AGRARIAN TRANSFORMATION AND CLASS FORMATION IN THE DOMINICAN REPUBLIC, 1844-1930

by

Emelio R. Betances*

Underpopulation and a lack of development of the productive forces are prominent features of the Dominican Republic’s history. This situation, due in large part to Spanish colonialism, resulted in a stagnant economy and a static social structure that persisted almost until the end of the nineteenth century, and even today its effects linger. Indigenous social structures remained weak, incapable of fostering development, and subject to foreign intrusion. When the Dominican Republic gained its independence from Haiti in 1844, the prospects for independent development and for the formation of a national bourgeoisie that would build a viable economy were poor. The incipient import-export economy was subordinated to the expanding international system of unequal exchange, and consequently the development that took place was conditioned by foreign commerce and capital investments.

The processes of agrarian transformation and class formation during the latter part of the nineteenth and the early twentieth century largely determined the island’s present situation. This study covers the period between 1844 and 1930, during which the bases for the main features of the island’s contemporary underdevelopment evolved. To orient the presentation, I shall use Luis Gómez (1977) concept of “structural ruptures” — historical moments or periods in which the basic structures of a nation or economy are subjected to rapid change or recast.

The first of these structural ruptures took place around the beginning of the 1870s, when large-scale sugar production was initiated. Before then, a dependent mercantilism had existed in which precapitalist social relations of production predominated. Sugar production on a large scale provoked a healthy advance in the forces of production and at the same time introduced capitalist social relations of production into what soon became the most dynamic sector of the economy. With the production of sugar for export, a new period of socioeconomic history began which lasted until the 1890s.

*Emelio R. Betances, a Dominican, is a doctoral candidate in sociology at Rutgers University and is presently teaching Latin American history at the Universidad Autónoma de Puebla in Puebla, Mexico.

Gómez calls this second period dependent premonopoly capitalism because individual capital existed but centralization of property had not yet occurred. In the third period (1890-1930), the sugar industry centralized rapidly, and industrial capital and finance capital began to emerge. North American capital, buttressed by the presence of the U.S. Marines and control of customs revenues, turned the Dominican Republic into an economic colony. This gave the local dominant class a new, dependent character.

All three periods involve structural ruptures that explain the transformation of the Dominican socioeconomic structure as a consequence of its becoming an enclave economy based on sugar production. The sugar industry conditioned the formation of local social classes and prevented their maturation as classes characteristic of a dynamic capitalism.

**THE AGRARIAN SITUATION TO 1870: DEPENDENT MERCANTILISM**

While the Dominican Republic is a rather small country, historically its agrarian structure has differed from region to region. In the mid-nineteenth century, cattle raising and subsistence farming on communal lands were the main productive activities in the eastern portion of the country. In the course of colonial times, ranchers (hateros), closely tied to the colonial bureaucracy, had developed into caudillos (strong men) who constituted an economic and social elite. Families often owned entire regions and thereby controlled the lives of small subsistence farmers and landless peasants. In the Cibao (the northern region), the raising of tobacco and, to a lesser extent, cacao and coffee was the principal economic activity. Closely linked with the European markets, it gave rise to a petty-commercial and agrarian bourgeoisie which by the 1850s was seriously challenging the power of the conservative ranchers. In the southern part of the country, mahogany-cutting supported the economy. A group of conservative timber merchants had emerged prior to independence and at times allied itself with the ranchers to exercise political power. Thus regionalism was one column upon which Dominican rivalry rested.

Cattle raising for meat and hides to export was the main economic activity throughout the colonial period, but by 1870 production was mostly geared to internal consumption. The decline of cattle raising began with the Haitian Revolution in 1791. Haiti had been the main market for Dominican beef, and when the revolution broke out beef exports were suspended, causing a substantial decrease in production. As ranching declined in the Cibao, small-scale tobacco production began to flourish. European merchants advanced money for the production of both tobacco and timber. This development was a response to the growth of European demand for tobacco, a result of the British occupation of Havana (1761-1792) and of the increasing purchasing power for luxury goods that came with the first years of the Industrial Revolution. Tobacco cultivation soon became the dominant economic activity in the Cibao, where land was abundant. Land values began to appreciate as tobacco production increased. Between 1822 and 1844, production for export increased from 588,957 lbs. to 2,518,612 lbs. Foreign merchants built warehouses in Puerto Plata to store tobacco bought throughout the north. Santiago became the center for intermediaries who advanced money during the harvest.
While tobacco growing brought some prosperity, the level of development of the productive forces remained low. The instruments of agricultural production included the Indian coa (a kind of primitive hoe), the machete, and the spade. The plough, which might have facilitated planting, was still unknown. In addition, productive units remained dispersed in the isolated towns of the valley (Gómez, 1977: 36-38). The population of the entire country was scarcely 150,000 in 1851 (Bosch, 1978: 176), and it was scattered in small townships. Town and country remained relatively undifferentiated. Further, communication between towns was limited, and horses and horse-drawn carts were the only means of transportation. According to the historian Moreau de St. Mery (quoted in Boin and Ramía, 1979: 154), "the roads are trails which make traveling difficult and slow. One cannot travel but on horseback or even on foot. When traveling one must carry all that is necessary, namely, food and some sort of a tent. One can only make a journey of eight leagues, often finding no houses around."

