Puerto Rican Populism Revisited: the PPD during the 1940s

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Introduction

Puerto Rican scholars have recently undertaken the task of re-interpreting the populist political project of the Partido Popular Democrático (PPD) during the decade of the 1940s. The new studies on this subject have focused on the class basis of the PPD's leadership, the class interests articulated in the policies adopted by the PPD government, and the structural context within which this party came to power and implemented its programme.

The most important works in this respect are those of Angel G. Quintero Rivera and Emilio González.[1] Following the lead of earlier studies on Latin American populism, such as those of Ianni and Weffort,[2] these authors interpret the PPD and its political project as the expression of a populist alliance between the middle sectors and the working classes with a nationalistic slant. According to them, the middle sectors that led the PPD were the 'heirs' of the ideological and political tradition of the Puerto Rican *hacendados*, who had been displaced from their position of social hegemony by the North American imperialist bourgeoisie following the American invasion in 1898. Hence, as heirs to the politico-ideological tradition of the *hacendados*, these middle sectors aimed to seize the

[1] Angel G. Quintero Rivera, 'La base social de la transformación ideológica del Partido Popular en la década del 40', in Gerardo Navas Dávila (ed.), *Cambio y desarrollo en Puerto Rico; la transformación ideológica del Partido Popular Democrático* (Río Piedras, 1980), pp. 35–119; 'El papel del Estado en el modelo puertorriqueño de crecimiento económico; base clasista del proyecto desarrollista del 40', paper presented at the Third Central American Congress of Sociology, Tegucigalpa, Honduras (Río Piedras, 1978); and 'The Socio-Political Background to the Emergence of 'The Puerto Rican Model' as a Strategy for Development', in Susan Craig (ed.), *Contemporary Caribbean: A Sociological Reader*, vol. 2 (Maracas, Trinidad/Tobago, 1982), pp. 9–57. Also Emilio González, 'Class Struggle and Politics in Puerto Rico During the Decade of the 40's: The rise of P.D.P.', *Two Thirds*, vol. 2, no. 1 (1979), pp. 46–57; and 'Ideología populista y estrategias de desarrollo en Puerto Rico, 1940–1950' (CEREP, n.d.).

[2] Octavio Ianni, *La formación del estado populista en América Latina* (Mexico, 1975); Francisco Weffort, 'Clases populares y desarrollo social', in Aníbal Quijano and Francisco Weffort, *Populismo, marginalización y dependencia* (San José, 1976).

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opportunity offered by the politico-economic crisis of the 1930s in order to become a new ruling class or, at least, to lay the basis for this by gaining social and political predominance through their control of the state. They adopted a state capitalist development strategy that would provide the economic base for their political hegemony. Thus, argue Quintero and González, the PPD's populist political project reflected the interests of a state-class in the making (an embryonic state bourgeoisie) that aimed at a self-sustained or autonomous capitalist development that would at least loosen the dependency ties between the colony (Puerto Rico) and the metropolis (the United States). These arguments suggest that the PPD's political project was aimed at developing a politico-economic alternative that would express, in an embryonic form, national interests.[3] The traditional Puerto Rican leftist view is therefore incorrect, in the opinion of these authors, in labelling the PPD leadership as mere puppets of US interests and their political project as simply a reflection of these interests.

This article endorses Quintero's and González's wish to go beyond instrumentalist, simplistic interpretations of the PPD as a mere puppet of imperialism, or a passive servant without initiative. However, it argues that their alternative thesis remains inadequate to explain the class basis and the political role of the PPD during the 1940s. They seem to lose sight of the fact that, despite the deep political and economic crisis of the colonial system in the 1930s and the unusual political conditions during World War II, the US imperialist bourgeoisie remained the ruling class in Puerto Rico. During the 1930s and 1940s US dominance in Puerto Rico was shaken, but not by any means abolished or even seriously reduced.

This article will dispute the view that the PPD's populist political project was aimed at developing an autonomous state-based capitalist development model that might lay the basis for national capitalist development. It will argue against extrapolating the Latin American experience to Puerto Rico. The island's populist political project should not be viewed as the expression of the interests of an emerging middle class aspiring to become a national class (a state bourgeoisie), whose aspirations for political hegemony were frustrated by the structural limitations and constraints of Puerto Rico's colonial subordination.

[3] This is a very brief synthesis of the central thesis of Quintero Rivera and González. There are differences in the emphases given by each author. For example, Quintero Rivera argues that the PPD's political project aimed at 'the constitution of a nation-state in the country that would embody the interests of the people': 'El papel del Estado', p. 27. González, for his part, is more cautious and does not go as far, yet he speaks of a 'national capitalist development' model: 'Ideología populista', p. 12, and 'Class Struggle and Politics', p. 49. However, they both coincide in the view of the PPD's political project as the expression of the interest of a class-in-formation whose aspirations for some kind of national hegemony were frustrated.

Instead, the populist political project of the PPD during the 1940s should be viewed as representing the alternative of a fraction of the colonial power bloc (which included sectors of the state and capital in the United States) to the politico-economic crisis of the colonial system based on the dominance of sugar plantations. The political project of the PPD was developed within the constraints of the colonial political and economic framework. It was, therefore, geared towards laying the basis for the restructuring of imperialist capitalism in Puerto Rico. This runs counter to the thesis that the PPD's political project was the expression of a class in the making with national aspirations. In other words, the PPD's reformist populist political project articulated the strategic interests of those groups within US capital and state that were linked to Puerto Rico, as well as those of the fraction of the colonial power bloc that integrated the PPD's leadership. The interests of the popular sectors that constituted the electoral base of the PPD were articulated in its reformist project in a secondary or subordinate manner. This in spite of the fact that at the level of its political discourse the interests of the popular classes were represented as the dominant interests articulated by the PPD's reformist project.

In order to substantiate this thesis this article analyses the reformist project from its origins around 1934, when the archetype of the PPD's reformist programme – the 'Chardón Plan' – was proposed, until its implementation during the 1940s. The point of departure of this analysis is the politico-economic crisis of the 1930s, its impact upon the Puerto Rican socio-economic structure and class relations, particularly in terms of its impact on the class alignments within the colonial power bloc. The article then proceeds to examine the impact of the PPD's reforms programme, in terms of the rearrangement of the socio-economic structure and class relations that it effected. It concludes with an assessment of how the PPD reforms related to the preservation of capitalism and colonialism in Puerto Rico, and with a brief discussion of the parallels and differences between Puerto Rican and Latin American populism.

The 1930s: the political and economic crisis of the colony

The economic depression, triggered by the collapse of the New York stock exchange in 1929, affected the Puerto Rican economy and eventually limited the possibilities for expansion of the sugar economy. The price of sugar went from 5.24 cents per pound in 1923 to 2 cents per pound in 1929 and to 0.93 cents per pound in 1932.[4] However, the sugar companies

[4] José A. Herrero, 'La mitología del azúcar' (mimeographed, n.d.), pp. 49–50.

succeeded in maintaining large profits during the first half of the 1930s. This was due to an increase in sugar production, the adoption of extraordinary protectionist measures in the United States and a dramatic decline in workers' salaries.

The steady fall in sugar prices from the mid-1920s, and the panic created by the collapse of the stock exchange in 1929, prompted the major sugar-producing countries to adopt a plan to limit production for export. The plan, known as the Chadbourne Plan, consisted of the adoption of voluntary quotas aimed at reducing competition and lessening the possibility of a continued fall in prices. However, the United States decided not to abide by the plan and allowed its colonies, the Philippines, Hawaii, and Puerto Rico, to increase production. The enactment of the Smoot-Hawley tariff, which increased the duty on foreign sugar entering the US market in 1930, served to complement the boycott of the Chadbourne Plan. With these two actions, the United States virtually closed its market to foreign producers and minimised foreign competition.[5] This was one of the reasons why US corporations in Puerto Rico were able to maintain high rates of profit in the midst of the crisis.

Another element which greatly contributed to the success of the sugar corporations during the first years of the Great Depression was the dramatic cuts in the salaries of workers. For the fiscal year 1928–9 the average salary of a labourer in the sugar fields was 95.75 cents per day, for 1933–4 the average was only 62.25 cents per day, a reduction of 35% in the average salary of field labourers. In 1928–9, labourers in mills earned an average of 1.37 dollars per day, but by 1933–4 their salary was reduced to 1.20 dollars per day, a drop of slightly more than 12%.[6] While workers' salaries were drastically cut and other sectors of the economy were adversely affected by the crisis, the corporations continued to pay dividends of up to 30% per share to their stockholders.[7] But behind this short-term bonanza enjoyed by the companies and their local allies a whole series of contradictions were brewing. Aside from the drastic

[5] Among the countries subscribing to the plan were: Cuba, New Zealand, Czechoslovakia, Poland, Hungary, Yugoslavia, and Peru. The United States and its colonies initially agreed to back the plan but withdrew their support. Ultimately the plan did not resolve the problem, and in the short term the North American position had a negative impact even on Cuba which was an important supplier of sugar for the United States. See Herrero, 'La mitología', pp. 41–51; and Julio LeRiverend, *Historia Económica de Cuba* (Barcelona, 1972), pp. 232–3.

[6] Luz Del Alba Acevedo, 'American Colonialism and the Emergence of Puerto Rican Nationalism During the Decade of the Thirties', M. A. thesis, University of Liverpool (1978), pp. 109–110.

[7] Esteban A. Bird, 'The Sugar Industry in Relation to the Social and Economic System of Puerto Rico', Senate of Puerto Rico, Senate Document No. 1, 15th Legislative Assembly, First Session, 1941, pp. 40, 129.

reductions in the workers' salaries, unemployment was estimated at 50% of the total heads of household in the country (150,000 households). Besides this, there were increases in the prices of most basic foodstuffs, which were imported. These increases were stimulated by the continued deterioration in the terms of trade since the latter half of the 1920s. Between 1932 and 1933 the price of key staples, such as kidney beans and flour increased 75%, rice 70%, cod fish 47%, ham 25%, and lard 24%.[8]

Although the deterioration in the living standards of a large majority of the population provided the social basis for political unrest, it was the approval of the Jones–Costigan Act of 1934 which dealt the *coup de grâce* to the sugar economy. By imposing a quota on production and exports of sugar to the United States this act undermined the very basis upon which the dominance of the sugar sector rested. The quota forced a reduction in production of 170,000 tons of sugar, valued at approximately 8.5 million dollars. This sudden reduction had negative effects not only for the 15,000 workers who lost their jobs (added to the 150,000 already unemployed) but also for the small and medium growers for whom the mills refused to grind sugar and to whom banks denied financing of their crops.[9] As a result of the quota, small and medium *colonos* (sugar growers) faced the possibility of losing their crops and their land.

