

Puerto Rico and the Philippine Example

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In a recent op-ed in the *New York Times*, Nelson Denis describes the horrendous economic situation in Puerto Rico and compellingly shows the source of the problem to be the continuing colonial exploitation of the island by the U.S. government acting on behalf of key U.S. corporate interests. The long-term solution, says Denis, is independence. Puerto Ricans needn't be afraid of breaking from the United States, he reassuringly advises:



A gradual transition to independence (like that of the Philippines in 1946) would allow both island and mainland to adjust to a sovereign and self-sustaining Republic of Puerto Rico. It is the only way to end this colonial tragedy.

The Philippine example, however, is one that should be used by social justice activists with considerable caution. Two points in particular should be kept in mind. First, although the Philippines became formally independent on July 4, 1946, U.S. economic and military domination remained. Second, the immigration situation with the Philippines is very different from what it is with Puerto Rico.

Trade relations between the United States and the Philippines were governed by the 1946 Philippine Trade Agreement that specified that

1. U.S. exports would be admitted into the Philippines duty-free, with no limitation on quantity, for a period of 8 years. Then the tariffs would be incrementally increased over the next quarter century until at the end the full duty was being paid. Philippine exports to the United States would follow the same pattern, except that there would be absolute quotas — a limitation on the amount that could enter the United States whether paying full duty or not — sugar and other major Philippine exports. Given that the Philippines had been devastated during World War II and that the United States had emerged from the war with the strongest economy in the world, justice would have demanded that Philippine exports receive more preference than U.S. exports; but the opposite was the case.
2. If the U.S. president determined that any Philippine export was coming into competition with U.S. products, the president could unilaterally impose a quota on it. No comparable authority was given the Philippine president.
3. The Philippines was prohibited from imposing export taxes; the United States was similarly prohibited, but this was already prohibited by the U.S. Constitution.
4. The Philippines was prohibited from changing the value of its currency relative to the dollar or imposing any restrictions on the transfer of funds from the Philippines to the United States, except by agreement with the U.S. president.
5. The existing Philippine constitution had provided that operation of public utilities and ownership of natural resources be restricted to firms that were at least 60 percent Filipino-owned. Now the "parity" provision of the trade agreement required the Philippines to amend its constitution so that American citizens and companies had the same rights as Filipinos. This gave U.S. corporations rights in the Philippines that corporations of no other country had.
6. The U.S. president had the authority to suspend all or part of the Trade Act if he or she found that the Philippines was "in any manner" discriminating against U.S. citizens or business enterprises.

The Philippines agreed to this trade agreement, but under duress. If the parity provision were not accepted, war damage payments would be sharply limited. (During the war, U.S. officials had promised rehabilitation aid. The Philippines had suffered terrible destruction during World War II, with Manila the most completely devastated capital city in the world after Warsaw, and much of the damage had been caused by the U.S. military in its reconquest of the islands from the Japanese.). But even then, the parity provision would not have made it through the Philippine Congress but for the fact that nationalists and leftists were ousted from the legislature.

U.S. military interests in the Philippines continued and were expanded after independence. The United States acquired the huge Clark Air Base, Subic Naval Base, and numerous other facilities for 99 years, rent-free. These bases were not for protecting the Philippines from foreign threat — U.S. officials knew that there was no such threat — but for projecting U.S. power into Asia. (These bases played a major logistical role in the Korean and Vietnam Wars.) In return, the Philippine elite received military aid and military advisers that were designed to protect the elite from the radical and impoverished peasantry.

Over the years, the terms of these agreements were modified in various ways to mollify nationalist criticisms. Sometimes cosmetic changes were made (e.g., parity was made reciprocal, so that Washington could not discriminate against the negligible Philippine investment in the United States) and sometimes the changes enhanced U.S. privileges (e.g., parity was extended to cover not just public utilities and natural resources, but all business activity). But the basic pattern of the neocolonial relationship remained: despite formal independence, U.S. elites were able to maintain their economic and military interests by forming an alliance with the Philippine elite at the expense of the well-being of the Philippine people.

So what happened to the Philippines in 1946 should hardly be considered a model for what one would like to see happen to Puerto Rico.

The second thing to note about the Philippine experience is that its formal independence was so much easier than would be the case with Puerto Rico. In 1934, there were some 150,000 Filipinos in the United States — most of these in Hawaii, which wasn't a state at the time — compared to a population in the Philippines of 14 million. In that year the U.S. Congress passed the Tydings-McDuffie Act providing for the independence of the colony after a 10-year Commonwealth period. But the Act specified that during the Commonwealth period only 50 Filipinos would be allowed to enter the United States as immigrants per year. (The motives for the passage of this Act included some anti-colonial sentiment, along with the desire to keep out Philippine competition to American agricultural products and the desire to keep out Filipinos, against whose presence there had been race riots on the West Coast.) So in 1946, the number of Filipinos in the U.S. was quite small compared to the population of either the Philippines or the United States. And, given the distance involved, those who had left the Philippines generally did so on a permanent basis.

In the case of Puerto Rico, on the other hand, the island's population today (3.4 million) is actually a bit smaller than the number of Puerto Ricans living in the United States (3.6 million). And many of these people have ties and lives in both jurisdictions, often moving back and forth as economic conditions change. Thus whereas a clean break between the Philippines and the United States in 1946 caused little dislocation to individual Filipinos and Filipino-Americans, for Puerto Rico today any break with Washington would have to address the complications of many Puerto Ricans having connections to both the mainland and Puerto Rico. Would the United States grant dual citizenship to all those living in an independent Puerto Rico? To their descendants? Would an independent Puerto Rico want all its citizens to also be citizens of the United States? These problems are not insoluble, but any advocacy of independence for Puerto Rico needs to seriously engage with them, and these problems did not exist in the Philippine case.

In the modern world, global capitalism makes sovereignty a rather contested notion, especially for small countries. Is sovereignty the path to social justice? Is it even possible? Can a country like Greece make it on its own, apart from the European Union? These are questions that the Puerto Rican left, and the international left more generally, will have to confront, questions that the Philippine experience of 1946 does not help us answer.

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