production, agricultural and industrial, it appears that probably the greatest economic dependence of Porto Rico is—

B. DEPENDENCE OF PORTO RICAN PRODUCTION ON AMERICAN CAPITAL

1. *American Ownership of Land.*—A further major evidence of the dependence of Porto Rican agricultural production on the United States is to be found in the fact that large American corporations own the larger part of the sugar-producing lands of the island. Testimony to substantiate this statement is difficult to find, because landholders are restricted by law to ownership of 500 acres.²⁵ The sugar industry is

²⁴ Article by Harwood Hull, *New York Times*, August 10, 1929.

²⁵ *Porto Rican Interests*, p. 19. Hearings before the Committee on Insular Affairs; House of Representatives, 66th Congress, 1st session, Sept. 10 and 11, 1919. The measure took the form of a joint resolution passed in 1900.

organized in a system of business centers called *centrales*, with headquarters and mills to which the inhabitants of a large area bring their products. The *centrales* control the farms in their neighborhood in a variety of ways. With the introduction of American machinery, many Porto Ricans who had owned mills became *colonos*, or small owners dependent upon the machinery of the *central* for grinding their cane into sugar. A *colono* may pay a cash rental for his land or work it on shares. In either case he is dependent upon the company which buys the product of his land and labor.

There are many ways of evading the 500 acre law and there is no provision in the statute for punishment of violators or evaders of its provisions. As a result concentration of ownership in few hands has developed. Two independent writers on the subject reported recently that three American corporations own the greater part of the most valuable sugar lands.²⁶ Testimony given twelve years ago before the Committee on Insular Affairs of the United States House of Representatives gave the number of such American corporations as four, and credited Americans with ownership of 80% of the sugar lands at that time.²⁷ Porto Ricans owned the greater part of the coffee lands, but they were the chief losers in the recent (1928) hurricane, and if they are unable to get or to maintain credit, ownership of these areas may also pass into the hands of Americans. It is said in Porto Rico that the coffee industry is definitely reduced to third place, but funds from the American Red Cross are being used to begin new coffee seed-beds.

As further evidence of the concentration of land ownership, Mr. Dana reports that in 1898, some 39,000 farms containing one and three quarters million acres (or an average of 44.8 acres per farm) supported 24 persons to the farm; these were the larger farms. At the same time there were almost a million persons who cultivated for themselves and dependents altogether less than half a million acres.²⁸ In 1920, the total number of farms had increased by 2,000 over the figure of 1898

²⁶ Dana, Arnold G., *op. cit.*, p. 15, credits them with producing almost half of the sugar produced on the island. Mixer, Knowlton, *Porto Rico*, 1926, p. 125, lists the names: the Guanica, in control of the Southwest; the Aguirre Central, in control of the Central South; and the Fajardo, supreme in the East end. Clark *et al.*, *Porto Rico and Its Problems*, 1930, lists four. This Brookings Survey group advocates the repeal of the futile law.

²⁷ *Porto Rican Interests*, *sup. cit.*, p. 20. Antonio R. Barcelo, native president of the Porto Rican senate, was speaking.

²⁸ Dana, Arnold G., *op. cit.*, pp. 10-11. The actual figures for the latter statement are 953,000 people to 478,000 acres.

but had decreased from over 58,000 in 1910, or 29.6%,²⁹ which would seem to indicate that 1910 was about the peak for the number of small holdings. It is possible also that the figures for 1910 were incomplete. The Brookings Survey director reports a numerical increase in the number of farms for the decade ending in 1929.

There are several economic results of this concentration of small holdings into more unified control and fewer lands. The larger corporations have introduced power machinery and have built railroads leading to their mills. Consequently while sugar production has increased by leaps and bounds, there has been relatively little increase, and in some places there has been an actual decrease in the number of laborers employed.³⁰ Moreover, small independent sugar-growers find themselves forced to sell cane to the men who own the railroad; they have no possible means of transporting their product at equal cost to any other market. They are irritated by their lack of freedom, even though they might not find any other condition satisfactory.

2. *Control of Enterprise.*—The "company store" so disliked in American lumber and mining towns, owned, stocked and operated by the company, which extends small credit as long as a man is employed by the company, is found in the sugar industry also. To oppose it would require capital, personal independence, and free contact with outside distributing agents, none of which can be found under the present organization of production in Porto Rico. No private merchant can be independent of the conditions of a single industry which pays the wages of his customers, and controls the railroads by which he ships his wares.

When these facts are studied for remedies that will be both equitable and charitable to the parties involved, the old stumbling blocks appear. A few large industries control the situation and there is lack of interest in changing the circumstances and a consequent lack of capital to be invested in such change.

3. *The Flow of Profits.*—One other aspect of the island's dependence on American capital needs mention here—the fact that the profits go outside of the island to American stock-

²⁹ Quoted from the agricultural figures of the 14th Census of the United States, 1920, by the Foreign Policy Association, Information Service, 1929: *The Problem of Porto Rico*, p. 454. Small farms (under 20 acres) decreased over 39% in the same period.

³⁰ Dana, Arnold G., *op. cit.*, p. 15. Corroborated by the Brookings Survey.

holders. Although a thorough estimate of the amount of profit is impossible, because business assets are not always correctly valued and dividends are declared on the basis of "watered stock," nevertheless several partial estimates have been made. One method of estimate is used by the Foreign Policy Association when it credits to the profit, chiefly of American concerns, the difference between the values of imports and exports (over 9 million dollars in 1926-27). Even better are the figures of declared dividends gathered by the same organization from business reports. One company, the Fajardo, has returned in 23 years of business life twelve times the value of its original stock, over 1,200% in all, or more than 50% per year; present-day dividends on new stock issued in another company in 1920 amount to 33 $\frac{1}{3}$ % per year.³¹ This is unquestionably a high rate of return. Other interesting and corroborative figures are compiled in another independent study.³² The total receipts of the three largest companies, all American, in 1925-26 were 25 $\frac{1}{2}$ million dollars; in 1926-27, 32 million dollars. The net receipts for the same two years were respectively 5 $\frac{1}{2}$ and more than 9 million dollars. Out of one year's operation was left a surplus of more than 3 million dollars, after dividends, interest, and depreciation had been taken into consideration.³³

4. *Control of Banking.*—At the time when Porto Rico became a dependency of the United States, there were only four banks on the island, with a "combined capital, surplus, and undivided profits" of a little over \$1,100,000, and total deposits of something over \$1,800,000. Today the resources of banks on the island amount to about 87 $\frac{1}{2}$ million dollars. There are fourteen "domestic" banks with twenty-five branches and there were four branches of "foreign" institutions on the mainland until this year (1931) when stockholders of the oldest American bank, The American Colonial, sold out to the National City Bank of New York, thus reducing the number of "foreign" branches to three. It is estimated by the Brookings Survey from reliable reports that 60% of the capital of all Porto Rican banks, and almost the entire capital of "foreign" banks, which can draw upon American parent institutions for further loans, is owned outside of Porto Rico.

³¹ The Foreign Policy Association, Information Service: *The Problem of Porto Rico*, 1929.

³² Dana, Arnold G., *op. cit.*, p. 15.