The situation also characterized the south. European commercial companies located on St. Thomas, Curaçao, and other islands would advance money to a foreman to contract for the delivery of a certain amount of mahogany to a river mouth. As in the Cibao, there were no roads; consequently, logging camps were located near rivers. Nevertheless, the industry prospered. Timber exports increased from 2,600,000 board feet in 1822 to 600,000,000 board feet in 1844. By 1858, timber represented 80 percent of the region's exports and 34 percent of the country's total exports, second only to tobacco (Boin and Ramía, 1979: 68).

**Rural Domestic Industry**

Nonagricultural production consisted of rural domestic industry, in which craftsmen and women were employed. Pedro Francisco Bonó (quoted by Gómez, 1977: 40), writing during the period, reported that

> entire communes worked in these industries, and among branch collectors and weavers there were thousands of men, women, and children. The main products were wicker baskets, packsaddles, palm-leaf bags, brooms, hampers, etc. On weeknights the whole family would work under the light of a torch. The work turned out is considerable and the value of the objects produced so good that it can be compared in a certain sense to the production of European domestic cloth. These industries constituted a good-sized capital investment for the Cibao's families and saved the country from having to pay for equivalent foreign goods.

Rural domestic industry responded to the needs of an agricultural society. Production remained limited to the family, and wage labor was the exception. Artisans worked in the towns, separated from agricultural activities. Among them were locksmiths, shoemakers, cabinetmakers, potters, tanners, bakers, cloth merchants, silversmiths, and distillers (Boin and Ramía, 1979: 45). In both rural domestic industry and urban crafts, a social division of labor was all but nonexistent.

A similar situation prevailed in the production of sugar. Sugar was grown on a small scale in Bani, Azua, and the capital, where a few traditional plantations with semiservile social relations could also be found. Around Bani there were about a hundred hand mills and around Azua perhaps one to two
hundred. There were some two hundred plantations in Azua (Hoetink, 1971: 18-19). The level of technology of the sugar mills remained quite limited and the means of production in general inefficient. Some mills were made of wood, others of iron, and they were generally powered by animals or waterwheels. The level of development of the mill depended, of course, on the quantity of land the mill owner held, but holdings tended to be small. As in the rest of the "industrial" activity of the country, the family was the basic productive unit, and only the largest plantation owners could utilize peasant labor. Boin and Ramia (1979: 38-39) conclude that "the type of exploitation that predominated in sugar production was agricultural and industrial petty commodity production. Production was individual or within the family. In addition to the owner's labor, sometimes a limited number of workers were hired."

**Political Struggle and Domination**

The long colonial period conditioned the formation of Dominican social classes. Under Spanish rule the country remained underpopulated and the level of development of the forces of production low. The country's most dynamic sectors were tied to the export of agricultural products and always subordinated to the terms of international trade set by foreign powers. Hence, the Dominican social formation must be studied in terms of its relation to international markets and to foreign powers. At the same time the internal struggles that emerged before and after independence cannot be ignored, for they largely established the specific conditions under which subsequent Dominican history unfolded.

The large landowners, ranchers, and timber and tobacco exporters composed the dominant blocs. While these groups had a community of interests, they were divided by their aspirations to political control. Ranchers and timber merchants alternated in political office between 1844 and 1875 despite challenges from increasingly prosperous groups such as the exporters from the Cibao, often backed by foreign money. The history of this period was not, however, simply a struggle between the most important economic interests over state power. The dominated classes, mainly peasant tobacco growers and the flourishing commercial petty bourgeoisie, also made their presence felt. They constituted the leading opposition political force throughout the period of 1844-1875. From the early 1830s on, the most salient elements of these groups had led the Trinitarios movement, which demanded independence from Haiti and fought for the formation of a bourgeois democratic republic similar to those of the United States and Europe. The leading political figure of this movement was Juan Pablo Duarte, the son of a Spanish merchant.