The negative effects of the quota were not limited to the subordinate classes. They extended throughout the social structure affecting the large North American sugar interests and their allies, the local sugar bourgeoisie. These sectors faced serious financial problems. North American banking institutions denied them credit because of the uncertainties created by the quota. Corporate elements began to talk about the dangerous conditions for the business sector on the island.[10] The imposition of the quota on sugar production and export thus served as a catalyst, which unleashed a series of contradictions that would lead to the crisis and collapse of the single-crop economy.

The collapse of the economic base of the island was accompanied by a questioning of the colonial regime and the breakdown of political order. A fraction of the petty bourgeoisie began to articulate a militant pro-independence political project. This sector blamed US corporate interests for the extremely poor social and economic conditions of the island. They denounced the colonial exploitation which US corporate interests had imposed on Puerto Rico, and they called for a nationalist revolution that

[8] Quintero Rivera, 'La base social', pp. 43–5; Thomas G. Mathews, *La política puertorriqueña y el nuevo trato* (Río Piedras, 1970), p. 139.

[9] 'Report of the Puerto Rico Policy Commission' (San Juan, 1934), pp. 8–9. This report was, and still is, popularly known as the 'Chardón Plan'.

[10] Chardón Plan, p. 9.

would put an end to US domination on the island. The political arm of this sector was the Partido Nacionalista (PN).

During the 1930s, the PN led many protest actions against the colonial government and US interests. These included a series of strikes against US corporations not involved in sugar production. The most visible of these strikes were: the service station and garage owners' strike against oil corporations, protesting against the high cost of imported gasoline; the food distributors' strike against flour exporters for the high cost and poor quality of imported flour and the boycott on mortgage collections by small farmers against the Federal Land Bank of Baltimore. Other strikes included the 1931 and 1933 university students' strike and the 1934 general sugar-workers' strike.[11] Despite the fact that the political base of the PN was clearly petty bourgeois, the PN also attracted the attention of those other social sectors most affected by the crisis, the rural proletariat and the unemployed.

The Nationalist involvement in the 1934 general sugar-workers' strike presents an example of how nationalism was capturing the attention of other sectors of the population. The rural proletariat had traditionally been represented by the Federación Libre de Trabajadores (FLT), a local affiliate of the American Federation of Labor, and the Partido Socialista (PS). The PS and the Partido Republicano (PR), the party of the sugar interests, had entered into an agreement forming a coalition that won the elections of 1932 and 1936 and that governed the country throughout the Great Depression. With the deepening of the crisis, the workers began to demand salary increases and call into question the arrangements that the leadership of the PS had with the PR through the *Coalición*. This process of questioning the FLT/PS leadership reached a high point during the 1934 strike. Late in 1933, the FLT had signed a contract with the sugar corporations which was rejected and denounced as treason to their interests by the workers. The workers went on strike against the will of the FLT leadership. This rejection was more than a mere disagreement between the leaders and the rank and file of the FLT. Having rejected the FLT leadership, the workers called upon the president of the PN, Pedro Albizu Campos, to represent them in the bargaining process with the sugar corporations. The strike had now become a symbol of the rejection of the politics of conciliation which the PS had practised in the *Coalición*. The sugar-workers' strike highlighted the political crisis facing the colonial regime during this period. If the PS, which was in power, could not control the workers, who could? The strike began to break the almost

[11] Juan Antonio Corretjer, *Albizu Campos y la huelgas del '30* (Guaynabo, 1969), pp. 9–12; Acevedo, 'American Colonialism', pp. 140–4.

monolithic control the FLT had over the organised proletariat, a process which culminated in the creation of a new nationwide trades union council, the Central General de Trabajadores (CGT).[12]

The 1934 strike gained particular importance because it represented the juncture at which two potentially revolutionary forces established a significant political collaboration. The convergence between the interests of the workers and of the nationalist petty bourgeoisie had the potential to produce a strong anti-imperialist alliance. In the eyes of the dominant classes the most threatening aspect was that the workers invited the leader of the PN to lead the strike. The strike took place in a period of increased social unrest. Between 1931 and 1936 there was a total of 207 strikes, of which 91 were between July 1933 and June 1934.[13] The PN was the only party at the time calling for the immediate liquidation of colonialism, thus questioning the very basis of North American domination in Puerto Rico. The workers, under the moderate leadership of the pro-American FLT were a manageable force, but an alliance between the workers and the Nationalists was a grave threat. The possibility of an anti-imperialist popular front, in the style of the one led by Sandino in Nicaragua, was certainly something that US interests wanted to avoid. This explains why the corporations granted all the workers' demands shortly after Albizu Campos was invited to lead the 1934 strike.[14] By doing this they hoped to put an end to the collaboration between the Nationalists and the workers, and to prevent the formation of an organisation that would bring these sectors together in a durable alliance.

Indeed, the collaboration between Nationalists and the dissidents of the FLT did not materialise into a long-term political alliance that could capitalise on the economic crisis. Georg Fromm has perceptively noted that the political and ideological views of the FLT dissidents were different from those of the PN. The differences in the political projects of these two groups prevented the formation of any strong and durable political alliance after the strike of 1934. The PN wanted to establish a republic in which the dominant element would be the traditional petty bourgeoisie and other small proprietors (such as landowners, small

[12] Georg Fromm, 'La historia ficción de Benjamín Torres (V); la huelga de 1934, una interpretación marxista (1)', *Claridad* (San Juan), Suplemento En Rojo, 24–30 de junio de 1977, pp. 6–7; and 'La historia ficción de Benjamín Torres (VI); la huelga de 1934, una interpretación marxista (2)', *Claridad*, Suplemento En Rojo, 1–7 de julio de 1977, pp. 4–5.

[13] Arthur Gayer et al., *The Sugar Economy of Puerto Rico* (New York, 1938), p. 223.

[14] Interestingly, the negotiator for the sugar corporations was the chief of the colonial police, Col. Elisha Francis Riggs. It is said that he agreed to all of Albizu's demands immediately. Juan Antonio Corretjer, *La lucha por la independencia de Puerto Rico* (Guaynabo, 1974), p. 69; Acevedo, 'American Colonialism', p. 148.

farmers, etc.), but the workers, accustomed to the socialist rhetoric of the PS leadership, looked at the project of the PN with distrust.[15]

In addition to the ideological differences which prevented the emergence of a popular movement, we must not underestimate the efforts made by the regime to suppress the potential threat posed by these forces. As a short-term solution to the crisis, the government implemented a policy which combined the 'iron first' with the 'velvet glove'.

At the political level, the appointment of General Blanton Winship as governor in 1934, and the earlier appointment of Colonel Elisha Francis Riggs as the Chief of Police, set the stage for things to come. Immediately after the 1934 sugar-workers' strike, the government unleashed a process of political repression directed against the PN. It was initiated with the Río Piedras Massacre in 1935 and culminated with the Ponce Massacre in 1937. During this period, the leadership of the PN was imprisoned and any individual or group who opposed US domination on the island was harassed and persecuted.[16] The sugar economy may have been doomed to failure because of the economic crisis and the restructuring of the international sugar market, but this did not mean the sugar interests in Puerto Rico were about to relinquish their privileges without a fight. In any case, the sugar corporations represented but one fraction of the imperialist bourgeoisie. The decline of this fraction did not mean the exhaustion of the possibilities of expansion of imperialist capitalism in Puerto Rico. Besides, Puerto Rico was, above all, a military bastion. The strategic interests of the United States were also a key factor.

Repression, however, was only one way of preventing the emergence of a Nationalist-led radical anti-imperialist popular movement. There was a need to address the socio-economic conditions which were the breeding ground for a possible popular uprising. To deal with this side of the problem the metropolitan state intervened directly by creating welfare programmes which ran parallel to the administrative apparatus of the colonial government. The most important programmes were the Puerto Rico Emergency Relief Administration (PRERA) and the Puerto Rico

[15] The problem of forming an anti-imperialist popular movement presents complexities that go beyond the ideological differences between the PN and the workers. The Partido Comunista Puertorriqueño (PCP), which had emerged from within the membership of the FLT in 1934, and whose class origin was clearly proletarian could not capitalise on the crisis either. Instead of facilitating the development of a political alternative for the working classes, the crisis had the immediate effect of dividing them. Fromm, 'La historia ficción (V)' and 'La historia ficción (VI)'; see also Juan A. Corretjer, *El líder de la desesperación* (Guaynabo, 1974).

[16] Acevedo, 'American Colonialism', pp. 167–76; Benjamín Torres, *El proceso judicial contra Pedro Albizu Campos* (San Juan, 1974); Juan A. Corretjer, *Albizu Campos y las huelgas de los años treinta* (Guaynabo, 1969).

Reconstruction Administration (PRRA). The importance of these programmes went beyond their immediate effect in terms of aid to the population. In the long run, these programmes would constitute the basis for the mobilisation of political forces which could provide a solution to the crisis while preserving the interests of the United States, as we shall see below.

The politico-economic crisis of the 1930s meant a breakdown of the traditional political order and of consensus within the power bloc. That is, it broke down the consensus between the classes that exercised power by control over the means of production and the colonial state, whose common interests were the preservation of capitalist relations of production (i.e. the preservation of private property and the subordination of wage labour to capital) and the colonial relationship. As a consequence of the crisis, political forces in Puerto Rico were realigned into four major tendencies. Outside of the power bloc we find a nationalist tendency led by the traditional petty bourgeoisie (primarily rural). This group assumed nationalist positions when faced with the threat of economic and social extinction. The other opposition tendency was that of a spontaneous working class discontent. This was led by disgruntled members of the PS and the FLT. Worker discontent was expressed in many wildcat strikes and protests that disregarded the traditional FLT/PS leadership (who had been coopted into the power bloc through the *Coalición*). This militant fraction of the working class searched for a new political alternative and leadership. On the side of the power bloc we can also find two tendencies. First, a conservative tendency represented by those groups closely tied to sugar production who opposed any structural change as a solution to the crisis. Second, a reformist tendency represented by those groups within the power bloc not directly linked to the sugar sectors who understood that any solution to the crisis must involve structural changes at the expense of the sugar sector.