³³ *Ibid.*, p. 15. Clark *et al.*, *Porto Rico and Its Problems*, without going into detail on the subject of stock dividends, sets down the revenue of companies as varying from 9% on capital and assets to about 80% on capital alone.

5. *The Ethical Problems of Absentee Ownership.*—It is impossible to separate the ethical issues of economic and moral justice raised by this situation of absentee ownership. Capital is entitled to an economic return, but so is labor; and it becomes necessary to arrive at some idea of a "fair rate of return" which is a very difficult question. This problem of dividing the return of industry is affected by the necessity for continuing the economic productivity of the land, and by the claim that under certain conditions, where risk is greater, capital deserves a greater rate of return. The element of risk in the life of a laborer is usually disregarded when such a claim is made, without any real justification for such disregard. All that need be said here, is that such a claim must have some proof before it can be regarded as valid.

The Bishops' Program of Social Reconstruction says, "The capitalist needs to learn the long-forgotten truth that wealth is stewardship, that profit-making is not the basic justification of business enterprise, and that there are such things as fair profits, fair interest and fair prices. Above and before all, he must cultivate and strengthen within his mind the truth which many of his class have begun to grasp for the first time during the present war; namely, that the laborer is a human being, not merely an instrument of production; and that the laborer's right to a decent livelihood is the first moral charge upon industry. The employer has a right to get a reasonable living out of his business, but he has no right to interest on his investment until his employees have obtained at least living wages. This is the human and Christian, in contrast to the purely commercial and pagan, ethics of industry."

What *The Bishops' Program* says in specific reference to the United States has a bearing here. "The present system stands in grievous need of considerable modifications and improvement. Its main defects are three: Enormous inefficiency and waste in the production and distribution of commodities; insufficient incomes for the great majority of wage-earners; and unnecessarily large incomes for a small minority of privileged capitalists. Inefficiency in the production and distribution of goods would be in great measure abolished by the reforms that have been outlined in the foregoing pages. Production would be greatly increased by universal living wages, by adequate industrial education, and by harmonious relations between labor and capital on the basis of adequate participa-

tion by the former in all the industrial aspects of business management. The wastes of commodity distribution could be practically all eliminated by cooperative mercantile establishments, and cooperative selling and marketing associations.

"Nevertheless, the full possibilities of increased production will not be realized so long as the majority of the workers remain mere wage-earners. The majority must somehow become owners, or at least in part, of the instruments of production. They can be enabled to reach this stage gradually through cooperative productive societies and co-partnership arrangements. In the former, the workers own and manage the industries themselves; in the latter they own a substantial part of the corporate stock and exercise a reasonable share in the management. However slow the attainments of these ends, they will have to be reached before we can have a thoroughly efficient system of production, or an industrial and social order that will be secure from the danger of revolution. It is to be noted that this particular modification of the existing order, though far-reaching and involving to a great extent the abolition of the wage system, would not mean the abolition of private ownership. The instruments of production would still be owned by individuals, not by the State."

In the case of absentee ownership, as in the sugar, tobacco and fruit plantations of Porto Rico, the ethical aspects of the economic problem are complicated by the difficulty of being just, when the persons concerned with division are out of touch with the practical situation. If stockholders of American sugar companies were forced to live in Porto Rico, would such residence sharpen their sense of moral responsibility? No claim is here made that capital investment should be confined in strict justice to the country where capital is abundant. On the contrary, such restriction of investment would hamper human relationships and restrict human progress to economically self-sufficient or otherwise favored areas, an idea which could scarcely be reconciled with the working out of an ideal of Christian brotherhood. The only assertion made here is that the owners of American business and the officials of Porto Rico and especially the United States, the two governments which supervise and regulate the operation of these businesses, are morally bound to consider the question of "fair rate of return" complicated though it may be by the almost complete identification of capital with American residents.

Every economic or moral relationship which involves dependence implies also subjugation of some sort. Moreover, duress is present when either of the members of this relationship either refuses to act toward the other as the law prescribes or acts contrary to what it prescribes. When a business concern or a government compels individuals to follow exclusively one line of action, unless of course such action be forbidden as socially unjust, such business or government may justly be termed arbitrary and unfair. For the liberties of the individual would thus be unjustifiably curtailed. Now though it is not difficult to define the term social justice, it is extremely difficult at times to determine in concrete cases whether or not a given action comes under the definition. As justice between individuals means that each shall give to the other that which is his due, *i. e.*, what is demanded by natural or positive law, so social justice implies that both ruler and subject habitually do for society whatever may be reasonably demanded for the common welfare. Immediately, however, these questions arise: (1) How in the actual order of things may we determine just what is the common welfare and, (2) What may *reasonably* be required in order to promote and safeguard it? Here we are confronted with the necessity for (a) using some method to define social injustice relative to the facts at issue, and (b) giving a content to "justice," as regards both the individual and the group.

We are not saying here that man must be "free to work" in the old *laissez-faire* sense that he may not combine to secure good conditions; that would be contrary to the Encyclical *Rerum Novarum* of Pope Leo XIII. Nor are we saying that all men out of work may demand a position and a wage from the state. What we are saying is that, in Porto Rico as elsewhere, the public is under moral obligation to discover and apply all possible remedies for a situation which reduces the laborer to a chattel. To quote from the *Code of Social Principles* of the International Union of Social Studies, Chapter III, Section III, 71 and 72.

"Labour is not merely a mechanical force or 'chattel' to be bought and sold, or moved about, at will. It is, as Leo XIII has said, 'personal, inasmuch as the exertion of individual strength belongs to the person who puts it forth' (Encyclical *Rerum Novarum*). Labour must therefore be regarded as something human, necessary to man's existence, and not merely an article of commerce."

And, "it is needful to guard against any development (of scientific industrial management) that will make the workman an automaton and practically take away from him the exercise of his human faculties."

6. *Other Ethical Considerations.*—The production of one dominant and profitable commodity is not necessarily unjust. It is rather economically wise and socially helpful to produce the crop to which a country is best adapted. The same statement holds true for large-scale production and distribution. Labor-saving machinery lessens the burden of man and company stores can be well and thoughtfully run.³⁴ However, in such a state of affairs, humanity must not be disregarded. It is for the benefit of human beings that these products are raised and growers may well ask themselves whether, in trying to speed up this process of production, it is just for them to disregard the human welfare of the producers who populate the one-crop region.

Some study should be devoted to the effects of the introduction of machinery upon the conditions of the men displaced and some care taken for their interest. It is beyond question that if the stockholders of a business or the government which permits it to incorporate, so monopolize the means of livelihood as to remove from a large group of citizens its freedom of action, they are doing it grave injustice. For it should be obvious to all that the freedom of men to earn a livelihood from the fruits of the earth is a right prior to and superior to the right of a corporation to pile up profits by reason of monopolistic control. Where this consequence appears in modern times it is frequently due to the impersonal organization of our modern corporations, where stockholders and governments alike are removed from the results of the policies they approve. In the case of Porto Rico, the question of justice is a practical question of economic and social conditions which cry for analysis and rectification.

