

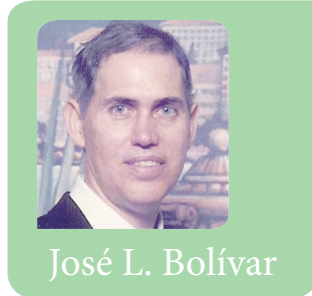
Puerto Rican rum industry: From modest beginnings to international recognition

World War II provided a unique opportunity for Puerto Rican rum producers to sell their product in the U.S. market with relatively little competition. A federal law, passed by Congress in July 1935, empowered the insular government with the tax charged for this product by the federal government. During the first year of its enactment, the insular government received \$355,560. Nine years after passage of the law, in 1944, rum excise tax accounted for \$65,800,000, 63 percent of government revenues. The boom was short-lived, however.

The U.S. spirits market was dominated by Britain's whiskey before the Second World War, during which many British factories were destroyed and German submarines were sinking ships in the Atlantic, affecting transportation to the U.S. market. Thus the U.S. liquor market was without its biggest import item. Because alcohol was considered a strategic material for the war, the federal government required that liquor manufacturers concentrate on producing alcohol instead of liquor.

Fortunately, the threat of German submarines in the Caribbean eroded by early 1943. This situation presented a unique opportunity for Puerto Rican rum producers, as they could sell their entire production to the U.S. market with minimal competition. With the decline of the construction of military bases, one of the main sources of income of the insular government became the rum exported to the United States. Taxes on alcoholic beverages exported from Puerto Rico were reimbursed to the treasury at a rate of four dollars per proof gallon.

Federal reimbursement revenue on the sale of Puerto Rican rum increased progressively from 1941 to 1944. At the beginning of World War II, federal reimbursements constituted 22 percent of General Fund revenues. By 1944, they accounted for 63 percent. Later, near the end of the



José L. Bolívar

war, this amount was decreased. In 1945, rum contributed \$37.7 million, or 47 percent to the General Fund, and by 1946 and 1947, this amount was reduced to 42 and 26 percent, respectively.

After the war, the great American whiskey makers — Seagram's, Schenley, National Distillers and Hiram Walker (located in Windsor, Ont.) — began producing and marketing their products again. The new competition adversely affected sales of Puerto Rican rum, which shrank nearly 40 percent from 1944 to 1945. They fell even more in 1946.

To counteract this decline, the insular government allocated a sum of \$75,000 for the establishment of a pilot laboratory at the University of Puerto Rico to help rum makers improve the quality of their product and lower their production costs. It was hoped that this effort would result in increased revenues to the treasury of the insular government.

Insular government efforts to create a pilot laboratory to offset the loss of income resulting from the decline in rum sales were unsuccessful. Given the importance of this revenue — the only revenue upon which the colonial government of Puerto Rico had any influence — on April 27, 1948, Teodoro Moscoso, president of the Industrial De-



Bacardí rum factory, Cataño, circa 1970

Fundación Luis Muñoz Marín

velopment Company, notified then-gubernatorial candidate Luis Muñoz Marín that the negligence regarding this loss of revenue was "just unbelievable."

Moscoso also showed Muñoz Marín a memorandum prepared by Dr. Gerald B. Tallman, Development Consultant and Head of the Marketing Department at Massachusetts Institute of Technology, in which he focused with more "intelligence" on the aforementioned problem. Moscoso urged that it was vital that Muñoz Marín take "ten minutes" to read and study the memorandum.

The inability of manufacturers to retain the rum market forced another intervention in the economy by the state government. On March 14, 1949, under the newly elected administration of Gov. Muñoz Marín, the insular Legislature adopted Act No. 354, which stated that the manufacture of rum would be under the supervision of the insular government. As a result of this law, the rum industry began to thrive again.

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VOICES

Giant step for voting rights ...

The successful federal bilingual ballots case of November 2008 may serve as precedent for other electoral events but was only mandatory for the 2008 general elections. Thus, this House Bill 1853 is a necessary complement to the earlier successful case, which blazed the trail in Puerto Rican Electoral Law. The passage of this bill is a giant step for voting rights in Puerto Rico.

It is also urgent that English is taught as a priority in public schools as it is in private schools. English as a second language should also be taught in the very earliest grades when it is easier for children to learn a language. It is time that all students in Puerto Rico in both public and private schools have equal educational opportunities as in the spirit of the 1954 civil rights case of *Brown vs. Board of Education*. Puerto Rico's public schools should not be minimum-wagers reservoirs or schools for criminals and revolutionaries. English education in our public schools should not be denied or played down because of self-serving status politics. Our students need and must be educated to be fluent in English — the International Language of Business.

Robert McCarroll
from Carolina on August 28

Police in a democracy

It's perhaps never been pointed out that cops here don't like university students. In large measure, police recruits come from low-income rural families. While UPR attendees are mostly middle-class urbanites. So

cops react harshly to anything college students do, whether it be political activism or plain carousing.

And lives have been lost. In 1970, amid student unrest, the Vietnam War and all that, a policeman, just for having been called names, pulled his gun out and coolly shot Antonia Martínez. Then the cop brass and the Ferré people and allegedly the FBI colluded to make sure the assassin would never answer for his crime. He might've even earned himself a chain of promotions, maybe he's one of the police chiefs we've had.

And Cerro Maravilla. It's important to realize that, had the PDP Senate not been obsessed with nailing Romero Barceló, to secure purely political objectives, the crime would remain undisgorged to this day.

It's time the Commonwealth government learned that democracy doesn't mean never-ending strife between two political parties that hate each other, never mind how like-minded.

That democracy is giving the poor a chance to an education, the cops might be UPR students themselves. That democracy means due process of law and equal protection of citizens, just like it says in the United States and Puerto Rico constitutions. That a policeman who murders somebody must go to jail, just like you or I would.

Mariano Marte
from Santurce on August 28

Wonderful appeal of the Côte d'Azur

Let's hope Portal del Futuro / Caribbean Riviera promoters allow time for public design reviews before

laying the groundwork on such a beautiful property. From a small vignette of the conceptual Site Plan published August 21 only the salient features can be gleaned. Public spaces focus on a wide central boulevard, an axial configuration suitable for inland, flat topography — you may recall the great Ave. des Champs Élysées in Paris, replicated handsomely in other cities.

As a result, the project's promenade along the water's edge appears secondary in importance, fragmented, presenting several 90-degree turns where a fluid travel line would be desirable. Leisurely strolling visitors would find themselves "at the edge of something" instead of "at the center of something." If designers would consider shifting the focus of public space towards a waterfront promenade-boulevard they might achieve the wonderful visual appeal and improved social interaction typically seen in towns along the famed Côte d'Azur.

On the other hand, I doubt grassroot efforts relying solely on local resources can reach development goals aimed at high-end tourists. Opportunities for harboring community-based initiatives within the general planning may foster a healthy diversified economy, but "sustainability" of the kind actually thriving in Barrio Obrero, Loíza Street, or Avenida Andalucía would hardly fit the bill.

D. San Fiorenzo
from San Juan on August 28

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