The first clear manifestations of this division within the power bloc appeared in the debates between various groups around proposals for social reconstruction popularly known as the 'Chardón Plan' which gave rise to the PRRA. The Plan envisaged a series of long-term economic measures for the restructuring of the Puerto Rican economy at the expense of sugar interests. The fundamental reforms proposed by the Chardón Plan concerned the permanent reduction of sugar production, the diversification of agriculture, the creation of a state-controlled sugar-producing sector, and the creation of an industrialisation programme using local raw materials and producing for the local market.[17] These

[17] Chardón Plan, pp. 1–7.

changes would be accomplished by means of a land distribution programme, and by government intervention in the process of production. According to the plan, marginal sugar lands were to be purchased with government funds and distributed to landless peasants and workers rendered unemployed by the sugar industry. Another idea was to create cooperatives of small *colonos* who would grind their sugar cane in government-owned mills. In addition, private mills would be pressured to pay better prices for the *colonos*' sugar. Other plans were drawn up for the rehabilitation of coffee, tobacco, and citrus fruits production, and for a limited programme of industrialisation. The implementation of this programme would be in the hands of a public corporation whose funds would come from a special tax imposed on sugar refining, which would be dedicated to the purposes of economic reconstruction.

This plan generated great opposition from US sugar companies, from the local sugar bourgeoisie and from their allies within the United States, particularly in Congress. This opposition was the main reason why the Chardón Plan gained a reputation among the working classes as being in the interests of 'the people'. In reality, the measures proposed by the Chardón Plan represented a solution to the politico-economic crisis put forward by the anti-sugar sector within the colonial power bloc. This sector coincided with, and was allied to, elements within the US government connected to the executive branch (the President and the Secretary of the Interior) who were aware of the need for structural reforms. Hence, the Chardón Plan should be viewed as a project of solution to the crisis favoured by a fraction of the colonial power bloc.[18]

However, the Chardón Plan could not be implemented for two reasons. Firstly, it was opposed by the sugar interests which controlled a part of the colonial state apparatus and managed to get the support of the majority of the US Congress which prevented the approval of the funds and the necessary legislation to implement the plan.[19] Secondly, the confrontation between the Nationalists and the colonial regime culminated with the assassination on 23 February 1936 of the chief of the colonial police, Col. Riggs. This incident created a wave of anti-Puerto Rican sentiment in Washington and anti-Americanism in San Juan which temporarily distanced the elements that intended to solve the crisis through implementation of the plan.[20]

Instead of going ahead with the Chardón Plan, a compromise was reached. The PRRA was created by executive order of President Franklin

[18] See the Chardón Plan, p. 7 for an example of this.
[19] Mathews, *La política puertorriqueña*, ch. 6.
[20] *Ibid.*, ch. 7.

D. Roosevelt to implement the least controversial aspects of the plan. With the backing of the US executive, control over the PRRA settled in the hands of the anti-sugar sector. The control that this group had over the PRRA and its millionaire budget, as well as over PRERA (the other major relief agency), provided it with the material basis to organise a political machine based on patronage. Eventually this group controlled a system of patronage as large as that of the local government. For example, between 1935 and 1938 the PRRA employed close to 60,000 people and paid close to a million dollars per month in salaries.[21] The bureaucrats and technocrats that ran PRRA and PRERA were associated with the faction within the Partido Liberal (PL) led by Luis Muñoz Marín, a personal friend of President Roosevelt. It was common practice for the PL to ask PRERA employees for part of their salary as a donation to the party as reward for its having found them a job. The control of these programmes also provided this group with a means to reach and attract sectors which were not organised politically, such as the peasants and the unemployed.

Through these programmes the US government managed partially to alleviate the depressed social and economic conditions of working people. It effectively contained political protest among the popular sectors, while at the same time it quickened the mobilisation of the political forces whose political project was neither anti-imperialist, nationalist, socialist, nor communist. The faction of the PL led by Luis Muñoz Marín split in 1938 to create the PPD. The power base provided by the control of the federal programmes facilitated the emergence of this group as a major political force on the island. The political programme of the PPD was patterned along the lines of the Chardón Plan which, as we have seen, did threaten the sugar interests but not US strategic interests on the island.

By the end of the 1930s, the sugar economy had reached such a critical state that it was impossible to envisage the sugar sector as a basis for economic recovery. Classes and social sectors who previously formed part of, or were identified with, the power bloc had been displaced from their positions of power and economic privilege. Many became part of the working classes, the unemployed, or the marginal sector. Thus, the sugar interests and their political allies saw their politico-economic power eroded. This situation led to the realignment of social and political forces and created the conditions for the development and diffusion of the political project of the anti-sugar sector.

The standard interpretation of the formation of the PPD characterises it as the authentic expression of the political and economic aspirations of the working people, particularly the peasantry, and characterises its

[21] Acevedo, 'American Colonialism', p. 160.

political project as popular and progressive. The evidence presented so far runs counter to these interpretations. As we have seen the PPD emerged as a party of the dominant classes.[22] However, the PPD built its popular base by capitalising on the crisis and on the spontaneous protest of the popular sectors. It emerged as a leading political force when the leadership of the PS had lost credibility and after the PN had been badly repressed. It filled the political vacuum existing among the working classes, and it provided organic direction to their spontaneous political protest. In contrast with the programme of the PS, there was little working class participation in the elaboration of the PPD's policy. Yet the PPD did express many of the aspirations of the working classes. It captured the popular protest against the sugar interests – both local and foreign – and combined it with the interests of the anti-sugar group within the colonial power bloc, thus laying the political basis for the implementation of a reformist programme. The PPD's political project, however, moved within the confines of capitalism and aimed at capitalist restructuring, thus maintaining the basis for US colonial domination in Puerto Rico.

How this was achieved through the conciliation of diverse class interests is the subject of the rest of this essay.

From the crisis of the 1930s to the 1940s: the rise of the PPD

As indicated above, attempts to provide a solution to the economic crisis by using federal relief programmes as the basis for social reforms were hindered by the resistance of the sugar interests, the opposition of the Nationalists, and the mistrust between New Deal bureaucrats from Washington and local bureaucrats administering federal programmes. The Chardón Plan had been diluted to the PRRA, and the structural reforms it proposed were never implemented. Poverty, unemployment, poor health conditions, and excessive land concentration were still major problems in the late 1930s.

Anti-Americanism had not diminished and still constituted a potential political force, even though the imprisonment of the Nationalist leadership in 1936 had certainly prevented this sentiment from becoming articulated into a major political movement.[23] The potential explosiveness of the

[22] To a great extent, the idea that the PPD was the genuine expression of the working masses can be attributed to the heavy rhetoric and the political style of PPD leader Luis Muñoz Marín who had identified himself as being pro-independence during the 1930s. Nonetheless, anyone who carefully reads Mathews's book or Governor Tugwell's accounts of his governorship can see that Munóz's pro-independence stance was more a bargaining tool than a political project. See Mathews, *La política puertorriqueña*, chs. 5–7; and Rexford G. Tugwell, *The Stricken Land* (New York, 1947).

[23] For an account of the anti-Americanism during the 1930s and its persistence at the beginning of the 1940s, even within the ranks of the PPD, see Wenzel Brown, *Dynamite*

situation was such that Rexford G. Tugwell observed that when he became governor (1941) 'the materials for a class war were all present'.[24] It is within the political vacuum created by the collapse of the sugar economy, the failure of the traditional parties, and the inability of the metropolitan government to provide a durable solution to the crisis, that the PPD emerged as a serious political alternative. The political vacuum enabled the PPD to draw widespread electoral support for its reformist project. The bulk of this support came from the discontented working class (landless peasants, rural proletariat, unemployed).

The political vacuum was the key element making possible the electoral triumph of the PPD in 1940. Yet other elements also contributed to the development of the reformist project, despite tenacious opposition from sugar interests and conservative groups within the metropolis and the colony. These elements were:

(1) The inability of the metropolis to fill the political vacuum due to their involvement in the Second World War, coupled with the previous failure of federal programmes (PRRA, PRERA) which had diminished the faith of local politicians in the willingness of the US government to provide a long-term solution to the crisis.

(2) The growing political weakness of the local and North American sugar interests and the consequent inability of these groups to reverse sugar quota restrictions. So there was a reduction of sugar production in Puerto Rico in favour of continental producers (Louisiana, Florida) and low cost production areas (Cuba), which doomed the island's sugar industry.

(3) The absence of a local sector, other than the sugar sector, with some control over the productive process that could articulate a viable economic alternative. The monopolistic character of the sugar economy had stunted the development of other key economic sectors (e.g. coffee).

(4) The opportunity for local production of agricultural and imported manufactured goods created by the relative isolation of the island during the war and the reduction in the land dedicated to sugar cultivation.

(5) The acceptance in circles of the US government of Keynesian ideas about state intervention in the economy.

(6) The extraordinary expansion of the public sector's income, due to increases in taxes received from the exportation of rum to the United States (which increased due to the reduction in the production of whisky during the war); and due to increased federal expenditures and subsidies for social relief and the construction of infrastructure and military bases.

on Our Doorstep (New York, 1945). This view may be somewhat exaggerated due to the author's prejudices, but it illustrates the existing tensions.

[24] Tugwell, *The Stricken Land*, p. 7.

In 1940, the PPD rose to power under the slogan of 'bread, land and liberty'. This slogan evoked for many, especially the colonial governor and the sugar corporations, images of the Russian and Mexican revolutions whose slogans were 'peace and land' and 'land and liberty'.[25] The economic and social programme of the PPD began by denouncing the 'state of misery', the 'social insecurity' and the 'regime of exploitation' existing in Puerto Rico. However, far from following the call of Lenin or Madero to armed revolution, the PPD and its leader, Muñoz Marín, called upon the people to 'lend' them their votes so that once elected the PPD 'could confront the public problems which derived from the state of exploitation that we [the PPD] denounce'.[26]

The rhetoric and the style of the PPD made it appear as if this party expressed mainly the interests of the working classes; especially those of the landless peasant (the *jíbaros*). In fact, the PPD's denunciation of absentee capital (the sugar corporations) as the culprits of the current state of affairs and its demands for social justice and land reform, along with the direct contact that Muñoz established with the peasants and workers during the 1940 political campaign, were the basis for accusations by the sugar interests that the PPD was radical and communist. However, when this denunciatory language and paternalistic political style, characterised by direct contact between the charismatic leader and 'the people', was translated into concrete political practice the true class character of the PPD and its reformist political project could be clearly seen.