While the Trinitarios enjoyed popular political support, they initially lacked the support of the wealthier groups in the country, the ranchers and the timber merchants. Independence could be proclaimed only when this support had been secured. The weakness of the sectors the Trinitarios represented left them unable to lead a political front after independence, and so it was a rancher, Pedro Santana, who first occupied the Presidency. Moreover, once elected, Santana expelled the leading figures of the move-
ment, and others were assassinated.

The ranchers and timber merchants wanted to annex the country to a foreign power. The leading caudillos of this period, Pedro Santana and Buenaventura Báez, argued that the country was too weak to survive independently. A closer analysis of the First Republic (1844-1861), however, reveals that what really led them to annex the country to Spain in 1861 was their own economic interests. Ranchers and large landowners had been declining economically even before the Haitian Revolution, and the former had developed little support in the Cibao, where the bulk of the population lived. In addition, the growing commercial and agrarian bourgeoisie of the north threatened their political power. Thus, they thought that their interests would be better protected under colonial domination. The Trinitarios, who represented the growing petty-commercial bourgeoisie, argued that the country could survive independently. While the struggle of the Trinitarios against the dominant blocs underlay the main political events of the time, the fight against the Haitian invaders diverted this struggle in the name of national unity. Unity seemed necessary to retain independence in the face of Haiti’s refusal to grant recognition to the Dominican state. Nevertheless, as Boin and Ramia (1976: 175) put it.

Once the danger was over, the internal class contradictions appeared in all their clarity, and the pursuit of foreign protection finds its explanation in factors inherent in the development of the country. The main factor in this period is the threat that the increasing power of the north represented to the political power of the landowners and the timber exporters of the south.

This threat became more marked as the 1850s approached their end. The northerners continued the movement started by Duarte and the Trinitarios and proclaimed the same goal, the founding of an independent bourgeois democratic republic. This threat to the rancher/timber merchant alliance led Santana to annex the country to Spain in 1861. However, the subsequent Spanish occupation only served to speed the development of a Dominican national identity. In addition, the hated military regime imposed “numerous taxes previously unknown to the community . . . . Of course, these and other measures were reflections of the decisively colonial status of the country, which in theory was considered a ‘province’ of Spain and as such had to contribute to the public treasury of the monarchy” (Jiménez Grullón, 1974: 122).

The revolutionary forces that struggled against Spanish colonialism had the support of the foreign merchants who bought tobacco in the Cibao and timber in the south, for the taxes imposed by the colonial government affected their commercial interests. The participation of foreign merchants in Dominican politics goes back to the beginning of independence. In 1853, for example, when Santana was having difficulty keeping the Haitians out of the national territory, Queen Victoria wrote to assure him of Britain’s support in the event of aggression (Domínguez, 1977: 110). According to Domínguez, the British controlled the republic’s foreign import-export sector and were afraid that the United States, which controlled Haitian commerce, might take over Dominican commerce as well. Again, during the revolutionary period of 1857, “the Cibao was openly supported by the Jewish commerce of St. Thomas and Curaçao” (Boin and Ramia, 1979: 177).
While the restoration of independence in 1865 was positive in terms of laying the basis for a bourgeois democratic republic and helping to establish a Dominican identity, the national economy remained weak, and no class emerged strong enough to take the initiative in national development. The country continued to export tobacco and mahogany, and European and North American merchants dominated its foreign commerce. A more dynamic foreign penetration and the formation of a stronger class of local capitalists occurred only with the introduction of the sugar industry enclave in the late nineteenth century.

PREMONOPOLY DEPENDENT CAPITALISM

Until the 1870s, the Dominican Republic was only marginally integrated into the expanding capitalist system. The formation of strong local dominant classes was precluded by the subordination of all to foreign merchants. Yet changing world conditions soon affected the Dominican social formation. In 1868 the Ten-Years’ War broke out in Cuba, and consequently sugar production fell at a time when world demand was generally increasing. Over three thousand Cubans fled, many of them to the Dominican Republic. These immigrants brought technological know-how and began to invest their capital in local sugar production. Their introduction of sugar production in large scale into the southeast created rapid growth of the productive facilities (thirty new mills had been built by 1882), thereby transforming the agrarian structure of the region and laying the basis for a monopolistic economic enclave. With this sugar production on an expanded scale, large-scale capital investment began to transform the agricultural economy. This new stage can be described as premonopoly dependent capitalism.