When we come to determine the methods to be used for defining "social justice" in Porto Rico we find several methods possible. A planning commission might be set up, either by the island or the United States, to determine the facts and advise measures of reform. In a sense, this is what has been undertaken by the Brookings Institution, where a group of

³⁴ Joseph Marcus, 1919, reported that they were too well run for the benefit of the company. See *Labor Conditions in Porto Rico*, U. S. Department of Labor.

economists under Victor S. Clark have surveyed the island's resources, but the recommendations of this group are for action by Congress and the Porto Rican legislature. Arbitration and conciliation are unwieldy and more or less out of place, in that they assume opposing interests, which is not necessarily the case as between the interests of Porto Rico and those of the United States. Simple legislation, if wise and carefully carried out, might be enough. Cooperation, of which round table conference is a practicable form, might be used. All three of these methods, however, depend for success on the choice of a wise group of advisers—men even-tempered and clear-headed, not inflamed by prejudice—backed or loyally supported by those whom they represent.

C. THE DEPENDENT SITUATION OF PORTO RICAN LABOR

1. *Labor Conditions in General.*—From the laborer's point of view, the chief problem in Porto Rico is the extremely low standard of living, which comes as elsewhere principally from a widespread condition of unemployment. Some of this unemployment has been chronic in Porto Rico since long before the period of American ownership, and will always be found where the chief industries of a country are seasonal in their nature. In Porto Rico this unemployment problem is increased by the large surplus population. Laborers are not needed all the year round on sugar plantations. On Porto Rican sugar plantations a small and more or less steady force is employed at odd jobs during the six months planting and growing season. Sometimes even this force is idle waiting for work of any sort. Beginning in December for two or three months of harvest "rush" when cane is cut and hauled to one of the forty-seven *centrales* (where one grinding mill serves a number of plantations), transient laborers to the number of four or five times the regular force are hired. These men frequently work only during the busy season. It is estimated that plantations and *centrales* employ annually about 85,000 men out of a population of 1,500,000. Due to the introduction of labor-saving machinery, the number of men employed in sugar production actually decreased in the ten year period from 1909-1919, whereas the production of sugar increased.³⁵ The

³⁵ Dana, Arnold G., *op. cit.*, p. 15. The value of sugar produced increased from over 20 million to over 56 million dollars, or 80%. The number of laborers remained almost stationary. Wages of 5,062 mill workers in 1909 averaged \$242.00. Wages of 7,490 mill workers in 1919 averaged \$378.00, or a 56% increase.

coffee industry with a four months season altogether and the tobacco industry with a five months season also employ many transients. The fruit industry, less seasonal than the other three, employs fewer men with a higher standard of living than the others. Canning is another seasonal industry of the island with a rush from December to May.³⁶ Otherwise there is very little employment. Altogether during the year some 900,000 people are estimated to be at work on the island; this does not mean regularly employed: It means rather that in the course of twelve months, this number of people obtain work somewhere for a limited time. What really happens is that many of the total number of employed are children under ten years of age, who are put to work in the fields in the rush period as soon as they can find employment, earning wages of 35 cents or so a day; of the remainder a large number are women. Whole families thus work together for the rush season and live in squalor and idleness for the rest of the year. Hours of work are long, varying from ten to twelve hours a day, although in some places an eight-hour day is observed.

Wages are extremely low even in the rush season. Observers report wages of \$1.00, \$1.25 and \$1.50 per day as high peaks of wage in the rush season for men in the sugar regions,³⁷ and less in the coffee regions which employ comparatively a large number of laborers. The report of the Brookings Survey group estimates a man's wage at 70 cents a day, and \$150.00-\$250.00 for the year, and Governor Roosevelt sets the annual wage of the laborer at \$200.00. Women receive less and children still less. One observer estimates that if the amount of money spent in wages every year in Porto Rico were to be divided equally among the working population the average would be ten cents per person per day for a considerably long day.³⁸ Skilled workers in the textile industries are not much better off. The workers in the embroidery industries are principally women whose daily wage is less than \$1.00. A law framed in 1921 with the humanitarian purpose of improving conditions for these women workers provided that factories must pay at least \$1.00 a day to their employees. The result was simply to drive the underpaid women out of the factories to work in their shacks. In 1924 the law was found

³⁶ There were eight canning factories on the island in 1926-27. *27th Annual Report of the Governor of Porto Rico, 1927*, p. 31.

³⁷ *12th Annual Report of the Porto Rican Bureau of Labor to the Legislative Assembly*, pp. 13-15.

³⁸ *New York Times*, July 3, 1928.

unconstitutional. In 1925 the average daily wage of these workers was 77 cents.³⁹

Plantation managers explain the low wages in two ways: (a) inefficient labor, (b) inability to pay more. The second answer does not coincide with the published dividends of the companies for whom they are working, though actually no physical necessity exists for them to pay more while so many people want work and are unorganized. It is true that labor is inefficient. Modern economists argue that the most productive or efficient laborer is the one who has all the necessities and some of the comforts of living; they are not sure whether he would not be more efficient if he had all the comforts and some access to luxuries. An examination of the Porto Rican standard of living reveals for the ordinary man a total absence of the luxuries and comforts and an insufficient presence of the necessities.

2. *Shelter*.—Very few Porto Rican laborers own their own homes. The greater part of this population is housed in one of three ways:

(a) The first group of dwellings consists of those small houses built on plantations for permanent occupation, owned by the plantation owners and usually rented or temporarily given free by them to their permanent laborers. While not large, usually of two or three rooms, these are the better sort of dwellings; and the laborers who live in them usually have more of the other necessities than do the transients. As can be easily surmised, the number of laborers who live in such accommodations is comparatively small.

(b) The second sort of house is the shack of the transient or seasonal laborer, usually a one room structure with an outside stove that consists of fire between two large stones. Some of these are provided by the employer or landowner or plantation manager who rents them to transients at his own terms. When he dismisses a laborer, he may, although he does not always do so, oust the laborer from a rented shack or force him to sell the shack which he may own. Some of these transient shacks are occupied the year round by the same family, who in this fashion attach themselves to the fortunes of the plantation and depend for their occupation and livelihood on the single season of rush, thus losing any personal

³⁹ Dana, Arnold G., *op. cit.*, pp. 22-23, quotes a labor publication of the government to this effect.

freedom, little as it may be, that might come with moving. Other such dwellings change hands during the year when the laborers who have occupied them during the rush season move on in search of further work or return to homes in the cities. A third group of houses is found in the larger cities, where certain sections, often of reclaimed land, are occupied by dock workers and laborers employed in cigarette factories. While twelve years ago only a very small proportion, about 2%, of the people living there owned their own properties in one city, 98% were renters at very high rates, chiefly of the land whereon to build their huts.⁴⁰ These shacks are huddled close to one another, without streets, in a maze of small paths. Many of them were made, as in rural districts, of boxes or tin cans. The floors of some were raised a foot or two above the earth to diminish dampness. In these one and two room structures live whole families, usually numbering five or more persons.⁴¹ Were it not that the climate is mild, there would be much suffering in these squalid shelters. In the mountains on the coffee lands where nights are not infrequently cold and wet, there is suffering from exposure.