Once the 1940 elections were won, the PPD initiated a programme of reforms. But since the PPD only had partial control of the colonial legislature, controlling the majority vote in the Senate and a plurality in the House of Representatives, it was necessary to make alliances with sectors of the opposition in order to pass the laws which were to serve as the legal framework for their reforms. Other possible obstacles to the reform programme were the colonial governor, and the Congress and President of the United States, who could veto any law approved by the colonial legislature. The fact that the reform programme of the PPD was carried out within the context of the colonial government, without opposition from any of these sectors (except for the sugar interests), is indicative of the limited nature of these reforms.

[25] Tugwell, *The Stricken Land*, p. 7. According to Juan A. Silén, 'pan, tierra, y libertad' (bread, land and liberty), had been the slogan of PCP's newspaper, *Lucha Obrera*, in 1935. Juan A. Silén, *Apuntes para la historia del movimiento obrero en Puerto Rico* (Río Piedras, 1978), p. 92.

[26] PPD, 'Programa económico y social; status político', in *Compilación de programas, 1940–1964* (San Juan, 1964), p. 1.

Agrarian reform and industrialisation: the reformist programme

The first step in the implementation of the reformist programme was the agrarian reform. The agrarian reform law was based on the 500-acre limitation which had been included by Congress in the Foraker Act of 1900 and the Jones Act of 1917. Both these acts constituted the legal framework of the colonial relationship. During the first three decades of North American occupation this measure was never enforced. It only served as a deterrent to the Spanish and French competitors of the US sugar corporations who, being foreigners, were more hesitant in disregarding the law.

The sugar corporations lost their immunity from the '500-acre law' (as it was popularly known) when the US Supreme Court established the validity of this statute in its decision in the case of 'The People of Puerto Rico vs. Rupert Hermanos, Inc'. This case began in 1935 shortly after the Puerto Rican Legislature had approved Law 47, the first effort to enforce the '500-acre law' against corporations with large land holdings. Law 47 (more timid than the one approved by the PPD in 1941) had been proposed and enacted by the government of the *Coalición*.[27] This case was finally settled in 1940. On 27 March 1940 the newspaper *La Democracia*, of which Muñoz Marín was editor, reacted euphorically to the decision of the US Supreme Court to uphold Law 47. 'The Land is Ours' read the paper's headline.[28] The Puerto Rican peasants and rural proletarians had a chance to regain their land thanks to a decision of the US Supreme Court.

Law 26, the PPD's agrarian reform law, also known as the 'Land Law of 1941', was clearly consistent with the legal–political framework of the colonial regime. In the Statement of Motives this law incorporated the two extremes of a contradiction which was at the very basis of the crisis of Puerto Rican society. The first paragraph declared 'that the land in Puerto Rico is to be considered as a source of livelihood, dignity and economic freedom for the men and women who till it', expressing thus the interests of the peasants and rural proletarians who constituted the mass of the PPD's electoral base. However, the following paragraphs of the Statement of Motives of the law were dedicated to praising the wisdom of the decision of the US Supreme Court which served as the framework and the political justification of Law 26. In doing this, the PPD leaders were reassuring their allies in the Roosevelt Administration and

[27] Mario Villar Roces, *Puerto Rico y su reforma agraria* (Río Piedras, 1968), pp. 42–3.

[28] As quoted in Matthew O. Edel, 'Land Reform in Puerto Rico: 1940–1959', pt. 1. *Caribbean Studies*, vol. 2, no. 3 (3 Oct. 1962), p. 30.

Congress that they had no intention of threatening US strategic interests on the island. The PPD agrarian reform would mainly affect the sugar interests, which, in any case, had a diminishing importance for the United States since the enactment of the sugar quota in 1934.

The Land Law of 1941 stipulated the mechanisms for the application of the '500-acre law' to corporations ('juridical persons') and specified the procedures for the expropriation or purchase of land in excess of this amount. The fundamental instrument to enforce the Land Law was a public corporation, created by it, called 'the Land Authority'. This corporation had the power to buy, sell, rent, own or in any other manner possess land to operate farms; to initiate law suits against violators of the Land Law; and to implement a programme of agrarian reform.[29] However, all land expropriations had to be carried out through appropriate court procedures and provide adequate economic compensation.[30] Indeed, all lands acquired by the Authority were adequately compensated.

The capital for buying land came from government appropriations. Initially, the colonial legislature provided two million dollars for the operation of the Authority. In addition to this, the Authority could issue bonds up to a maximum of five million dollars. Between 1940 and 1947, the Authority received funds for a total of 23.5 million dollars to carry out the agrarian reform programme.[31]

The most important programmes implemented by the Authority were the proportional profit farms, the individual farms programme, and the *parcelas* (small plot) programme. The proportional profit farms were 100- to 500-acre units that were leased to farmers, agronomists, and other persons with knowledge of farm administration. Administrators and workers would receive a fixed salary, and at the end of the year the net profits of the operation would be divided among the administrators (who received a fixed percentage) and the workers (who received their share in proportion to the days worked and total salary earned). This type of farm tried to combine the efficiency of large units, particularly in the production of sugar, with the principle of better income distribution. The farms were labelled as cooperatives, but in reality they were not. The decisions were made by the administrators, and the farms were the property of the government, not the workers. Moreover, the salary of the administrator and his share of the profits were greater than those of the workers, making

[29] Puerto Rico, *Leyes* (1941), 'Ley No. 26', pp. 389–457.

[30] Edel, 'Land Reform', pt. 1, p. 38.

[31] Puerto Rico Planning Board, Economic Division, *Economic Development of Puerto Rico, 1951–1960* (San Juan, 1951), p. 176, table 30 (hereafter quoted as Planning Board, *Economic Development*).

him more of an entrepreneur than a cooperative leader interested in the socialisation of the means of production. Governor Tugwell perceptively remarked that the proportional profits farms 'have the possibility of preserving large-scale agriculture against its enemies and of keeping far enough away from classical cooperation to escape the "communist" label'.[32] The main objective of these farms was to transfer part of sugar production from the corporations to the government with a view to directing a part of the profits, which had previously gone to the United States, to the local economy. Another important objective was to pressure the sugar companies into paying better wages to workers and better prices to the smaller sugar growers.

The second important aspect of the law was the individual farms programme. Under this programme, the Authority divided some of the large estates it purchased or expropriated into small farms averaging from 5 to 25 acres of land. In turn, these farms were to be sold under very favourable financial conditions to families considered eligible according to certain criteria stipulated by the law (experience in agriculture, no possession of other lands). A key objective of these units was to stimulate the cultivation of foodstuffs, thus fostering agricultural diversification and a cheaper supply of basic food products. This would also be quite an important step in reducing food imports at the time when the United States was entering the war.

The third programme, which ended up being the most important, was the *parcelas* programme created under Title Five of the Land Law. Under this programme, the Authority divided farm lands into small plots of between a quarter of an acre and three acres, to be distributed among landless peasants and rural proletarians. To prevent big farmers from buying these lands, or other speculators from acquiring them, the *parceleros* were not given ownership titles. Any transactions involving these lands were subject to the approval of the Authority. The key objective of this programme was to provide landless peasants and other rural workers with a permanent dwelling and a stable means for producing some of the staples of their diet. This, it was thought, would help stabilise the labour supply in the countryside, and would reduce the migration of unemployed rural workers to the cities. In the long run, this programme would also contribute to ensuring the supply of cheap labour around some urban centres.[33]

[32] Tugwell, *The Stricken Land*, p. 87.

[33] For a detailed description of the law and the various programmes contemplated by it see Villar Roces, *Puerto Rico y su reforma agraria*; and Sol L. Descartes, 'Historical Account of Recent Land Reform in Puerto Rico', in Eugenio Fernandez Méndez (ed.), *Portrait of a Society* (Río Piedras, 1972).

In theory, the agrarian reform proposed the diversification of agriculture, the break up of the sugar plantations, and the return of the land to 'those who till it', thus giving the peasants what, in all fairness, was theirs and providing a solution to the crisis of the agricultural sector. However, the interests and conflicts involved in the process of reform were more complex than is apparent from this explanation, and the underlying motives of the reform less altruistic. In practice, the Agrarian Reform Law articulated a class project although this is not apparent when reading the Statement of Motives of the law or the policies, which on paper represented the solution to the 'evils of absentee capital'.

The second pillar of the reformist project was the industrialisation programme. This programme was implemented by the Puerto Rico Development Company – popularly known as Fomento – created by Law 188 of 11 May 1942. According to this law, the main objective of the Company was to explore the possibilities for developing Puerto Rico's resources and to promote their development through the creation of industrial enterprises. For this purpose Fomento received an initial funding of half a million dollars per year. Aside from these regular allocations, Fomento could borrow money from private institutions or issue bonds to finance its projects and enterprises. In the end, due to an extraordinary assignment of funds at the end of the war, Fomento received a total of 19 million dollars in government funds between 1940 and 1947.

Law 188 was very clear with regard to the kind of industrial development it intended to promote. Article 8 of the law provided a list of manufacturing activities that Fomento should promote. The activities listed in the law were mainly light industries oriented to the local market. This local orientation in manufacturing was further stressed in article 9 which stated that Fomento's activities 'shall tend to promote the engagement in industrial enterprises of capital owned by residents of Puerto Rico and to avoid the evils of absentee ownership of large scale capital...'.[34]

The emphasis placed on local production by articles 8 and 9 contributed to the interpretation of the PPD's political project as being oriented towards national autonomous capitalist development.[35] Nonetheless, it should be remembered that Law 188 was conceived within the limits of the colonial relationship with the United States, and was in keeping with

[34] Puerto Rico, *Leyes* (1942).