Foreigners continued to dominate the sugar sector, enjoying an advantage because the ruling clique imposed no taxes on them and land values were low. Of the thirty plantations and mills established between 1875 and 1882, four were centrales, that is, received cane from contracted sugar-producing farmers (colonos). These mills needed an infrastructure that included railroads to transport cane from the fields and sugar to the ports. The new means of transportation contributed to internal migration and the formation of new towns. The offer of work in the sugar zones attracted people from nearby regions and from the Cibao, and the population increased rapidly. The capital city grew from 6,000 inhabitants in 1871 to 14,079 in 1883 and 20,000 in 1886. Including the nearby towns of San Carlos and Villa Duarte, its 1898 population came to 44,000. San Pedro de Macoris, center of the sugar industry, increased form a few hundred inhabitants in 1870 to 8,000 in 1898 and triple this figure by 1920 (Ortiz, 1975: 12). The growth of the sugar industry caused a limited modernization of towns and cities. For example, by 1889 the government had created a Telephone and Telegraph Administration, and in 1893 some private lines were installed on the sugar plantation of San Pedro de Macoris. During the last five years of the nineteenth century, there were some 23 public and 24 private cars in Santo Domingo (Floetink, 1971: 107-112).

In order to appreciate the impact of the sugar industry on the agrarian structure in the southeast, one should keep in mind that these regions had
been mainly producing cattle for internal consumption since the beginning of the eighteenth century. Alongside small units of production there were traditional sugar plantations that produced for the internal market. In addition, large sections of the region remained underpopulated, and the land tenure system was characterized by the absence of legal titles, which made it difficult to determine who owned what parcels. The most prominent families, such as that of Don Domingo de la Rocha, claimed about one-sixth of the eastern portion of the island in 1871. President Baez’s family was considered one of the richest in the region. Outside this area, few large landowners existed, although some had a thousand acres and a few ten thousand. In general, most of the land was divided among small units of production (Hoetink, 1971: 18-19).

Large-scale sugar production rapidly changed existing forms of production. Sugar growers violently dislodged peasants from their communal lands and converted them into agricultural workers. The medium-sized landowners who had once produced tropical products for the internal market became sugar colonos. To maintain the appearance of legality, the sugar companies forged land titles. The Puerto Rican educator, Eugenio Maria de Hostos (quoted by Hoetink, 1971: 33) wrote in 1894,

The cattle ranches have disappeared almost en masse; the hand mills that swamped the countryside of the south have rapidly disappeared, and the workers of most towns have abandoned their small-scale production. The mills brought the offer of jobs and a demand for “braceros” [sugar workers]. and the old land tiller became a “bracero,” the conuco [small plot] was abandoned, domestic fowl were no longer kept for home consumption.

It should be stressed that not all peasants left their lands because of the companies high “wages” or the southeast’s sparse population, as some claim (Ortiz, 1975: 13). Rather, they were driven from their land and had no choice but to submit to the conditions of exploitation found in the mills.

**Political Struggle and State Formation**

A struggle between the tobacco growers and merchants of the Cibao and the timber merchants and landowners of the southeast characterized the period following the restoration of independence in 1865. The leading figures of these two poles of commerce were Gregorio Luperón, who had led the insurrection against the Spanish occupation, and Báez, who, as we have seen, had collaborated with Spanish invaders. The period from 1865 to 1879, when Luperón took power, parallels the one following national independence in terms of the relationships the competing groups maintained with the state. The economy was subordinated to foreign commerce, but the great majority of the population was still producing mostly at the subsistence level. The forces of production and the population were still quite limited. The country continued to be composed of dispersed towns with little communication between them. In these circumstances, caudillismo flourished. Caudillos generally dominated a region and created around them a little state within a state. They also represented specific economic groups which tended to be regional but usually had national or trans-regional significance. One could speak of Santana as the caudillo who represented the ranchers, Báez (especially after Santana’s death) as representing both the timber merchants
and the large landowners, and later Luperón as caudillo for the Cibao merchants and tobacco growers. Rival caudillos had united in 1844 against a common enemy, Haiti, and thereby laid the groundwork for the Dominican state. The need to protect private property emerged, and a national state slowly took form. The need for a modern state became urgent as the Dominican Republic became more involved in the world capitalist system.

The participation of sugar concerns in the organization of the state appeared only at the beginning of the 1880s, especially during the government of Ulises Heureaux (1881-1899). "The [Heureaux] dictatorship got its support from the sugar companies and international credit, and it was because of these conditions that the army could be organized, a bureaucracy consolidated, and in sum, a relatively solid 'national unity' achieved" (Báez Evertsz, 1978: 30). When Heureaux had problems with local caudillos, he would borrow money from international merchants or sugar concerns to crush them or buy them off. He went so far as to give Juan Bautista Vicini, a wealthy sugar producer and Heureaux's main creditor, informal presidential powers. Vicini had five mills, his own ships, and a business office in New York, and was one of the main stockholders of the Empresa Muelle y Enramada de Santo Domingo, a firm that administered various ports. He also acted as "representative" of President Heureaux in delicate financial operations. In 1893 he paid more than half of the expenses Heureaux had incurred in putting down the guerrilla movement in the north, and in 1899 he received almost all the export rights to sugar shipped by the Port of San Pedro de Macoris (Báez Evertsz, 1978: 31). When Heureaux was assassinated in 1899, he owed Vicini $400,000, then a considerable sum.