3. *Education.*—Education, if adequately endowed and wisely given, might prove to be a means of egress from an economic treadmill. The Porto Rican government and the government of the United States have both shown considerable interest in this subject. An extraordinary proportion of the island's revenues (almost two-fifths of all its income) is expended on education, with the discouraging result that all this expenditure has shown only the great need of the island for more and better education. There are in addition, some Catholic schools; among these are the Redemptorists, whose sound care for their pupils was recently commended by the Island's governor, Theodore Roosevelt, Jr. Undernourished children cannot do productive study even when opportunity is offered them; but in Porto Rico the opportunity does not exist for half the island's children. A survey of Porto Rican education conducted recently under the auspices of the International Institute of Teachers' College, Columbia University,

⁴⁰ *Labor Conditions in Porto Rico.* Report of Joseph Marcus, U. S. Department of Labor, 1919, p. 22.

⁴¹ *12th Annual Report of the Porto Rican Bureau of Labor to the Legislative Assembly of Porto Rico, 1928.* The Bureau reports that rent in cities costs around \$12.00-\$15.00 a month for a three-room house. The United States Employment Service reporter, Mr. Marcus, reported in 1919 about eight persons to a house, often in a single room.

reports that while the native intelligence of the children is good, educational facilities are insufficient for the needs of the island. The number of children in school has increased from something less than 30,000 in 1899 to over 210,000 in 1927, or over 700 per cent in twenty-eight years, and the school expenses have increased during the same period from less than \$300,000 a year to more than \$4,000,000,⁴² an increase of more than 1,300%. Still one child in every two on the island gets no schooling at all, and about 84% of those who do go to school get no further than the third grade.⁴³ After that time most of them leave the school to work in the fields. While the teaching force has increased eight times in the period of American control and is largely drawn from the island (less than 200 are from the United States) there are only 21 high schools, and about 7,000 secondary school students.

An additional difficulty in education is that of language. The people of the island speak Spanish; but education in all the grades above the fourth is in English which can be of little useful purpose except for those leaving the island and retards general interest. While illiteracy has been reduced from about 83% to 40% in twenty-five years time, it cannot be maintained that a third grade literacy, largely linguistic in character, is a desirable end nor can a population so educated be called literate. With the increasing dependence of modern life upon special knowledge, it can not be said that a child taught under such conditions has been given the slightest modicum of preparation to live a "full, rich life." He has been given little that will be of use to him in the fields, and almost no chance to free himself from a life in the fields.

The Porto Rican laborer then lacks this very minimum essential in the modern standard of living, and does not know how, nor have the wherewithal to use his leisure time.

4. *Food*.—Sufficient information has already been presented on this subject to indicate the gravity of the food problem in the ordinary Porto Rican home.

5. *Clothing*.—This item of expenditure of importance elsewhere has little significance on the island. Because of extreme poverty and the favoring climate, children of the poorest families are frequently permitted to play out of doors unclothed until they come to the age of two or three. The clothing of

⁴² 30th Annual Report of the Governor of Porto Rico, 1930, p. 102.

⁴³ *Ibid.*, p. 105. Also, Dana, Arnold G., *op. cit.*, 1928, pp. 34-42. The Columbia University figures, 1926, show a greater proportion enrolled, but not attendant.

men, women and children in these families is of the simplest, often consisting of a single undergarment and one or two outer garments of cotton. Two-piece suits of cotton drill for men cost, in 1928, \$8.00. Shoes, which are of the poorest sort, imported from America, are customarily worn only in the cities for unusual or dress occasions.

6. *Further Wage Figures.*—This cursory study of the necessities of life as found in Porto Rico reveals an almost incredible condition of want among the people. Figures and facts might be multiplied indefinitely from the cases cited by observers. Longshoremen, for example, are reported in 1928 to work for \$2.00 or \$3.00 a day, but only for ten days on an average in any one month. In the same year 28,000 skilled industrial workers were reported idle for the greater part of a year in one city of the island. The prevailing wage of women in the needlework factories was \$4.00 a week. It was reported that in Mayaguez during the season of employment, weekly wages of \$80,000 were paid out to more than 30,000 employees. This is an average of less than \$2.67 a week.⁴⁴

7. *Health.*—These facts tell a story in themselves, but when consideration is taken for the social necessities, conditions of health, education, and recreation, the standard of living in Porto Rico is intolerably low for any human being. While malnutrition is evident everywhere in the physique and efficiency of Porto Rican laborers, whether adults or children, the prevalence of hookworm among the population is probably the greatest menace to the national health. It is more than any other one condition, a fundamental cause for the notorious "laziness" of Porto Rican laborers. The disease is least in evidence in the plains, but increases progressively as one goes into the mountains. In 1920 it was estimated that 90% of the rural population was infected. For the five following years, the Rockefeller Foundation cooperated with the island's Commissioner of Health in demonstrating how the disease should be treated, and in taking measures to make the erection of latrines compulsory for property owners. Though more than one person in every eight of the population was treated for the disease during the years 1921-1925, not more than a quarter of the patients, or at the most 3% of the population was cured. If, however, cured patients return to infected areas

⁴⁴ 12th Annual Report of the Porto Rican Bureau of Labor to the Legislative Assembly, p. 32.

and their old habits of living, reinfestation takes place and the gain is lost.

An insular Bureau of Uncinariasis, with which the Rockefeller Foundation cooperates, was formed in 1923 to handle the increased volume of work, but though every year sees the treatment of many individuals and the erection of many latrines,⁴⁵ the campaign against hookworm has made little headway.⁴⁶ Malaria and tuberculosis are still prevalent on the island, where there are between 500 and 700 hospital beds to be used for tuberculosis sufferers, with ten times the number of patients in dire need of care. The death rate is appalling and there has been a significant increase in it since the depression of 1924 in the sugar industry. In the three following years the rate of mortality rose from 18.7 to 23.3 per 1,000 population, which may be compared with the figures of 11.8 per 1,000 in 1924 for the United States, and 12.2 per 1,000 in 1924 for England and Wales. In 1928-29 it was 27.3 and in 1929-30 it was 21.4 per 1,000.

Those who say the health of the island has improved during the period of American possession can furnish some evidence for their statement, but when they compare the death rates of 1923 and 1898 to prove their facts, they are unfairly comparing the best health year of Porto Rico, following the period of prosperity in the sugar industry during and after the War with the poor health year of the Spanish-American War, which was also marked by a disastrous hurricane. Of over 33,000 persons who died on the island in the year 1926-27, almost half of the whole number were children under the age of five years; and diarrhea and enteritis, tuberculosis and malaria were responsible for the major increase in the number of deaths. While the continuous maintenance of a hookworm clinic and the erection of more latrines will retard the spread and reduce the amount of hookworm infection, it is obvious that more vigorous measures of much more thorough character will be necessary to eliminate the malnutrition which renders the human body so easy a prey to illness. To this end, active human interest, time, and a generous financing policy will be necessary.

⁴⁵ The Governor's Report for 1930 mentions 600,000 sufferers from hookworm. In 1927 the report mentions between 135,000 and 140,000 treatments in the year for hookworm, and the erection of nearly 21,000 latrines.

⁴⁶ It is still estimated in 1929 that between 85% and 90% of the rural population is infected. There is difficulty in getting latrines whose cost is prohibitive. It is generally agreed that neither hookworm nor malaria will yield to merely health measures and that a prolonged system of education will be necessary.