[35] Aside from Quintero Rivera and González, this view is held by Gerardo Navas, *La dialéctica del desarrollo nacional: el caso de Puerto Rico* (Río Piedras, 1978); and José J. Villamil, 'El modelo puertorriqueño; los límites del crecimiento dependiente', *Revista Puertorriqueña de Investigaciones Sociales*, vol. 1, no. 1 (July-Dec. 1976), pp. 4–14.

Keynesian economic ideology widely accepted by the Roosevelt administration. This economic ideology was adopted by nationalist and populist Latin American governments, but in the United States it had also served as the basis for regional development companies such as the Tennessee Valley Authority. State intervention in the economy and local orientation of industrial production are not by themselves the conditions of national autonomous capitalist development.

Following the spirit of the law and the need to substitute imports during the war period, the first industries established by Fomento were oriented towards the local market, and made use of local raw materials. These first subsidiaries of Fomento were the Puerto Rico Glass Corporation and the Puerto Rico Pulp and Paper Corporation. The first produced bottles for the rum industry and the second produced cardboard for making the boxes to package and ship the rum bottles. The glass plant used silica sand, which was found in large quantities on the island, and the cardboard plant used bagasse (sugar cane husks) and paper wastes collected locally. Other subsidiaries such as the Puerto Rico Cement Corporation, acquired from the PRRA, the Puerto Rico Clay Products Corporation, the Puerto Rico Shoe and Leather Corporation, and Telares de Puerto Rico (which eventually was established as a joint venture between Fomento and Textron Corporation) illustrate the programme's orientation toward the local market.[36]

In theory, the main objective of the industrialisation programme was to open the road to the industrial development of Puerto Rico, to provide jobs for workers, and to improve the living conditions of the population. However, as in the case of agrarian reform, the interests and conflicts involved were more complex and less altruistic than the PPD politicians made them appear, as we shall discuss later.

These two main programmes were complemented by a series of reforms also conceived in the context of the New Deal legislation passed by the Roosevelt government in the metropolis. An example of these reforms was the laws on minimum wages and labour conditions. These laws increased the minimum wage in the sugar cane and home needlework industries and were the result of the extension to Puerto Rico of the Fair Labor Standards Act, approved by the US Congress in 1938.[37] Another measure based on federal legislation was the expropriation of all private electric and energy companies operating in Puerto Rico and their centralisation under a public corporation, the Water Resources Authority.

[36] For a detailed account of Fomento and its subsidiaries see David F. Ross, *The Long Uphill Path* (Río Piedras, 1969).

[37] Puerto Rico Planning, Urbanizing and Zoning Board, *A Development Plan for Puerto Rico* (Santurce, 1944), p. 44 (hereafter quoted as Planning Board, *A Development Plan*).

The federal government expropriated these companies under power granted to it by the War Powers Act for national security reasons, and later transferred them to the colonial government's Water Resources Authority.[38] These expropriations were in no way 'nationalisations'; rather they were 'state takeovers' of public services for strategic reasons.

In synthesis, the strategy of development implemented between 1940 and 1947 envisaged an agrarian reform which would resolve the crisis in the agricultural sector that had been precipitated by the restrictions of the sugar quota. It also sought to lay the basis for the development of the industrial sector as the dynamic and principal sector of the economy. The implicit development model assumed an increase in economic production and in workers, productivity that would allow a greater remuneration for the workers and thus higher living standards. But it also envisaged all this within the framework of capitalist economic relations and colonial political relations. That is, within a framework that would preserve the eminent control of private ownership over the means of production and the subordination of wage labour to capital, as well as preserving US strategic and political interests on the island. Only by going beyond the populist rhetoric of the PPD's programmes and campaign promises, and looking into the implementation and impact of their policies, does the actual class character of the PPD's reformist political project become clear.

The impact of the reformist political project on the social structure

The success of the PPD's reform programme in transforming the Puerto Rican economy was limited. From the statistics, it would not appear that the economy changed much. The agrarian reform law set in motion a limited restructuring in the patterns of land tenure. Changes in the pattern of land tenure after 1930 were caused more by the crisis of the sugar economy than by the agrarian reform programme (see Table 1). Economist José A. Herrero demonstrated that during the 1930s there was greater improvement in land distribution than during the 1940s. He also documented the relatively poor efficiency of the PPD reforms.[39]

How can we explain the fact that the change in land distribution pattern was relatively small after the passage of the Land Law in 1941? Actually, there are several reasons for this. Firstly, a great part of land distributions took place under the *parcelas* programme. By 1945, a total of 13,103 *parcelas* had been distributed for housing units and some 1,159 for

[38] This was the case with the expropriation of the Porto Rico Railway Light and Power Co., and of the Mayaguez Light, Power, and Ice Co. See *Forty-Third Annual Report of the Governor of Puerto Rico, 1943* (San Juan, 1943), pp. 40–1.

[39] Herrero, 'La mitología', pp. 20–30.

Table 1. *Cultivated land by farm size for the census years 1930, 1940 and 1950*

	Total acres		Total acres		Total acres	
	1930	%	1940	%	1950	%
3 acres or less	3,909	0.2	2,154	1.1	—	—
3–9 acres	127,523	6.4	143,284	7.6	143,008	7.8
10–19 acres	147,503	7.4	151,510	8.1	144,449	7.9
20–49 acres	264,712	13.4	258,563	13.7	263,720	14.5
50–99 acres	226,464	11.4	215,540	11.5	216,148	11.8
100–174 acres	201,928	10.2	191,678	10.5	186,539	10.2
175–259 acres	143,888	7.3	135,568	9.3	133,055	7.2
260 or more acres	863,531	43.6	783,557	41.6	737,567	40.4
Total	1,979,458	100	1,881,854	100	1,824,486	100

Source: José A. Herrero, 'La mitología del azúcar' (mimeo, n.d.), p. 29.

communal facilities (churches, schools) for the *parceleros*.[40] This is important because the small plots distributed under this programme did not constitute productive units. (Note that in Table 1, farms of three acres or less are excluded from the accounts of farmland area in 1950.)

It is also worth noting that between 1940 and 1950 total cultivated land declined by 57,368 acres, the greatest amount of which came from the farms over 260 acres (a total reduction of 45,990 acres). We could speculate that many of these lands were marginal sugar lands which were discarded as agricultural lands and then partly distributed in *parcelas*. But in any case, this did not substantially alter the distribution of productive farmland, which was still dominated by large land-holders.

There is also a third reason why there was relatively little change in the land tenure structure during the 1940s. As we noted above, the '500-acre law' was applied to corporations ('juridical persons') according to the stipulations of the law. This meant that many large *colonos* (which were individual owners, not corporations) were able to own lands without having to fear action from the Land Authority. Thus the large *colonos* became beneficiaries of a law that allowed the relative concentration of lands into their hands. Perloff, for example, points out that in 1948 the four major North American sugar corporations in Puerto Rico operated 10 sugar mills (one less than during the 1930s) and produced 39% of the sugar of the country (a reduction of almost 11%). The interesting point is that two of these corporations did not own any land, which meant that all of their sugar cane supply was grown by *colonos*. In all, Perloff points out, 75% of the sugar ground by the US corporations was grown by *colonos*.[41]

[40] *Forty-Fifth Annual report of the Governor of Puerto Rico, 1945* (San Juan, 1945), p. 98.
[41] Harvey S. Perloff, *Puerto Rico's Economic Future* (Chicago, 1950), pp. 74–6.

Table 2. *Share of national income generated by agriculture for selected years 1929/34/39/49 (millions of dollars)*

	1929	%	1934	%	1939	%	1949	%
National Income	176	100.0	164	100.0	196	100.0	597	100.0
Agriculture	87	49.4	71	43.3	59	30.1	152	25.4

Sources: Dudley Smith, *Puerto Rico's Income* (Washington, D.C., 1943), p. 19; Puerto Rico, Junta de Planificación, *Ingreso y producto* (San Juan, 1978), p. 26.

From this discussion, it is reasonable to assert that, although land redistribution was greater in the 1930s than in the 1940s, the main beneficiaries of the Land Law were the large *colonos*, and the *parceleros*.

The other effect of the agrarian reform was to reduce the economic and political power of both the North American and local sugar corporate sector. This allowed the PPD to consolidate its power *vis-à-vis* the sugar bourgeoisie and its allies, who were in retreat. Aside from this, the agrarian reform, particularly the *parcelas* programme, was a step toward stabilising the rural labour supply and reducing migration into the cities, which aggravated problems such as unemployment, urban poverty, and housing in urban centres.[42] This stabilisation was also favourable to landowners who could now count on a stable and subsidised source of labour.[43]

The agrarian reform was also unable to halt the economic decline of the agricultural sector. If we examine the contribution of agriculture to the national income of Puerto Rico between 1929 and 1949, we observe a steady decline from the beginning of the 1930s as shown in Table 2.

In terms of the objective of agricultural diversification the agrarian reform had limited impact as well. By 1950, sugar continued to be the principal product of agriculture in terms of value of production as well as value of exports (despite having experienced a decline during the war period). In 1949–50, the farm value of sugar production represented 52% of the total farm value of agricultural products, which was identical to the 1939–40 figures. Also, sugar constituted 59% of the total value of exports in 1949–50 while in 1939–40 it had constituted 62%. The products that experienced major growth were animal products (meat, milk and eggs), which increased from 22% of farm value in 1939–40 to 25% in 1949–50; and starchy vegetables, which increased from 5% of the farm value in 1939–40 to 7% in 1949–50. Conversely, tobacco and coffee declined

[42] Quintero Rivera, 'La base social', pp. 68–9.

[43] Eric R. Wolf, 'San José; Subcultures of a "Traditional" Coffee Municipality', in Julian H. Steward et al., *The People of Puerto Rico* (Chicago, 1956), p. 250.

Table 3. *Percentages of national income, total employment and total wages generated by the industrial sector 1940 and 1949*

	1940	1949
National income	11.8	13.6
Employment*	10.9	9.1
Wages	15.9	14.1

Sources: Puerto Rico, Junta de Planificación, *Ingreso y producto*, p. 26; Puerto Rico Planning Board, *Economic Development of Puerto Rico: 1940–1950, 1951–1960* (San Juan, 1951), pp. 153, 160.

* Does not include the home needlework Industry.

during this same period.[44] Thus, despite some changes brought about by land reform, sugar remained the most important crop and the major export of the Puerto Rican economy.