Heureaux kept himself in power with loans from sugar producers and international merchants. When he could no longer raise money, he began to issue bills supposedly backed by the Banco Nacional de Santo Domingo. These papeletas de Lillas (Lillas' bills) were not accepted by merchants, since they had no real backing, and in 1899 a general strike was called in protest. Thereafter, he stayed in power only through massive repression. However, the fundamental cause of Heureaux's downfall is to be found not in local protests, but in the rapid and contradictory incorporation of the Dominican state into the international credit system. The bankruptcy of the European-based Westendorp Company, which had been in charge of administering Dominican customs revenues (a concession for loans to the dictator), had caused the transfer of the state's debts to the San Domingo Improvement Company, a North American concern (Báez Evertsz, 1978: 33). Now all customs officers were to be appointed by the North American firm and the Minister of Public Funds. The North Americans gained a monopoly on shipping to and from the Dominican Republic and, in addition, were to receive the best grants in mines, railroad construction, sugarcane and coffee plantations, etc. (Rosa, 1974: 90-93).

A long period of political instability ensued. Between 1899 and 1910, eight men occupied the President's office. Only the government of Ramón Cáceres (1906-1911) lasted for any considerable period. Traditional historiography claims that Cáceres was able to stay in power through his gifts of leadership and wisdom, but if one looks more closely into his relationship to the United
States and the sugar companies the picture becomes clearer. Cáceres received more aid from the United States than any previous Dominican President. Part of this aid was a loan of $20 million from Kuhn, Loeb Company of New York which enabled him to start a program of public works and to crush the various insurrections that took place during his administration (Goff and Locker, 1969: 243). The explanation for Cáceres’s good relationship with the United States lies in his willingness to grant concessions that strengthened neocolonial ties. A case in point is the Dominican-American Convention of 1907. According to this convention, the President of the United States was to appoint the receiver of customs revenues, who was to set aside $100,000 monthly to pay the government’s debts and 5 percent of the total collected to cover the costs of administration. Furthermore, the Dominican Republic was not to increase its debt without prior approval by the U.S. government (Báez Evertsz, 1978: 36).

Bosch (1978), Gómez (1977), and Knight (1928) all view the 1907 convention as the culmination of a process which had begun in 1899, when the San Domingo Improvement Company became the administrator of customs revenues and the government’s principal creditor. Throughout this process, caudillos competed for state power, which, however limited, remained the main source of wealth. It is important to keep in mind that they did so from a marginal position, since the most dynamic sectors of the economy (sugar and the import-export sector) were controlled from outside. Their competition was, as Bosch (1978: 226) points out, not a struggle carried out as a class struggle, in which one class takes power to impose its particular concepts of the state and the socioeconomic organization of society on the other classes. . . . It was a personalist struggle to gain power in order to achieve personal objectives, not to transform the socioeconomic basis of the country . . .

MONOPOLISTIC ENCLAVE CAPITALISM

By 1890, with increasing investments in the sugar sector, a substantial enclave had emerged, quickly subordinating other economic sectors. The collapse of sugar prices around 1890 hastened a process of centralization. “The world crisis, far from causing a decline of the new industry (in spite of the fact that it constituted a downturn for some mill owners, provoking bankruptcies and closings, on the whole led to its expansion. Eleven mills disappeared and about a dozen passed to new owners” (Lozano, 1976: 106). Low technology and individual capital, the main features of the first two decades of the industry, gave way to more modern technology and centralized organization. At the same time, a shift in the economic control of the country from European to U.S. hands took place. These events constituted the beginning of what in the first two decades of the century would be the near monopolization of the sugar industry by U.S. companies. This process took place as part of the economic and military expansionist policy followed by the United States in the Caribbean area as a whole.

Various factors explain U.S. expansion into the Caribbean: U.S. foreign policy, which regarded the area as its own “sphere of influence”; accelerating capital formation, which created a need for new investment outlets; the
scarcity of beet sugar created by the First World War, which made cane sugar production in the Caribbean increasingly profitable, and inter-imperialist rivalries with Britain and Germany, which threatened to secure economic and/or political advantages over the weak nations of the Caribbean. As a result of this conjuncture of economic, military, and security needs, and backed by the ideology of dollar diplomacy, by 1917 the United States had occupied Cuba, Puerto Rico, Haiti, and the Dominican Republic.