Governor Roosevelt in November, 1929, asked and received from the Golden Rule Foundation \$50,000 for food for starving children. On January 6, 1931, the Porto Rico Child Health Committee with headquarters in New York announced a gift of \$50,000 for the same purpose. On February 9, 1930, the American Relief Administration Children's Fund voted \$100,000 to be spent on aid in the schools of Porto Rico. This was done in response to the preliminary report of the commission under Dr. Samuel J. Crumbine, sent to Porto Rico by the American Child Health Association at the request of President Hoover. It is advisable that with the development of a comprehensive and adequate relief program, these temporary measures be ended and the administration of relief pass to other authorities freeing the Health and Education departments of the island for their proper activities. At the present moment several national organizations, including The American Child Health Association, The Catholic Porto Rican Child Welfare Association (Inc.), The American Relief Association Children's Fund (Inc.), The American Social Hygiene Association, The National Tuberculosis Association, and The Porto Rican Child Feeding Committee have joined in New York under the name of The Porto Rico Child Health Committee, and entered upon a five-year program against disease and malnutrition.

The framing of a program of dietetics to meet conditions of climate, human physical needs, and conditions of work will not only be expensive, but will require earnest attention, effort and patience. To accomplish it will require a reorganization of transportation and distributing agencies, a modification either of crop or of import and trade policies, a change in tariffs applicable to the island, and a larger family income among native workers. The various programs suggested, and methods of fulfilling them are discussed briefly later.

8. *Diversification of Occupations and Emigration as Proposed Reforms.*—When these conditions of life are surveyed as a whole the situation seems hopeless. With almost every feature of a satisfying life absent, and little or no power within himself for bettering it, aid from the outside seems the only possible means by which improvement in the condition of a Porto Rican laborer can come. With regard to this aid two questions are raised: (1) What form it should take; and (2) By what channels it may come. To put the Porto Rican

in a more secure position, a great change must come in the occupations of the island, the kind and degree of work, and especially in the seasonal character of employment.

One suggestion for relief is a reduction of the tariff on sugar from other countries. While it is unlikely that the importance of the sugar crop will be decreased so long as it is aided by an American tariff, a reduction in the tariff on sugar would probably transfer some plantations from sugar to tobacco or fruit culture, the latter of which would stimulate the growth of the canning industry. This suggestion provides but sorry comfort. It is possible to argue that a reduction in the sugar tariff would further depress the Porto Rican sugar industry as a whole, and fruit canning is another seasonal occupation not noted for the delightful laboring conditions of its workers.

A second suggestion for relief is the creation of an American tariff on coffee from other sources than Porto Rico. The creation of a tariff on coffee would act as a bonus to the coffee growers of the island and probably would stimulate coffee production. Moreover, inasmuch as this industry employs a larger number of laborers proportionally than do the other major industries of the island, more men would be needed. On the other hand, this would have no effect on seasonal unemployment, though it would permit higher temporary wages for as many men as the increased production would require; it might, however, stimulate the use of labor-saving machinery and further depress the condition of the laborer. As the United States imports its coffee, this tariff would probably raise the price for the American consumer, and so this experimental remedy would amount to a bonus to Porto Rican growers paid out of the pockets of American coffee drinkers. While the consuming public and importers might object, coffee is a comparative luxury and it is a question whether the use of substitutes or of coffee from other sources might not off-set the increased price. However, this is one proposition in which experiments might be tried.

A third suggestion is the introduction into Porto Rico of manufacturing, as of shoes and other such industries, which while they have a seasonal peak offer steady employment. The use of Porto Rico as a trans-shipping center is suggested by the Brookings Survey, but it is complicated by questions of rivalry between shipping companies. A survey of the island

will have to be made to determine what industries could succeed there before any changes of industry will be practicable. These changes would increase steady employment, but they would, unless carefully regulated, probably introduce into the island the evils which have attended the development of the factory system in other agricultural areas.

A fourth suggestion which has already borne some fruit is that emigration from the island be encouraged. The sugar companies of Porto Rico have for some time shipped laborers from there to similar work in Santo Domingo. During the War the United States recruited some 14,000 laborers from Porto Rico for American war projects.⁴⁷ Some Porto Ricans have emigrated to Cuba and recently numbers have come to the United States; New York City has a large number. In the year 1926-27 some 9,000 came to this country with successful results reported from about 75% of the number.⁴⁸ While this is seemingly a desirable policy, it is satisfactory only in providing employment for some laborers. Disadvantages are that it requires capital and does not always improve the condition of laborers nor that of their dependents. The problem of the relation of population to the available resources and social system is not solved thereby either; for the large birth-rate among those left behind rapidly fills the population figures again. The policy of furthering emigration to foreign countries meets difficulty in that the conditions to which the laborers go are not much, if any, better than those from which they have come; and likewise foreign countries are prone to resent colonization programs of other countries. Neither will those Porto Ricans who wish to see their country become independent favor a policy of depopulation, nor will American labor rejoice at the free entry of lower-priced workers from an American dependency.

A short glance over these recommendations will reveal that in the last analysis, all of them involve (1) tariff modification of whatever sort, (2) the diversification of industrial and agricultural production, and (3) all of them, like the plan for colonization of emigrants, depend chiefly on the provision of capital and legislation by either the Porto Rican assembly

⁴⁷ *Labor Conditions in Porto Rico*, Report of Joseph Marcus, U. S. Department of Labor, 1919, pp. 48-52.

⁴⁸ *27th Annual Report of the Governor of Porto Rico, 1927*, p. 32. In the *29th Annual Report of the Governor, 1929*, he sets down the number of Porto Ricans who went to and remained in the United States for that year as over 6,000 of the 17,000 who came for a time.

or the Congress of the United States. This is one of the reasons why, when the Porto Ricans begin to consider the methods of achieving their aims, they tend to favor political rather than economic action.

In a courageous speech in San Juan, Porto Rico, reported in the *Washington Daily News* for April 29, 1931, Dr. José Padin, Commissioner of Education, greatly esteemed on the island and in the United States, made this clear. "For what are we preparing Porto Rico?" Dr. Padin asked. "Inasmuch as Congress has the right and the power to say the last word, I submit that it should at the earliest opportunity make a declaration of the ultimate political status of the island and on the requirements that the people of Porto Rico must fulfill before they are accorded recognition. Having defined the objective, Congress should give Porto Rico ample freedom of action to work out a program and reach the goal by its own effort."

9. *The Necessity for Organizing Reform.*— Since the strength of the laboring group as a whole lies generally in common action, organization of some sort is necessary; it may be political or economic action, sponsored by political or economic organizations among the men.

Several forms of economic and political action are possible, and some have been tried in Porto Rico.

(1) Labor organizations created with the primary purpose of collective bargaining have existed in the island for many years; but the very condition which brought them into being, the poverty of the people due chiefly to the lack of employment, keeps them weak and almost impotent as an instrument of adjustment.

(2) Organizations of a cooperative character for buying do not seem to have been extensively tried, if at all, on the island. This fact may be explained (a) by the company store method of wage-payment, (b) by the small demand for anything beyond the barest necessities, and (c) by the difficulties which would face an outside competitor against established channels of trade.

