

Programa Graduado de Demografía



**PUERTO RICO**

**A SMALL BUT DYNAMIC SPOT**

**IN THE WORLD OF TODAY**

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I - GENERAL DESCRIPTION AND HISTORICAL BACKGROUND

A- General Description

Puerto Rico is an island approximately 110 miles long and 36 miles wide, located in the Caribbean Sea, about 1,600 miles southeast of New York and 1,100 miles east - south east of Miami. It is the smallest of the group of islands called the Greater Antilles which include Cuba, <sup>St. Domingo</sup> Hispaniola, Jamaica and Puerto Rico. A range of mountains running from east to west called "La Cordillera Central" divides the island into narrow northern and southern coastal valleys.

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Fifty five per cent (55%) of the land lies at an altitude of less than 500 feet, while twenty one per cent (21%) runs between 500 and 1000 feet. As a whole 40% of the land may be considered mountainous, 35% as hilly and 25% as plain.

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Puerto Rico has a total land area of about 2,150,000 acres, of which, 32% are cultivable and 65.5% proper for pastures and forests. However, 36% of the land is actually cultivated, 30% is devoted to pastures and 4% to cultivated forests. From this figures one can see that Puerto Rico is devoting a larger area to intense cultivation than it can technically afford.

The Island is situated in the Torrid or Tropical zone and is therefore subject to the effects of the so called North Equatorial Current and the Trade Winds. Both of these phenomena, added to the fact that it is a small island whose climate is predominantly influenced by the sea, make the climate very mild in the winter and cool in the summer, resulting in a steady weather throughout the year.

1812, 1836, 1969, 1994

1508

78  
72  
76.8

The mean temperature (annual) is 78°F in the plains and hills, and 72°F in the mountains with a variation of 6°, taking the coldest month (February) and the warmest (August) as extremes.

Although rainfall is heavier during the summer months (July, August and September) major fluctuations are never observed in the annual rainfall. The average annual rainfall for Puerto Rico is 76.8 inches while the average for the trimester January - February - March is 73.7 and 79 for the summer trimester (July - August - September)

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B- Historical Background

Primitively inhabited by approximately 30,000 Taino indians, Puerto Rico was discovered by Columbus during his second voyage on the 19th day of November of 1493, fifty seven years before its first governor Ponce de León started the settlement of Saint Augustine, Fla. and almost a Century before the Pilgrims set foot on the Plymouth Rock. It remained under Spanish sovereignty for 405 years.

1493  
57  
1550

During the colonization era Puerto Rico was the object of frequent attacks by english, dutch and french corsairs among which the famous Sir Francis Drake and Admiral Hawkins can be mentioned.

San Juan, the oldest american city under the United States flag was founded in 1508.

In its political evolution, Puerto Rico became a province of Spain in 1812 remaining so until 1836 when it was again ruled by an absolutist regime without any kind of representation whatsoever. After the Spanish Revolution of 1868, the island was given representation once more in the Courts of Spain until 1897 when Spain granted its autonomy.

1898-  
1911  
1917

According to the Treaty of Paris that put an end to the Spanish - American War, Puerto Rico became a territory of the United States of America in July 25, 1898. It was ruled by a military government from October 18, 1898 until May 1, 1900. The First Organic Charter which gave the island its first civilian government under american rule was also known as Foraker's Law of April 12, 1900. In March 2, 1917 under the Jones Act or Second Organic Charter, the United States Congress granted to the Puerto Ricans today's american citizenship.

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In 1947 the United States Congress acknowledged Puerto Rico the right to elect its own governor and gave it the authority to appoint the Attorney General and the Commissioner of Instruction which were until then presidential appointments.

1950  
600

In 1948, after half a century of colonial government under american sovereignty, the Popular Democratic Party presented to the people a form of government different both from republican independence as well from federated statehood which would give the country a political status similar to that of the states of the Union. Since it was a formula of association by mutual consent of both governments. (Puerto Rico and United States Governments) it was called "Estado Libre Asociado" or Commonwealth. In July 3, 1950 the United States Congress passed Law No. 600 which was accepted as a form of agreement (Third Organic Charter) by the will of the Puerto Rican people, as a basis for the elaboration of a constitution and for the organization of its own government.

In July 25, 1952 the Commonwealth of Puerto Rico was officially constituted.

## II - SOCIO-ECONOMIC AND CULTURAL ASPECTS

"About two decades ago Puerto Rico was considered among the most backward countries of the world. Not only was it a land of hunger, indolence and misery, but in the minds of many, a hopeless land. The scarcity of natural resources combined with an enormous population density was thought to be an irremediable molady.