The history of the programme of industrialisation is also one of limited short-run success. Even though industrialisation had become a major goal of government policy, the reality was a rather slow development of this economic sector. Table 3 illustrates the minimal impact of the industrial sector on the expansion of the economy in terms of employment and wages, and the slow growth it experienced in terms of national income generated.

The decrease in employment and wages can be attributed in part to the decline in the demand for sugar and rum immediately after the war. However, this shows the importance that sugar processing and its derivatives still had for the manufacturing sector after the war, and the incapacity of the industrialisation programme to counterbalance the negative effects of the decline of this industry.

Table 4 demonstrates that relatively little change occurred in the industrial structure between 1939 and 1949. As we can see, the sugar industry (its manufacturing component) continued to be the most important sector in spite of its declining trend. It should also be noted that the sector that advanced the most was stone, clay, and glass products. This sector included three of the largest production plants in the country which were owned by the state.

While it is true that the reformist industrialisation programme did not fundamentally alter the industrial structure in the short run, it did initiate important changes. The construction of infrastructure (buildings, roads, electrical installations, etc.), and the training of industrial workers and administrators, as well as the creation of new jobs (albeit in very limited

[44] Planning Board, *Economic Development*, pp. 28, 48, 101, 163.

Table 4. *Ten most important industries in Puerto Rico measured in terms of value added, production jobs, wages, and national income generated, 1939–1949*

	% of total value added		Ranking		% of total prod. jobs		Ranking		% of total prod. wages		Ranking		% National income†		Ranking	
	1939	1949	1939	1949	1939	1949	1939	1949	1939	1949	1939	1949	1940	1949	1940	1949
Sugar	53	41	1	1	43	31	1	1	n/a	40	—	1	35	36	1	1
Apparel	20	11	2	2	26	22	2	2	n/a	15	—	2	22	20	2	2
Beverages	7	10	3	3	4	5.5	4	3	n/a	5.5	—	5	8	4.2	3	5
Bakery products	3	4.5	4	6	6	5.5	3	3	n/a	6	—	4	4.4	4.2	4	5
Printing and publishing	2.9	4	5	7	3	2	6	8	n/a	4	—	6	3.3	3.5	6	8
Chemicals	2.1	5	6	5	1.7	2	8	8	n/a	3	—	8	4.1	3.9	5	7
Non-electric mach.	1.9	1.5	7	10	2.1	1	7	10	n/a	2	—	10	n/a	n/a	—	—
Furniture	1.5	3	8	8	3.4	4	5	6	n/a	3.7	—	7	2	4.4	8	4
Manufactured ice	1	*	9	*	1	*	10	*	n/a	*	—	*	n/a	n/a	—	—
Tobacco manufactures	0.8	*	10	*	1.7	*	8	*	n/a	*	—	*	n/a	*	—	*
Stone, clay, glass and cement	*	7	*	4	*	5	*	5	n/a	7	—	3	3.3	6	6	3
Costume jewellery	*	1.6	*	9	*	4	*	7	n/a	2.4	—	9	n/a	n/a	—	—

Sources: US Bureau of the Census, *Census of Manufactures, Puerto Rico, 1949* (Washington, D.C., 1949); and Junta de Planificación, *Ingreso y Producto*.

* Out of the top ten.

† There are no detailed figures for national income before 1940.

n/a not available.

quantities) may well be the most important achievements of the PPD's industrialisation programme in the short term. Yet, beyond these, there was a qualitative achievement of even greater importance: the creation of an economic and ideological climate favourable to private industrial capital. As a Fomento report stated: '[T]he intention [of Fomento's industrialisation programme] has been and continues to be to show private capital the road to productive investments, to stimulate it in the selection of feasible projects, and to share the risks and labours in cordial cooperation with it'.[45] While the specific fraction of private industrial capital for which Fomento was willing to show the road to productive investment will be discussed below, this quotation illustrates the class character of the PPD's reformist political project.

In the short run, the agrarian reform and the industrialisation programmes provided a temporary and incomplete remedy to the crisis of the sugar economy, while at the same time laying the groundwork for the coming of private industrial investments. But what was the achievement of the PPD and their reformist project during the 1940s? What did the party accomplish that earned it sweeping electoral victories in 1944 and thereafter for two decades? What did the PPD do to weld its popular support while articulating the interests of the dominant sectors of the colonial society?

A clue to the first of these questions can be found in a study done by the Economic Division of the Puerto Rico Planning Board during 1950–1 which evaluated the patterns of economic development in the 1940s. According to this study:

> The really substantial increases took place in the services rendered by the distributive industries and the government... A close analysis of the gross product and [national] net income figures shows that the greatest part of the growth in the output of goods and services and in insular income took place during the war years. During the post-war years there has been a very definite leveling off in the rate of growth.[46]

In other words, the economic growth achieved during the 1940s was due to the expansion of the tertiary sector, particularly stimulated by the extraordinary government expenditures during the war years. Tables 5, 6, and 7 illustrate the expansion of the tertiary and the construction sectors from 1940 until 1949. They show that the major period of growth in these sectors was during the war.

Clearly, the programme of reforms was facilitated by the exceptional circumstances brought about by the war. Indeed, the economic expansion

[45] Compañía de Fomento de Puerto Rico (CFPR) *Informe Annual: 1944* (San Juan, 1945), p. 7.

[46] Planning Board, *Economic Development*, pp. 7, 28.

Table 5. *Percentage of national income generated by the tertiary sector and construction*

	1940	1946	1949
Government*	17.5	29.5	18.8
Transportation, communication and utilities	8.9	5.1	7.1
Trade	11.7	10.1	15.9
Finances, insurance and real estate	10.9	6.8	7.1
Services	9.2	8.0	6.6
Construction	1.1	1.5	5.0
Total	59.3	61.0	61.3

Sources: Puerto Rico, Junta de Planificación, *Ingreso y producto*, pp. 26, 30, 34; Puerto Rico Planning Board, *Economic Development*, pp. 18–19; Harvey S. Perloff, *Puerto Rico's Economic Future* (Chicago, 1950), pp. 398–9, appendix A–2.

* Includes the income generated by the federal government.

experienced in this period was mainly the result of short-term and exceptional economic and political factors. Economic expansion was due to the extraordinary expenditures of the US federal government in military projects and infrastructure (military bases, roads, communications). Between 1942 and 1946, the expenses of the federal government in Puerto Rico directly related to war activities represented a minimum of 9.3% of the gross national product in 1942 and a maximum of 18.2% in 1945. Total expenditures of the federal government exceeded the 100 million dollars mark in 1943–6.[47] In addition to these extraordinary revenues from direct war expenditures, the federal government returned some 168 million dollars in collected taxes to the colonial government between 1942 and 1946. Much of this extraordinary revenue came from the return of excise taxes on rum.[48]

These two sources of extraordinary revenues permitted the colonial government to expand its economic activity. While the expenditures of the federal government were directed to the construction of infrastructure, roads, and sanitary facilities, the colonial government could channel the other revenues into its developmental and social welfare programmes. Between 1939–40 and 1949–50, the expenditures of the colonial government for administration and social welfare programmes increased from 18.3 million dollars in 1939–40 (65% of all government expenditures) to 91.2 million dollars in 1949–50 (78.3% of all expenditures). In social welfare, the specific areas that received increases were: education, whose share increased from 7.3 million dollars (26% of all government

[47] Planning Board, *Economic Development*, p. 126.

[48] Belén H. Cestero, *Balance of External Payments of Puerto Rico: Fiscal Years 1941–42 to 1947–48* (San Juan, 1950), p. 13.

Table 6. *Percentage of total employment generated by the tertiary sector and construction*

	1940	1946	1949
Government	2.5	8.1	7.2
Transportation, communication and utilities	3.9	4.8	4.6
Trade	10.3	12.2	14.2
Finances, insurance and real estate	0.3	0.2	0.6
Services	14.2	12.7	11.9
Construction	3.1	3.9	4.9
Total	34.3	41.9	43.4

Source: Puerto Rico Planning Board, *Economic Development*, p. 153, table 4.

Table 7. *Percentage of total salaries paid by the tertiary sector and construction*

	1940	1946	1949
Government	31.3	46.3	36.2
Transportation, communication and utilities	6.8	4.5	5.0
Trade	6.0	4.6	8.3
Finances, insurance and real estate	1.2	0.7	1.1
Services	11.7	8.9	10.4
Construction	1.7	2.2	4.4
Total	58.7	67.2	65.4

Source: Puerto Rico Planning Board, *Economic Development*, p. 160, table 12.

expenditures) to 33.1 million dollars (28.4% of expenditure); public aid, which jumped from 0.5 million dollars in 1939–40 (1.8% of total expenditures) to 8 million dollars in 1949–50 (6.9% of total expenditures); and public health, which increased from 1.1 million dollars in 1939–40 (3.9% of the total expenditures) to 6.7 million dollars in 1949–50 (5.7% of total expenditures). Also, government expenditures in industrial and agricultural development increased between 1939–40 and 1945–6, but they decreased by 1949–50. Expenditures in industrial development increased from 99 thousand dollars in 1939–40 to 8.3 million in 1945–6, but were reduced to 2.1 million by 1949–50. Finally, expenditures in agricultural development for these same years were 1.5, 4.5, and 4.2 million dollars respectively.[49]

Thus, wartime conditions actually enabled the PPD government to fulfil many of its promises and to consolidate its popular base of support. The expansion of government services, employment and national income,

[49] Planning Board, *Economic Development*, p. 71.

as well as the implementation of some income redistribution measures, were relatively successful in improving the living conditions of many Puerto Ricans. Besides social services, one key improvement was in wages. Real wages increased by 47% in the agricultural phase of the sugar industry, and they increased in every other industry except the home needlework and sugar processing industries.[50] The share of the national income corresponding to wages increased from 55.5% in 1940 to 60.4% in 1947. Conversely, the share corresponding to profits and interest declined slightly from 37.1 to 36.6% during this period. National income as a whole increased by 142% while the wages component of the national income increased by 163%, and the profit and interest component increased by 138%.[51] That is, wages grew at a higher rate than profits and interest during this period.