(3) Cooperation in marketing of Porto Rican products would probably meet similar difficulties, especially the opposition of the large sugar companies to whom the small competitors are now practically forced by circumstances to sell their sugar cane. However, both forms of cooperative organization

would probably aid the native consumer and producer. The chief lack is organization and capital wherewith to sustain the early struggle. Since it is unlikely that the government of Porto Rico could afford to make the initial outlay, unless it be given power to raise funds by the taxation of companies, this capital must come from (a) Porto Rican or American banks or commercial firms, (b) the government of the United States, or (c) American cooperatives or labor organizations. Since Porto Rican banks are in some degree controlled by American banking capital, of which some is related to the American sugar interests, and since the American laborer is prone to consider the poorly paid Porto Rican laborer his rival, these possible sources of capital dwindle down to American governmental aid or Porto Rican governmental control of taxation and corporations.

(4) Organizations of a political character which attempt to secure relief by pressing for legislation seem to offer a greater prospect of getting help. There are in the island several political organizations combining and re-combining in blocs. The two more conservative for some years combined in the Alliance against a federation of the Socialist Party, which has the most far-reaching program, and a wing of the Republican Party in the Coalition. The programs include a diminution of absentee landlordism, a breaking up of large estates, a compulsory increase in the production of food crops for home consumption and a proportionate improvement in the labor conditions of the island. The Coalition emphasizes these matters and gives them a stronger labor tinge. The Unionist Party has gradually broken away since 1928 from the Alliance whose full title is, "The Porto Rican Alliance of the Porto Rican Union and the Porto Rican Republican Party." On June 8, 1931, after the Insular Supreme Court's decision against permitting the "Unionists" to use that name as a party designation (because of its inclusion in another party signature), a convention was called by the leader of the Unionist Party, Senator Antonio R. Barcelo, and declared a plank for absolute independence.

Luis Muñoz Marin,⁴⁹ who has been active in trying to harmonize the economic programs of both groups, advocates a reapportionment of lands by a process of shaving rather than

⁴⁹ Luis Muñoz Marin, "What Next in Porto Rico?" *The Nation*, Nov. 20, 1929, pp. 608-9.

by the process of splitting estates, and resale on easy terms to landless families, under conditions that will require the production of food, make the land inalienable, and promote education. He also favors the government's regulating the contracts between the sugar farmers and the mills in Porto Rico as it regulates the contracts between the railroads and shippers in the United States.

It is remarkable that in recent years in Porto Rico there has been little discussion of such a proposal as government ownership of the sugar factories upon which the sugar laborers and even the "independent" sugar planters so closely depend. This is a far-reaching proposal since the sugar factory or *central* is the center of the whole industry and one of the chief centers of Porto Rican economic life. *The Bishops' Program of Social Reconstruction* proposes "government competition" with monopolies which cannot otherwise be effectively controlled.

The *Code of Social Principles*⁵⁰ contains certain articles which have a bearing upon this whole problem—

"In certain countries in particular there has arisen a rural problem, under circumstances detailed below: (1) the existence of estates, untilled or undertilled, whose use and improvement are indispensable to the common good; (2) cultivation, which though technically satisfactory, has by its mass-production led to the use and growth of a rural proletariat in *great poverty*, who are forced to leave the land, to emigration, or to some other alternative hurtful to the common good.

"In all such cases the State has the right, when less radical means have failed, to decree the division of cultivation and, if need be, of properties. The exercise of the right is always subject to the granting of a just and well-considered indemnity to all those whose legitimate rights would be injured by the measures taken towards division.

"Considerations of public interest may in particular cases demand or suggest public management, either national, provincial, or municipal. In that case the setting up of autonomous bodies, carrying on industrially under the control of public authorities and for the benefit of the community, can be recommended in preference to wholly official administration."

⁵⁰ *Code of Social Principles*. The International Union of Social Studies. The Catholic Social Guild, Oxford, 1929, Arts. 78, 87.

II

THE POLITICAL DEPENDENCE OF PORTO RICO
ON THE UNITED STATESA. THE NATURE OF A DEPENDENCY GOVERNMENT.
ETHICAL CONSIDERATIONS

As has been said before, the political problems of Porto Rico center about its position as a dependency of the United States and the question whether it is so to continue. So, in the end, do its economic problems; for if the economic dependence on markets and capital and employment is to be changed, the change can come only as a result of legislation by which the Congress of the United States will alter or abolish the existing constitutional tie, and of further legislation on the part of the Porto Rican Assembly exercising or putting into effect the powers granted to it. If large American corporations are found to be at fault in abstracting too large a share of wealth and are brought under control, it will necessarily be under the control and by the action of one or the other or both of these legislative bodies, with the cooperation of the executive and courts of one country or the other. If the cultivation of other products and the manufacture of other goods are to be encouraged, the process of aid will require the attention of one or the other government. The question from the political point of view is—which government?

Dependencies may be compared to young children in the international community. When children reach the age when they can dress themselves, they are admitted to these acts of self-management. When they have developed greater skill, they are given a share in the daily household tasks. A little later they are given small amounts of money for their own purposes that they may learn to manage it; and an important part of their training consists in teaching them to earn a livelihood. It has been assumed that a similar process should be used in teaching them to govern themselves as a nation, and they are permitted to join organizations and take part in their management. This theory of learning, however, varies considerably; people differ over the age at which it should begin, the amount of freedom which should be permitted, and even over the aims for which the training is given.

The same situation applies in the relationship between

states. As countries are fictitious legal persons who exist only in order that the welfare of their inhabitants be better maintained through group action, they are bound to make this welfare a primary consideration, and thus to pursue in some degree a national policy, in which the interest of a dependent group would receive less attention than the interest of the whole. On the other hand, justice does not permit dominant states to forget that smaller political units may have just claims to an exercise of power for the benefit solely of the smaller group.

B. POLITICAL GRIEVANCES OF PORTO RICO

The present government of Porto Rico is one of insecurity, as no exact intentions as to the island's future have been expressed. When the United States acquired the island, Porto Rico had just begun to govern itself under Spanish rule and the powers granted to it in the Foraker Act of 1900 gave it somewhat less self-government than it might have had if Spanish rule had continued.

The Supreme Court of the United States has declared that the island is a dependency, or "unincorporated territory" of the United States, and that Congress is not bound by the "formal" parts of the United States Constitution when legislating for it. As a result the federal laws giving grants-in-aid to the states do not apply to the island. The inhabitants of Porto Rico were not aliens, nor were they citizens of the United States until Congress passed the Jones Act of 1917; they could freely come and go without immigration restriction between Porto Rico and the mainland, and they would be protected abroad by the United States. Since 1917, male citizens of the United States resident in Porto Rico may, after becoming twenty-one years of age, vote for both houses of the Porto Rican legislature; but if they fail to exercise their right of suffrage, they lose it for two elections or eight years. If Porto Ricans come to the United States and fulfill state requirements they may vote for President. The Governor of the island, the Attorney-General, the Commissioner of Education, the Auditor, and the five justices of the Supreme Court are all appointive officers chosen by the President of the United States.

The Porto Ricans complain that their self-government is unduly restricted. They make the following charges:

(a) These major executive officials are American, and unsympathetic to as well as ignorant of the Porto Ricans' situation. The Governor is responsible to the War Department of the United States, a military rather than a civil head. The Porto Ricans take pains, however, to attest to the real sympathy of Governor Roosevelt and his activity in trying to solve their problems.