Several fortunate events, however, saved the island from socio-economic disaster in spite of the very grave and dangerous population problem, which still persists, among which we point the following as most important ones:

1. The new Deal Era - which affected favorably both the socio-economic and the political aspects.
2. Changes in the political structure, resulting from the above, culminated in an honest and able public administration machinery which loosened the grip of colonialism.
3. World War II which resulted in an economic boom.
4. Mass emigration of Puerto Ricans to the Continent.

Thus, from a hopeless and miserable situation, a new Puerto Rico has emerged. The socio-economic progress has been amazing, not only for the achievements per se, but for the short period of time in which they have taken place. During the last twenty years, the per capita income and the gross national product have increased more than 400 per cent. Wages and salaries increased from 125 million dollars in 1940 to 867 million dollars in 1960. At the same time, industrialization has received considerable impetus during the last two decades. Employment in manufacturing increased from 26 thousand persons in 1940 to 93,000 in 1960. Income derived from this source increased almost 1,000 per cent during the same

period. On the other hand, investment in Puerto Rico increased from 29 million dollars in 1939-40 to 392 millions in 1959-60 (a 1,252% increase).

Education has received unusual attention. The number of employed teachers rose from 6,000 in 1940 to 14,000 in 1958. School enrollment increased from 304,000 pupils to 679,000 during the same period. The relative increment has been even greater at college level. Enrollment at the University of Puerto Rico, for example, increased 236% during this twenty year period.

As a result of the above, illiteracy declined from 32% in 1940 to 17% in 1960, and the average school attainment increased from 2.7 years in 1940 to 4.6 years in 1960.

In the realm of public health we find that the utilization of modern health practices, including insecticides and the use of antibiotics together with economic improvement and other factors, have placed the island in the group of countries of low mortality in the world. Malaria was completely eradicated in 1955 and tuberculosis, although still high as compared with the United States, has been reduced by 90% since 1940. Similar declines have been observed in other infectious diseases, as in Pneumonia, Diarrhea and Enteritis, etc. Infant and Maternal mortality rates have been reduced by more than 60% during the last decades. Mortality among children 1-4 years of age was, in 1960, only one tenth of the figure recorded in 1940. Life expectancy at birth, which increased from 30 to 46 years during the first forty years of the present century was almost 70 years in 1960.

Meanwhile the crude birth rate declined from 40 in 1950 to 32 in 1960, which represents a radical deviation from the slowly declining trend observed during the first half of the century. The rate of population growth recorded during the decade

of 1950-60 was only 0.6% per year, as compared with almost two per cent observed during the two preceding decades. The 0.6% population increase observed during the last decade constitutes a record (the lowest) for all the censal history of Puerto Rico (1765-1960) and was one of the lowest among all the countries of the world.  
 (See tables I and II)

In the minds of many, these achievements logically imply that Puerto Rico's population resources problem has been solved, or at least significantly minimized. Many political leaders and social scientists are now looking at this country, unknown 20 years ago, as a model to be applied in other areas where explosive population growth is the real obstacle to socio-economic progress. Some of them assume that accomplishments in Puerto Rico can be repeated elsewhere, while others believe that Puerto Rican methods need only slight modifications in their applicability in other countries. A few, however, have suggested that the Puerto Rican experience is the product of a variety of very special circumstances, and is therefore inapplicable in other developing areas"

I personally believe that although unquestionable progress has been achieved in Puerto Rico, there is much to be done if we want to avoid a standstill in relation to the socio-economic evolutionary process going on throughout the world. If we fall in the field of self complacency we will find ourselves lagging in the developmental phenomenom just described.



Table I

POPULATION AND ANNUAL RATE OF INCREASE  
1899 - 1960

<u>Year</u>	<u>Population</u>	<u>Annual Rate Increased (%)</u>
1899	953,243	-
1910	1,118,012	1.5
1920	1,299,809	1.6
1930	1,543,013	1.7
1940	1,869,255	1.9
1950	2,210,703	1.7
1960	2,349,544	.6

Table II

BIRTH RATE, DEATH RATE, NATURAL INCREASE AND EMIGRATION RATE  
DURING EACH INTERCENSAL PERIOD: 1899-1960

<u>PERIOD</u>	<u>BIRTH RATE</u>	<u>DEATH RATE</u>	<u>NATURAL INCREASE</u>	<u>EMIGRATION RATE</u>
1899-1910	40.5	25.3	15.2	?
1910-1920	40.4	24	16.4	0.8
1920-1930	39.3	22.1	17.2	2.6
1930-1940	39.6	19.6	20.0	0.5
1940-1950	40.7	14.5	26.2	8.8
1950-1960	35.0	8.0	27.0	19.9

\* Annual average rates per 1,000 population

I will go now, in a brief and very general way, over the most important socio-economic characteristics of Puerto Rico of today.