In addition to all of these improvements, we should remember that the PPD had literally given away thousands of *parcelas*. If it is true that these were only a small number in comparison to the many thousands of peasants still landless, it was still an important political gesture. The hope of receiving a *parcela* was not a mere dream but a real possibility as long as the PPD was in power. This was certainly very important also in the consolidation of the electoral base of the PPD.

The evidence presented indicates the short-term and transitional character of the changes effected by the reform programmes of the PPD. It also indicates that in the long run these changes were oriented towards laying the basis for the restructuring of capitalism within the colonial framework, rather than towards its dissolution. Clearly, the PPD's reformist political project articulated the long-term and strategic objectives of the dominant classes (i.e. political stability during the war and economic restructuring for the long run), as well as the short-term interests of the working classes, jobs, better income and security (social welfare). So how did the PPD succeed in articulating apparently antagonistic interests and in the process become the dominant political force in the country?

The class basis of the reformist project and its contradictions

As we have seen, the reform programme of the PPD was established and implemented within the legal–political framework of the colony. Even though these reforms were directed against the sugar interests, the existing legal–political order was not questioned by the PPD. In fact the party made it clear that the resolution of the colonial question was not a

[50] Planning Board, *Economic Development*, p. 156, table 7.

[51] Calculated from Junta de Planificación, *Ingreso y producto Puerto Rico, 1978* (San Juan, 1978), p. 43.

campaign issue in the 1940 and the 1944 elections, but rather their immediate aim was to solve the 'problems whose solution will be within the realm of our power as a majority party'.[52]

We should ask, why did the PPD's reformism remain within the boundaries of the colonial juridical framework and within the framework of imperialist capitalism if, indeed, they were an embryonic state class with hegemonic aspirations? Furthermore, why did they not try to transcend these constraints and articulate their class interests in a project of national affirmation (i.e. independence)? And, finally, how did they consolidate their popular support while articulating the interest of the dominant classes? The answers to these questions lie in the class basis of the PPD.

The crisis of the 1930s brought about two important processes for the formation of the populist alliance. On the one hand, a great number of rural proletarians and peasants had been displaced and now formed a mass of unemployed people migrating to the cities. This displaced mass of workers defined their immediate interests in terms of a job and a place to live. On the other hand, the rupture in the power bloc resulting from the crisis allowed the emergence of a subordinate fraction of the power bloc as the leading force in the political opposition to the continuation of the single-crop economy. These diverse social forces formed the core of the PPD's populist alliance, that is, an alliance between a subordinated fraction of the power bloc and the working classes, which were opposed to the dominant fraction of the power bloc.

Other elements integrated into the PPD were the displaced *hacendados* and the *colonos*. As Quintero Rivera points out, the former had lost or sold their lands and were now found in the professional or the service sectors of the economy. The latter saw in the PPD the opportunity for changes in the sugar sector that would reduce the power of the corporations and benefit them. The leadership of the PPD was formed by a techno-bureaucracy made up of intellectuals, professionals, and technicians. Part of this group had been within the colonial bureaucracy but was not directly linked to the dominant sugar sector. Another part of the techno-bureaucracy came from within the ranks of the displaced *hacendados*. The diversity of the populist alliance made it necessary to reconcile diverse and often opposed interests into their political project.

Indeed, the programme of the PPD articulated these diverse and sometimes even opposing interests. The agrarian reform benefited the small and medium farmers, stimulating their growth and improving their economic condition. It also benefited agronomists, foremen, and farm administrators. They had been displaced by the decline of export

[52] PPD, *Programa, 1940*, p. 2.

agriculture, but they now had a chance of getting good jobs on the proportional profit farms and other programmes of the Land Authority. Another group that benefited from the PPD's reformist project were the large *colonos*, who were also major supporters of the PPD. This group benefited because the PPD did not enforce the '500-acre law' against them. Furthermore, the PPD favoured the distribution of sugar quotas in such a way as to benefit local sugar growers and producers and to improve the terms of financing the *colonos*' crops.[53] Other large landowners were also benefited indirectly by the reform since the *parcelas* communities stabilised labour supply in rural areas by reducing migration, and subsidised wages by providing rural workers with land on which to grow a portion of their food. Finally, the individual farms and the *parcelas* programme opened the possibility for landless peasants and rural proletarians to secure their basic subsistence, while the incentives and projects for agricultural diversification offered hope to coffee, tobacco, and fruit growers.

It is evident that the reformist programme favoured the interests of the elements that made up the populist alliance. Yet it is also true that these reforms did not affect the strategic interests of the United States in any fundamental way. As we pointed out, the agrarian reform directly affected the sugar corporate interests, but the importance of Puerto Rican sugar to the United States had been declining since the imposition of the sugar quota in 1934. Since then and throughout the war, the US government stimulated reductions in sugar cultivation in favour of cultivation of foodstuffs. In fact, the Agricultural Adjustment Administration (a federal agency created by the Roosevelt Administration) paid subsidies to sugar growers (including the large US corporations) to stimulate reductions in sugar cultivation and increases in food crops.[54] Thus, the agrarian reform policies of the PPD coincided with the policies of self-sufficiency encouraged by the US government during the war.[55]

Quoting an article published in 1941, Governor Tugwell pointed out

[53] Jesús T. Piñero, who had been President of the Puerto Rican Farmers Association, is probably the best illustration of the influence of the large *colonos* within the PPD. Piñero was elected to the Puerto Rican Legislature for the PPD in 1940, and in 1944 was elected Resident Commissioner for Puerto Rico in Washington. In 1946, President Truman appointed him Governor of Puerto Rico, and he thus became the first Puerto Rican Governor appointed by a US President. On the benefits of the PPD's legislation to *colonos* see Gerardo Navas, 'Surgimiento y transformación del Partido Popular Democrático', in Navas (ed.), *Cambio y desarrollo*, pp. 24, 27, and passim.

[54] *Forty-Third Annual Report of the Governor of Puerto Rico*, p. 3.

[55] Planning Board, *A Development Plan*, p. 19; and Charles T. Goodsell, *Administración de una revolución* (Río Piedras, 1967), p. 36.

that the sugar corporations saw Puerto Rico's future as a sugar-producer as uncertain, and were prepared to reduce their operations. The companies were ready and willing to sell their lands, their only concern being that the government would confiscate them.[56] The only resistance and haggling would be over the price terms and other secondary issues. As a matter of fact, US corporations adapted to the situation by restructuring their operations, reducing sugar growing and concentrating on the grinding and processing phases. They were thus able to maintain their profitable status.[57]

The industrialisation programme was presented as a permanent solution to the socio-economic crisis. It was successfully portrayed to the working classes by the PPD leadership as having unlimited possibilities to provide stable and well-paid jobs. This in part explains the support given to the PPD's industrialisation programme by the CGT and the PCP.[58]

Another sector whose interests were articulated by the industrialisation programme was the sector of professionals and technicians that formed the core of the PPD leadership. This sector had developed as a coherent group and a social force through their participation in institutions like PRERA and PRRA. They saw in industrial development the possibility of maintaining their leadership role in the process of socio-economic development. They believed that industrial development gave them the opportunity to occupy positions of leadership in society because they would control those institutions linked to the industrialisation process.

In addition, there were elements within the local bourgeoisie who participated actively in the process of state-based industrialisation. However, these elements were not a highly visible part of the populist alliance. Their participation within it was more at the level of policy-making than at the level of political activism. Puerto Rican entrepreneurs from private banks and industries were incorporated onto the board of directors of Fomento and of all of its subsidiaries.[59]

[56] Tugwell, *The Stricken Land*, p. 91.

[57] Between 1942 and 1948 the profits declared by the US sugar corporations amounted to a total of 19.7 million dollars. In 1942 profits were 4.5 million, but they declined to 1 million in 1946 before rising to 4.1 million dollars in 1948; Cestero, *Balance of Payments*, p. 18.

[58] Mattos Cintrón, *La política y lo político*, pp. 13, 200 and notes 143 and 145; also Awilda Palau de López, 'Análisis histórico de la figura de Teodoro Moscoso', in Navas (ed.), *Cambio y desarrollo*, pp. 154–5.

[59] A list of the private entrepreneurs that formed part of the board of directors of Fomento and its subsidiaries appears in Puerto Rico Development Company (PRDC), *Third Annual Report, 1945* (San Juan, 1945), p. 7; they were mostly executives from local banks and other local businesses.

David F. Ross, a former employee of Fomento who wrote a history of the industrialisation programme, said the following about the role of those entrepreneurs:

> Its personnel [that of the Board of Directors of Fomento] had been selected to lend an aura of conservatism and respectability to an organization which might otherwise have suffered the ill effects of a reputation for radicalism and socialist tendency. Actually, the bankers and businessmen who served as board members ... did much to impose the substance of conservatism.[60]

For their part, the US officials in charge of Puerto Rican policy and the American colonial administrators on the island saw clearly that the establishment of government industries could fulfil a double purpose: (a) import substitution during the war period when freight ships operating between Puerto Rico and the United States had been necessarily reduced; and (b) the provision of a long-term solution to the socio-economic crisis of the colony.[61] President Roosevelt, for example, was quoted in Fomento's First Annual Report as saying, 'the situation in Puerto Rico calls for the encouragement of industrial enterprises which will create employment'. In this same report President Roosevelt's remarks were joined by those of conservative Senator Robert H. Taft who was quoted as saying, 'I believe that the only possibility of a decent standard of living lies in the industrialisation of the island'.[62]

Most certainly, the PPD's industrialisation programme coincided with the long-term interests of the North American bourgeoisie. Moreover, the technocrats leading Fomento were aware of this convergence and utilised it to legitimise their programme in the eyes of the metropolitan government. The following quotation from the Third Annual Report of Fomento substantiates this assertion:

> Management [of Fomento] is confident that the Federal Government will give the island the same opportunities to develop industries as is apparently the established policy with respect to foreign countries. This may be judged by the following statement of Honorable Spruille Braden, Assistant Secretary of State, published on December 8, 1945, in *Foreign Commerce Weekly*, an official publication of the U.S. Department of Commerce. 'Lest there be misunderstanding on this score, I wish to emphasize that the United States Government rejects the view that the industrialization and diversification of the Latin American economies are threats to the maintenance of our export markets in that area. The ancient mercantilist fallacy that an industrial exporting nation should strive to impede the industrialization of its overseas markets was ridiculed and exploded nearly 200 years ago by Adam Smith; but like many mistaken