(b) The election boards, which have large powers over registration, are not sufficiently checked from falsifying the returns. In other words, the two parties which used to oppose each other consolidated in 1924 and cooperated without check against the Coalition Party until 1929, when they are reported again to have divided on the question of patronage.

(c) The Congress of the United States has power to annul Porto Rican laws, and bills vetoed by the Governor must not only be repassed over the veto, but further sent for approval to the President of the United States to become valid law. Bills which would restrict Porto Rican liberty more than is now the case are frequently offered to the Congress of the United States. Though not passed, they contribute to the sense of insecurity in Porto Rico.

(d) The money power of the Porto Rican legislature is considerably restricted, as follows: (1) The Governor prepares the budget and has the power of absolute veto over every item in it; which means practically that the legislature can make no change in it without having its changes run the risk of veto. (2) The legislature cannot raise the sum total of the budget. (3) Corporations taxed by the Porto Rican legislature, by appealing for an injunction to American courts, successfully evaded payment of their assessments and (4) successfully asked Congress to require Porto Rico to sue the corporations in the same courts for the taxes due. (5) The officers of the United States collect the internal revenue taxes which form part of the island's income. (6) A competent financial authority supports the Porto Rican legislature in declaring the entire revenue system faulty. This problem is more complicated than it seems at first glance. The proceeds of all customs duties upon goods entering Porto Rico, less cost of collection, go into the treasury of the insular government and no federal income tax is collected in Porto Rico in order that the local government may have the total amount which can be collected from this source. If the island's tariff

system is to be altered, it will be necessary to find some method of producing revenue to take the place of that lost in the tariff. In addition, the Brookings Survey makes several specific recommendations for changes. (7) The Board of Review and Equalization of taxes does not prevent under assessment. (8) The finances are too stringently controlled by American appointed auditors. (9) There is misuse of government funds and graft on the part of municipal authorities. This complaint is against Porto Ricans rather than Americans; but better methods of handling local finances could probably be devised without restricting Porto Rican liberties.

It will be seen that the greater number of these grievances are economic and rest largely on the belief that the island is governed in the interest and under the influence of the American sugar companies. The action of these companies, in contesting their post-war tax assessments and in obtaining court injunctions and Congressional action in support of their contests, has gone far to support this belief. The Governor reported in 1927 that, if all the taxes levied had been paid when due, there would have been no floating debt.

C. POSSIBLE POLITICAL ALTERNATIVES

Four alternatives are in general open to the United States, although there may be modifications of all four. One would require the immediate and full separation of Porto Rico from the United States—the granting of complete independence. The second would be the opposite extreme—the denial of any intention to give future independence and subjugation of the island as a crown colony. A third would mean the full incorporation of Porto Rico into the United States as a territory that might look forward to becoming a state of the United States. The fourth policy would consist of a frank admission of Porto Rico's geographic, economic, and human dependence on the United States, and the creation of a different relationship from that of either a subject territory, a state in the union, or an independent state. This would be self-government under American ownership.

1. *Independence.*—If the United States frees Porto Rico and leaves the island independent of American political control, these important changes would occur:

(a) Citizens of Porto Rico would become aliens under

American law and would be subject to immigration laws. Problems of naturalization would rise for Porto Ricans now in this country.

(b) The products of Porto Rico would become subject to American tariff schedules. The application of duties to these products would drive out many Porto Rican sugar producers who can compete with the more cheaply produced sugar of Cuba and the British West Indies only under conditions of freedom from tariff restrictions. If the United States were to pursue this policy, these men would have to turn elsewhere for their markets or change their crops. Both actions would temporarily create great economic distress on the island. (American beet sugar growers of Texas and Michigan might profit; though this is questionable.)

(c) Porto Rico would have to develop and pay for a military and naval establishment of her own or ask the aid of another great power and thus jump from dependent status to dependent status.

As each of these results would be undesirable to many Porto Ricans, not many of them ask for independence. A nationalist party, organized in 1922, asks for independence but directs its main attack upon the economic system, particularly against American loans, the control they bring and American education.

The Unionist Party originally sought independence, but since 1924 when it combined with the Republican Party to form the Alliance, it has asked for self-government and statehood. Since the 1928 election it has broken from the Alliance and in an extraordinary Assembly held on June 8, 1931, it came out conclusively for independence.

2. If governed as a *crown colony*, Porto Rico would have no real local authority, and would be subject to executive officers of American selection.

3. Statehood.

If the United States were to incorporate Porto Rico as a territory under the promise of eventual statehood, the major changes of government would probably be eventually:

(a) Citizens of Porto Rico would vote for presidential electors and for members of Congress. As the island has over 350,000 potential voters, this vote might have a decisive influence on presidential electors, of which there would be about eight, if the present numerical basis is taken for representation.

(b) Porto Rico would have two Senators and about six Congressmen in the Congress of the United States.

(c) The island's representatives would vote upon matters of federal as well as upon matters of local interest, where now they have no vote and are confined to giving advice on the situation of the island without any requirement that the advice be considered or accepted by Congress.

(d) The island could expect to have extended to it the grants-in-aid made by the national governments to the states, whereby it might have the benefit of federal assistance in promoting health work and the betterment of social conditions. At the present time Porto Rico is much interested in obtaining the benefit of federal aid for (1) post roads, (2) increased rural credit facilities, (3) the promotion of maternity and infant hygiene, and (4) rehabilitation of those injured in industry from which it is now seemingly excluded by its "unincorporated" status.⁵¹

(e) The island might share in other special benefits such as have been extended to Hawaii, where the United States has assumed certain debt payments and provided better schools and national parks, which it has not yet done in Porto Rico.⁵²

The chief objection to statehood comes from the United States, which does not want Porto Rican influence in the federal government. This influence would be less American, more self-conscious and more articulate in Porto Rico than in Hawaii where the Americans are fewer in number, though their economic and political influence is stronger and where the landlords live on their property. The Republican Party of the island has stood for statehood. When the Alliance was formed, the less conservative and more socially minded members of the Republican Party deserted the fusion ranks and joined with the Socialist Party to form the Coalition, under the leadership of Santiago Iglesias, which, although its program is primarily economic, exerts a growing influence in the political life of the island. A re-formation of party groups is taking place since the election of President Hoover, and his appointment of Theodore Roosevelt, Jr., to take the place of the retiring Governor, H. M. Towner.⁵³

⁵¹ Mixer, Knowlton, *op. cit.*, p. 100. These were the requests of the delegation of all the parties on the island to Congress in 1924. The Brookings Survey recommends that all these federal grants-in-aid be extended to apply to Porto Rico. The 1930 report of the Governor mentions road aid of over a million dollars extended in 1930.

⁵² Dana, Arnold G., *op. cit.*, pp. 32-36.

⁵³ *New York Times*, Sept. 20, 1929.

4. *Self-government under American Ownership.*

The fourth possibility would be a flexible form of government similar to that of the British Commonwealth, where the dominions exercise a large measure of authority, and Great Britain's interests are safeguarded in the few constitutional ties. Such a plan, applied to Porto Roco, would be an admission that the dominant interest in this island is and will probably continue to be American. It would at the same time make it unnecessary for Porto Ricans to participate in the government of the United States, and would make it possible to work out a division of power by which the island would be almost entirely self-governing. Such a plan, for example, would make it possible to exempt the island from American tariffs on foodstuffs, and to build up a tariff system which would satisfy Porto Rican needs. It would also be possible, under such a plan, for the Congress of the United States to extend to the island the benefits of all social laws by which the federal government assists weaker communities in providing roads, schools, and welfare agencies. It is the sense of this committee that this plan is better than any of the other three, in that it looks forward to a Porto Rico frankly American in name and interest, but governed by the residents of the island.