In the Dominican Republic, a stagnant economy and an entrenched and static social structure permitted relatively unimpeded penetration. The U.S. military government disarmed the population and dissolved the old groups of caudillos by force. At the same time, it organized a specially trained professional army. The occupation authorities made various attempts to recruit elements from the petty bourgeoisie to collaborate in the formation of both the army and a necessary bureaucracy. However, both the petty bourgeoisie and the nascent middle strata refused to cooperate. The petty bourgeoisie’s refusal is explained by the fact that the monopolization of the sugar industry and foreign control of the import-export market had relegated them to the margins of the socioeconomic structure. In addition, the military government, in its attempt to create an efficient bureaucracy, had made it difficult for corrupt petty-bourgeois elements to get economic payoffs through the customary illegal channels. A program of public works designed to create an economic infrastructure that would encourage economic development was inaugurated. These public works had as one objective the unification of the different regions of the country through modern roads and railroads in a way that would make military control of the country possible in case of popular insurrections.

The military occupation resulted in an immediate increase in sugar production. Mercedes Acosta (in Corten et al., 1976: 123) summarizes as follows:

The main action of the government was directed not toward introducing capitalism into Dominican society, but toward modernizing and making dynamic the sector which was more clearly becoming capitalist — the sugar industry — and toward creating an economic base and a political framework that would facilitate its rapid development, guaranteeing U.S. economic and political interests and, through it, securing the Dominican economic and political system.

Although the sugar companies had often evicted peasants from their communal lands, it was not until 1911 that a law was passed which attempted to divide communal lands. This law did not specify that the lands had to be surveyed, however, and it contained no sanctions against those who ignored it. In the same year the government promulgated the Law of Agricultural Grants (Franquicias Agrícolas) in an attempt to introduce a certain dynamism to existing forms of agricultural landholding. The sugar producers, unable to break through the communal land-tenure system, supported these new laws, which facilitated appropriation of peasant lands. All landowners now needed legal titles. As a result, an immense number of forged titles appeared as a means of expropriating the peasants’ communal lands, for which titles had not previously been required (Lozano, 1976: 154). In addition, the law allowed
the import and installation of industrial equipment at low or no duty, gave
tax exemptions, and removed duties on products for export for a period of
eight years. It legalized foreign landownership and failed to establish any
kind of control on the expansion of the lands linked to the production of sug-
ar and other export products. It goes without saying that the law benefited
the sugar companies most.

Lozano (1976: 158) has argued that it was during the period 1917-1919 that
the sugar latifundia was definitively established: “The land area devoted to
the production of sugar in the Dominican Republic today is a little over 3 mil-
ion tareas [a tarea is 0.15 acres]. In 1928 the lands controlled by the sugar
mills increased to 2,826,979 tareas. Thus, the basis of the sugar latifundia was
laid in the historical past, dating to the first North American military
intervention.” The sugar industry not only extended its territory and
technological capacity, but also underwent centralization. By 1925, two
corporations, the Cuban-Dominican and the South Porto Rico Sugar Com-
pany, owned 11 of the 21 existing mills and controlled over two-thirds of the in-
vestments.

Effects of the New Dependence on the
Socioeconomic Structure

When the U.S. Marines left the Dominican Republic in 1924, the sugar en-
clave and neocolonial ties had been firmly established. The capitalist mode of
production had become dominant. The dynamism the government of occupa-
tion had introduced into the infrastructure reinforced the caudillos’ marginal
position and strengthened the sugar enclave. The tariff of 1919 illustrates the
new relationships and roles of the U.S.-controlled import-export sectors and
the sugar industry. This tariff declared over two hundred articles free of
duties and reduced duties on over seven hundred more. It also declared
production for export practically free of taxes and included machinery
necessary to modernize export production on the duty-free list (Lozano, 1976:
185). These measures all served to promote the sugar industry, the main
exporter and the only industry that could afford to import machines to
modernize its production process.

The new tariff affected the traditional export sectors negatively, since
foreign products entered the country duty-free. For example, Brazilian coffee
invaded the country under the new market conditions and successfully
competed with coffee grown locally. Food traditionally produced in the
country began to be imported. Imported luxury articles often sold at lower
prices than basic indigenous ones. These articles came to satisfy the desires
of the nascent urban middle class and thus to create new wants and
consequently new markets. The import sector grew rapidly, causing the
decline of the small urban artisans, who could not compete with modern U.S.
industry. For example, although the incipient shoe industry could import
machinery tax-free, competition with U.S. companies was impossible given
the differences in the development of the two industries.