[60] Ross, *The Long Uphill Path*, p. 85.
[61] Planning Board, *A Development Plan*, p. 5.
[62] PRDC, *First Annual Report, 1943* (San Juan, 1944).

theories, this one dies hard. ... Self-evidently, countries with low productivity have low living standards: life among the masses is a bitter struggle for rudimentary needs, and so the market for imports is narrow and limited. This axiom is witnessed in the significant fact that we normally export more goods to Canada, an industrialized nation, than to the whole of South America; although the latter has nearly 10 times the population of the former.'[63]

Obviously, the most advanced sectors of the industrial fraction of the imperialist bourgeoisie were foreseeing the advantages (for them) of industrialisation in Latin America after the war. The increased capacity of US industry, particularly in the production of machinery, consumer durables, and other capital goods, was beginning to prompt a redefinition of the role of US capital towards Latin America. Instead of the traditional role of producer of primary goods and consumer of finished manufactured goods, Latin America was now seen as a market for surplus capital and a consumer of capital goods. As a result of the extraordinary technological developments during the war, and of the increased productive capacity of industry, the imperialist fraction of the North American bourgeoisie looked for new horizons. They saw in the industrial expansion of Latin America opportunities for new investments and for the expansion of capital goods exports. Industrial development in Latin America could be part of the answer to a possible post-war crisis created by excess productive capacity and idle capital. The most advanced elements of the imperialist bourgeoisie and its strategists in government were beginning to see with relative clarity the need for a redefinition of the international division of labour after the war. To their credit, the PPD cadres in Fomento also perceived this emerging trend and were trying to insert Puerto Rico into the new international capitalist order.

Clearly, PPD reforms in agriculture, industry, public works and social welfare, coincided with the strategic interests of the United States, which at that time were politico-military in nature (i.e. to preserve stability in the colony). In his account of his period as governor, Tugwell clearly stated this as his main objective:

My duty as the representative of my country in Puerto Rico was to shape civil affairs, if I could, so that military bases, which might soon (before they were ready) have to stand the shock of attack, were not isolated in a generally hostile environment.[64]

According to Tugwell, political stability on the island could only be

[63] PRDC, *Third Annual Report*, p. 35, emphasis in the original. A similar quotation from the US National Association of Maufacturers had appeared also in CFPR, *Informe Anual, 1944* (San Juan, 1945), p. i.

[64] Tugwell, *The Stricken Land*, p. 148; see also pp. 69 and 137.

achieved through economic and social reform. Hence, the agreement of Tugwell with the reformist policies of the PPD.[65]

Thus the PPD managed to articulate a broad alliance with a wide popular base by presenting its reformist project as the alternative to the crisis of the sugar economy in which everyone gained something. After the colonial government suppressed the possibility of a radical nationalist alternative through the repression of the PN, and after the PS–PR coalition proved its incapacity to provide a durable solution, the reformist project became the most appealing alternative both for the dominant and for the subordinate classes. The PPD managed to channel the social discontent of the popular sectors, which at that time lacked an organic leadership.

The ability of the PPD leadership to reconcile such diverse and seemingly antagonistic interests stems, however, not only from the political vacuum left by the crisis of the 1930s, but also from their sociological make up. This group of technocrats and bureaucrats enjoyed a degree of political autonomy *vis-à-vis* other groups and classes by virtue of the existing political vacuum and their relative independence from the preceding colonial regime and the sugar interests. Their technocratic character enabled them to appear as honest brokers with a popular solution to the crisis. If the techno-bureaucracy that led the PPD had been an embryonic national class, it would be logical to expect this group to have evolved towards a political position in favour of independence and challenge US dominance. This never happened and, as we have observed, it was never intended. The PPD's political project propitiated the transition to a new form of US domination. None of the reform programmes of the PPD ever went beyond the legal–political and economic framework of the colonial relation.

Because of the need to articulate diverse class interests the PPD resorted to an ambiguous non-class discourse, typical of populist movements. As was indicated previously, the political campaign of 1940 revolved around the issues of agrarian reform and the elimination of the sugar monopoly. These issues attracted the peasants, elements from the rural and urban proletariat, and the unemployed to the political sphere of the PPD. These groups identified their most immediate interests with the PPD's promise of 'bread, land, and liberty'. To them 'bread and land' articulated their aspirations for economic well-being and stability, while the call for 'liberty' expressed their discontent with the oppression of the sugar corporations and the colonial regime associated with them. As Quintero and González correctly argue, it was very unlikely that the class rhetoric

[65] Tugwell, *The Stricken Land*, p. 112 and passim.

of the PS, which had been discredited by its participation in the *Coalición*, or the recently formed PCP would appeal to these sectors.[66] However, the PPD's non-class slogans (bread, land, and liberty) did appeal to the immediate interests of these sectors. In other words, the process of socio-economic displacement and political realignment of the working classes triggered by the crisis laid the groundwork for the dilution, at the politico-ideological level, of what were basically class contradictions into non-class contradictions. The displaced working classes and other sectors of the subordinate classes were constituted by the PPD rhetoric into 'the people'.

The PPD's discourse transformed and reduced class contradictions to a series of antinomies representing two polarities: the people, which the PPD represented, and the enemies of the people, the power bloc, represented by the sugar companies and the Socialist–Republican coalition.[67] The metropolis/colony antagonism was expressed in the PPD's discourse in the juxtaposition between the *jíbaro* (the Puerto Rican peasant) and absentee capital (US sugar corporations). The first represented all that was essentially good of Puerto Rican culture and society. The second represented all that was evil. The rich/poor, exploiter/exploited, antinomies were also favoured in the PPD's rhetoric. These were used as static concepts of social positions rather than as characterisations of exploitative relations. Rich and poor were seen as two points on a scale measured by income, education, and other social factors rather than as the expression of a relation of exploitation. Finally, the people/enemy-of-the-people antinomy served to detach the class character from the terms of political struggle, and to redefine the boundaries that divided political forces by transforming them into moral categories, the good versus the bad; the enemy may be the sugar corporations but it may also be the Communist Party which 'opposes progress'.

It is here that we find the key to the PPD's 'success'. This was its capacity to mobilise the working masses around a political project which in practice articulated their interests in a subordinated manner, yet presented them, at the level of discourse, as the principal beneficiary of the project. In other words, the particularity of the PPD's populism as a solution to the crisis was its capacity to articulate and defuse at the same time the class antagonisms and contradictions that constituted the very basis of the crisis of colonial domination.

[66] Quintero Rivera, 'La base social', pp. 73–9; González, 'Class Struggle and Politics', pp. 50–1.

[67] I am drawing here on Ernesto Laclau's analysis of populism in *Politics and Ideology in Marxist Theory*, (London, 1977), ch. 4.

Conclusion

What defined the class content of the populist reformist political project was its unfolding from the ambiguous level of its discourse into concrete policies and laws, and the political direction that its implementation took. The praxis of the PPD's project was clearly aimed at restructuring imperialist capitalism in Puerto Rico. Hence, the limited nature of the changes that it prompted which left untouched the economic framework of capitalism and the colonial political framework.

The agrarian reform, the 'bread and land' of the PPD's slogan, did not mean the expropriation of corporations and the distribution of their lands to the peasants and workers who 'tilled it', but rather it meant the establishment of state-owned farms, *parcelas* on marginal lands, and a few individual farms. Social justice, another slogan of the PPD, did not mean workers owning the factories they worked in, or trade unions participating in policy decisions for profit distribution as would be the case of the projects of the PCP and the CGT. What it meant was wage increases, and increases in social services aimed at providing adequate conditions for the social reproduction of labour to be exploited by capital. There was no alteration in the private ownership of the means of production or in the colonial nature of political domination and, therefore, in who would ultimately decide what to produce, when to produce it, and how to distribute it. 'Liberty' became self-government for the colony rather than the construction of a nation-state through independence, as the Nationalists advocated.

The key achievement of the PPD's reformism was to lay the politico-economic conditions for the change of the axis of capital accumulation from the agricultural sector to the industrial competitive sector. Thus the PPD's reformist developmentalism allowed the necessary social and political changes for maintaining the political and economic dominance of the United States in Puerto Rico.

The PPD leadership revealed itself not as an embryonic class or as an aspiring ruling class, but as a social category whose interests were principally linked to those of the US government and capital. In other words, the PPD's leadership was not a 'class in the making', articulating a national political project that became frustrated by the structural limitations of the colony. Rather, it was a techno-bureaucracy whose particular relationship to the state apparatus permitted it to assume a role of political leadership at a time of crisis. This techno-bureaucracy was part of the colonial power bloc and articulated the political project of one of the fractions of this power bloc. At no time can we see the constitution

of a nation-state or the achievement of national development as key components in the PPD's reformist project.

In view of the evidence presented here, it is clear that the characterisation of the PPD as a movement of the middle sectors and the working classes with a national project can only be based on an inadequate extrapolation to Puerto Rico of the Latin American populist experience. Indeed, there are many elements which are common to Puerto Rican and Latin American populism – a political vacuum, a charismatic leader, a modernising pro-industrialisation drive, as well as an ideology that emphasises social justice in an ambiguous manner.

But this does not mean that, like its Latin American counterpart, Puerto Rican populism was a movement that challenged the hegemony of the traditionally dominant landed oligarchy with a political alternative of the national bourgeoisie. Any suggestion to that effect forgets that at no point during the crisis of the 1930s was the hegemony of the United States seriously challenged. Moreover, at no point were the sugar companies or the US government in a position in which the terms of the reforms were dictated by the PPD leadership or any other local group. In this sense, the particularity of Puerto Rico as a colony needs to be accounted for in order to explain the nature of populism on the island. Puerto Rican populism, like its Latin American counterpart, was a movement that facilitated political and economic restructuring according to the interests of the bourgeoisie.[68] The difference in the Puerto Rican case was that the bourgeoisie was the North American bourgeoisie. Nationalism is not a constitutive element of populism. It is precisely the ambiguity intrinsic in populist discourse (the demagoguery normally associated with these movements) that permits disparate outcomes. The PPD was indeed a populist party similar in many ways to other Latin American parties that wear such a label. Puerto Rican populism, however, articulated the interest not of a local bourgeoisie in formation but of an imperialist bourgeoisie.

[68] Ianni, *La formación del estado populista*, p. 174.