By self-government the Republican leaders chiefly mean—

- (a) The right to elect their governor;
- (b) The right to elect other executive officials now appointed by the President;
- (c) Greater freedom from Congressional and Presidential supervision over their law-making agencies;
- (d) Greater control over levying and collection of taxes.

Their speeches emphasize the first two points, and are rather silent on the latter two which are implicitly related to the first. They would also like to see changes in the American tariff in the interest of Porto Rico.

III

CONCLUSION

The future condition of Porto Rico will undoubtedly be determined in a large degree by the action of the American people. Other nations would be interested in the island for trade and investment purposes only if it were not a dependency of this country—really only if they could make it a dependency

of their own. As things are, all the conditions of production in the island at present, (a) the ownership and cultivation of land, (b) the hiring of laborers, (c) the investment of capital, (d) the organization of trade, and (e) the maintenance of governmental aids of trade depend in large measure upon the United States, or on non-Porto Rican citizens of the United States. The wants and needs of the people of Porto Rico have been a secondary matter; they have received consideration only as parts of the producing process, and not much at that, because the supply of Porto Ricans is over-abundant.

An argument for the deliberate retention of the policy of negligence is insupportable; change must come.

If Porto Rico is eventually to become free and independent, it would be foolish to alter American tariffs to protect further the island's industries and to reduce the cost of imported food and clothing for her people, or to extend federal grants-in-aid to her people because that would create only a greater and closer economic relationship. In the end all those measures would have to be repealed and these tighter knots of united activities untangled.

If Porto Rico is eventually to become a state of the United States, it would be unwise to encourage the emigration of natives, and the development of the Spanish language as the language of the people because that would tend only to weaken continental sentiment for union. Moreover, if statehood is the ultimate aim, it is unreasonable not to extend federal grants-in-aid to Porto Rico to encourage improvement in health and hygiene, the development of roads, and the stabilization of rural transportation and credit systems; for all these things would more closely unite her to the United States and at the same time straighten out some of her difficulties. It is not assumed that individual American states must be able to raise in federal taxation the amount of federal aid they receive.

If, however, Porto Rico is neither to be set free nor to become a state, it would seem that its only reasonable future status would be that of a self-governing dominion owned by the United States, and as far as possible governed by Porto Ricans. Any such arrangement would continue the island's military and legal dependence on the United States and would tend to acknowledge and support its economic dependence. It would not, however, be inconsistent to expect that any such arrangement would tend to produce a relationship like that of

Canada and the Irish Free State to England. The island would be governed by the people of the island in the interest chiefly of the people of the island with preferential consideration of the interests of the United States. Before any such arrangement can be worked out, (a) Congress must decide which of the three futures it wishes for Porto Rico. No one decision will please all Porto Ricans, but it will be possible to please and satisfy a large number by any decision, as security of future policies is one thing greatly needed. (b) After making this decision, Congress must base its future policy upon an accurate and thorough investigation of the facts. It must know exactly how much land is owned by Americans, what proportion of sugar profits come from Porto Rican plantations, and the rate of annual profits from Porto Rican crops. It must, in other words, know whether the ills of Porto Rican economy rise from negligence and greed on the part of American business men, or from remediable faults in the economic machinery of production and exchange. It must know as much as is possible, whether tariffs have any effect, and what that effect is, if any. It must know how many children are not being taught in school, and how much it will cost to provide them with an education better fitting their needs.

(c) Having found the truth, as far as is humanly possible, Congress must be willing to apply the economic and political remedies which are advised as a result of the experience of other countries. Justice would require that the lawmaking be intelligent and fair, and in some degree experienced, or it is likely to be unintelligent and unfair. Both American and Porto Rican interests must be taken into consideration by the administrators. It would seem that all parties in the United States and in the island should be represented in the commission or group conference which works out the solution, but whether this is possible depends a good deal upon the temperament and goodwill of individuals in both countries. Whatever the decision be, some interests will suffer, and it is really a question of working out a solution with the least suffering, and the most widespread good. It is, for example, possible that a reduction of the protection on Porto Rican sugar against that of Cuba would force some American sugar plantation owners to seek new sugar markets in South America, and drive others out of a business which subsists largely on the aid of the American tariff.

The ordinary observer can do little in the matter beyond informing himself, and thus establishing an intelligent rather than an ignorant basis for evaluating the future action of the United States. The ethical demands of truth, justice, and charity make studies of this nature a matter of conscience for a Catholic citizen. Truth requires him to know what he is talking about, and to use his intelligence on every subject that rises as an issue in his personal or group life in an effort to reach a conclusion. Justice requires him to support whatever proposal seems to him fairest and most considerate of society's needs. Justice forbids him to use his own superior position of wealth or power to his personal advantage, and demands that he consider the good of the governed. Charity orders him not only to give the other side a fair hearing, but also to give it the benefit of the doubt, if doubt there be; it orders him to go more than half way, when he can, in the interest of mutual confidence and understanding. If this nation as a whole pursues such a policy, the irking sense of inferiority that goes with dependency will disappear from the Porto Rican-American relationship as it has in large degree disappeared from the relationship of England with her self-governing dominions; and a problem of international proportions will be well on its way to eventual solution. In this fashion the cause of international peace will be well served.

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THE Catholic Association for International Peace has grown out of a series of meetings during 1926-1927. Following the Eucharistic Congress in Chicago in 1926, representatives of a dozen nations met with Americans for discussion. In October of the same year a meeting was held in Cleveland where a temporary organization called The Catholic Committee on International Relations was formed. The permanent name, The Catholic Association for International Peace, was adopted at a two-day Conference in Washington in 1927. Three similar conferences were held in the same city in 1928, 1929, and 1930. An all day regional Conference was held in Chicago on Armistice Day, 1930. The Fifth Annual Meeting was held in New York City in April, 1931.

Its objects and purposes are:

To study, disseminate and apply the principles of natural law and Christian charity to international problems of the day;

To consider the moral and legal aspects of any action which may be proposed or advocated in the international sphere;

To examine and consider issues which bear upon international goodwill;

To encourage the formation of conferences, lectures and study circles;

To issue reports on questions of international importance;

To further, in cooperation with similar Catholic organizations in other countries, in accord with the teachings of the Church, the object and purposes of world peace and happiness.

The ultimate purpose is to promote, in conformity with the mind of the Church, "the Peace of Christ in the Kingdom of Christ."

The Association works through the preparation of Committee reports. Following careful preparation, these are discussed both publicly and privately in order to secure able revision and they are then published by the organization. Additional committees will be created from time to time. The Association solicits the membership and cooperation of Catholics of like mind. It is seeking especially the membership and cooperation of those whose experience and studies are such that they can take part in the preparation of committee reports.

The Committees on Ethics, Law and Organization, and Economic Relations serve as a guiding committee on the particular questions for all other committees. Questions involving moral judgments must be submitted to the Committee on Ethics.

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