The increase in imports as a result of the 1919 tariff unquestionably
helped local merchant groups. However, if we focus on the structure of
dependency generated by the relationship established between these import
groups and U.S. capitalism, it becomes clear that U.S. producers and the sugar enclave benefited the most. In short, the 1919 tariff was an instrument for structuring the neocolonial economic dependency of the Dominican Republic.

The Dominant Classes and the Neocolonial Contradictions

The establishment of a neocolonial relationship between the United States and the Dominican Republic required that local interests be integrated into the government. The neocolonial project called for a close alliance with the dominant groups and at least a sharing of power. From the beginning, the occupation government tried to recruit the best-qualified members of these groups to form a national guard and a bureaucracy to run the country. At first the process of structuring neocolonial social relations met opposition, but the opponents grew progressively weaker. On the one hand, there was a nascent middle class composed of a dependent urban commercial group that served as intermediaries for foreign firms, buying tobacco, cacao, and coffee, and the merchants linked to the import sector. On the other hand, there were the traditional landowners, timber merchants, and tobacco and coffee growers, who, though weakened by the growth of the modern sugar enterprise, remained on the periphery of political activities. Neither group was capable of playing more than a subordinate role. These groups thus can be considered components of a "truncated" local bourgeoisie that could not develop independently but remained in an embryonic state and subordinate to foreign capital.

An important sector, however, did emerge during the military occupation. The occupation government organized a military-bureaucratic elite to take power as soon as conditions permitted. The national guard led this elite. Thus the national guard was formed not only to crush the guerrilla movement (gavilleros) that developed as a response to the eviction of peasants from their lands, but also to lay the basis for neocolonial control of the country. In order to see this process at work we must examine the events behind the U.S. withdrawal and the local political scene at the time.

At the local level, various groups had rallied to the Unión Nacional Dominicana to demand that the U.S. Marines withdraw. This group was led by petty-bourgeois intellectuals who had gathered a modicum of support among the urban population. The petty bourgeoisie had been opposed to the occupation from the beginning, mainly because "the rapid expansion of the sugar corporations had brought them into partial conflict with the model of domination" (Cassás, 1977a: 38). At the same time, given the weaknesses of local middle-class groups, the unpopularity of the national guard because of its repression of peasant protests, the 1921 fall in sugar prices, and domestic factors (see below), the United States began to consider withdrawing from the Dominican Republic.

The Dominican question arose during the 1922 U.S. elections. Ironically during the campaign it was the Republican candidate, Warren Harding, who pressed the Democrat Woodrow Wilson to withdraw the troops. Wilson had supported self-determination for the small European states and yet kept troops occupying the Dominican Republic and several other Caribbean
nations, a fact the Republicans gleefully noted. In this context, many North Americans who had never heard of the Dominican Republic became sympathetic to the withdrawal of U.S. forces and an antimonarchical campaign around the issue hastened government action in both the Dominican Republic and Haiti. Given these circumstances, Wilson and later Harding proposed plans for withdrawal of the marines. “The plans implied the acceptance of all the acts of the North American government, the recognition of a North American financial advisor with power over the internal revenues of the country and budgeting, a mission of North American officers with commanding power over the Dominican army, and numerous other clauses which denied national sovereignty” (Cassá, 1977a: 30). The Unión Nacional Dominicana rejected these proposals, and the various protest demonstrations that followed led the North Americans to seek new ways of handling the problem. The Hughes-Peynado plan, which made some concessions but ensured the continuity of U.S. control, emerged as a solution. The Unión Nacional Dominicana continued to oppose the plan, but the truncated local bourgeoisie, afraid that the occupation would continue, decided to accept it. This acceptance cooled the opposition of the most militant members of the Unión Nacional Dominicana, and the Hughes-Peynado plan was eventually approved, amid a definite lack of enthusiasm.

According to the Hughes-Peynado plan, the country remained under U.S. financial control through mechanisms similar to those of the 1907 convention. “The Dominican state agreed to honor a series of executive orders of the intervening government, particularly those that guaranteed the property of the sugar corporations, the tariff mechanism that protected U.S. commercial interests, and the political instruments that would guarantee the established social order and the state” (Cassá, 1977b: 41). Finally, the plan set up a provisional government to last for two years, during which the marines would remain in the country.

By the time the United States withdrew, the social structure had changed. The caudillos had been eliminated, and the truncated local bourgeoisie remained subordinated to U.S. capital, incapable of controlling its own destiny. The aspiring elements among the local bourgeoisie had only one road open: to become junior partners with foreign capital.

Upon U.S. withdrawal, Horacio Vásquez was elected President, but his government proved politically incapable of controlling the state apparatus. The military elite headed by Rafael L. Trujillo emerged as an alternative to civilian power, and the government remained marginal with respect to commerce and the main productive sectors of the economy. The U.S. Marines had trained Trujillo, and he rapidly ascended within the upper ranks. Until the marines’ withdrawal, military officers had not had the opportunity to use the state as a vehicle for accumulating wealth. The military soon challenged the Vásquez government, but lacking a political base it had to develop one. Vásquez offered the military only a taste of access to economic opportunity; what they wanted was real economic power. This only heightened the contradictions between the government and the military. These tensions came to a head when Vásquez decided to run for reelection in 1930. Various groups opposed to the government had emerged, and they soon formed a broad front.
As the Vásquez government lost its following, the military, led by Trujillo, gained more and more support, finally seizing power in 1930. The military's quick ascendancy must be examined both in terms of the internal struggle that occurred in the country and in terms of its direct relationship to U.S. imperialism. There is no doubt that the 1929 world capitalist crisis conditioned the internal crisis that had been taking place in the Dominican Republic and that it favored Trujillo's ascent. While documents indicate that the United States manifested disfavor of Trujillo, in practice it protected the dictator through a moratorium on the government's debts, without which Trujillo could never have stabilized his regime. Once in power, Trujillo made it his first task to eliminate all opposition. His regime, which lasted from 1930 to 1961, eventually subordinated all social classes to his political and economic power.

CONCLUSION

This article has examined the Dominican agrarian structure in its relation to the world economy. It argues that the insertion of the Dominican social formation into the world capitalist economy led to its further underdevelopment, represented by a dependent, mono-export economy, a weak capitalist class, and, when not directly controlled by a foreign power, an unstable and ineffective state.

The essay has focused on three periods defined by the level of development of the forces of production and the type of social relations of production that predominated in each. The first has been labeled dependent mercantilism, since petty-commodity production predominated and the bulk of the population was tied to its means of production (land). In the second period, here called dependent premonopoly capitalism, investments in the southeastern part of the country created a sugar enclave in which capitalist relations of production were initiated. The sugar latifundia coexisted, however, with small units of peasant production, and these units retarded proletarianization because it was more profitable for peasants to till their communal lands than to work in the mills for low wages. Large monopolies were still gestating at the international level and the enclave was subordinated to the necessities of U.S. and European capitalism. The third period, monopolistic enclave capitalism, began with the fall of sugar prices in Europe which caused a crisis in the nascent industry, and led to centralization and direct U.S. involvement in both agriculture and the administration of customs revenues. During this period the monopolization of the sugar industry by U.S. corporations was completed. The formation of an economic enclave transformed the social formation. The sugar enclave, directly or indirectly representing U.S. capital, relegated the truncated local bourgeoisie to a marginal position in the economy. Since the most dynamic sectors of the economy (sugar and import-export) remained under foreign control, the only channel for accumulation left to the caudillos was the state, and therefore intense struggles among caudillos for state power characterized the period that preceded the U.S. military occupation of 1916. The occupation was the culmination of a process that had begun in the 1890s and a basic motive behind it was the expansion and strengthening of the sugar economy. During
the first four years of the occupation, the sugar industry reached its peak. In addition, the military government organized a state bureaucracy and trained and equipped a military officialdom. Thus the first phase of the project of neocolonial domination had been completed when the U.S. Marines left the country in 1924.

The project of neocolonial domination inherited an internal contradiction. First, the truncated local bourgeoisie, because of its marginal economic role, was unable to control the political apparatus of the state. Secondly, the military bureaucratic group that had been formed during the occupation had no social basis other than weakly developed state institutions and was structurally incapable of controlling the state apparatus. This situation precipitated an intense struggle for the spoils of office after the U.S. withdrawal. The local bourgeoisie wanted maximum control of the state and the economic means it provided for accumulating wealth, while the military-bureaucratic group wanted a larger share of economic power. It was in these circumstances that Rafael Trujillo took state power in 1930. Trujillo had spearheaded the military-bureaucratic group and by 1930 was its absolute chief. There is no doubt, however, that the 1929 world capitalist crisis played an important role in his emergence. The economy of the country had entered a profound crisis, and consequently the local landed and merchant groups were no longer capable of stopping Trujillo and his clique from taking power.

The events leading to the emergence of the Trujillo dictatorship clearly indicate the nature of the Dominican social formation: a country with a strong economic enclave that subordinated the rest of the economy, in which the forces of production were relatively undeveloped. This investigation has suggested that it was this weak economy and corresponding social structure that permitted foreign penetration, continued underdevelopment, and the consequent emergence of the thirty-one-year Trujillo dictatorship.

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