A- Population Dynamics

"Although it has been pointed out that a record low rate of

population growth was observed during the period 1950-1960, in terms of biological growth Puerto Rico must be included among the areas of population explosion. The island has a rate of natural increase (crude birth rate minus total death rate) of around 2.5% annually, therefore comparable to the situation of Latin American and other underdeveloped areas. As shown in Table II the rate of biological growth has been increasing with time; from 1.5% annually during the decades of 1899-1910 it rose gradually to 2.7% during the last decade, although a declining tendency has been observed during the last few-years". Although all this seems paradoxical it is easily explained by the migratory movement of our young adults (mainly to the mainland) as shown in Table III below.

Table III  
(a) (b)  
NET EMIGRATION FROM PUERTO RICO 1910 - 1961

YEAR	NET EMIGRATION		
	TOTAL	ANNUAL AVERAGE	ANNUAL RATE (c)
1910-1919	5,588	478	0.5
1920-1929	35,638	3,564	2.5
1930-1939	12,645	1,264	0.7
1940-1944	15,826	3,165	1.6
1945-1949	134,589	26,918	12.5
1950	34,703	-- (d)	15.6
1951	52,900	--	23.8
1952	59,132	--	26.9
1953	69,124	--	31.7
1954	21,531	--	9.8
1950-1954	237,390	47,478	21.6
1955	45,464	--	20.3
1956	52,315	--	23.4
1957	37,704	--	16.7
1958	27,728	--	12.1
1959	29,989	--	12.9
1955-1959	193,200	38,640	16.8
1960	16,298	--	6.9
1961	1,754	--	0.7

- a) Excess of departures over arrivals
- b) F.P. Bartlett and B. Howell, "Puerto Rico y su Problema Poblacional" (Puerto Rico Planning Board, 1944), p 67 (For years 1910-1939); and Puerto Rico Planning Board, Monthly Reports on Passenger Traffic (1940-60)
- c) Annual net migration (or annual average) divided by the mid term population multiplied by 1,000.
- d) Not applicable

As one can clearly see emigration has declined sharply and we even gained 1,754 immigrants in 1961. This does not mean that the Puerto Ricans have ceased to emigrate but that in 1961 and thereafter the number of immigrants has surpassed the number of emigrants. The majority of these immigrants come from Cuba and Continental United States. So, the escape valve of migration no longer exists.

#### B- Employment

"Unemployment is a very serious problem in Puerto Rico. According to recent estimates almost 13% of the labor force is looking for work, which is more significant when one takes into consideration the low participation rates of the Puerto Rico labor force. According to the President of the Puerto Rico Planning Board all of the 76 municipalities can be considered areas of chronic unemployment and thus eligible to receive financial help through the Federal Program for the Acceleration of Public Works"

Many may have the impression that with the advent of industrialization the percentage of unemployment should have decreased. This is not so, however, and although low paying jobs have been replaced by better paying ones the total number of jobs has not increased significantly.

"In general terms employment rose only 9% during the last 20 years with a greater (absolute and relative) increment in female than in male employment.

11  
25  
51

Total employment increased 18% during the decade 1940-50 but decreased 8% during the last intercensal period (1950-60)

The significant reduction observed during the last decade can be attributed to radical drops in agricultural, domestic services and home needlework employment."

TOTAL CIVILIAN EMPLOYMENT BY SEX:  
1940, 1950, 1960 (In Thousands)

YEAR	BOTH SEXES	MALES	FEMALES
1940	508	380	128
1950	601	431	170
1960	555	400	155

ANNUAL AVERAGE UNEMPLOYMENT EN SEX  
1950 - 1961

YEAR	BOTH SEXES	MALES	FEMALES
1940	15.0	16.2	11.1
1950	14.6	15.3	13.3
1951	16.2	14.8	19.6
1952	15.2	14.8	16.2
1953	14.4	14.5	14.5
1954	15.4	15.0	16.4
1955	14.3	14.8	13.0
1956	13.0	13.5	11.4
1957	13.0	13.0	13.1
1958	13.9	14.1	13.4
1959	13.8	14.5	13.8
1960	11.6	12.1	9.9
1961	12.5	13.7	9.3

"It is evident that industrialization in Puerto Rico has generated may more job opportunities for females than for males. It has been able to absorb the losses from home needlework and domestic services and it has reduced considerably female

unemployment. This has been the result of the type of factories established by private enterprise in the island. Most of these factories are "light" industries chiefly apparel manufacturing where females are undoubtedly preferred.

We must conclude that the Economic Development Program of Puerto Rico has had but little effect upon the total number of jobs and has failed to check chronic unemployment. It is likely however, that the real effect of industrial development in Puerto Rico will be one of reduction of underemployment and submarginal employment rather than unemployment".

### C-Income

"The Gross National Product has increased from \$499,000,000 in 1940 to 1,415 million dollars in 1960 (1954 prices). Wages and salaries increased almost 250% (1954 prices) during these two decades. The per capita income, adjusted for price inflation increased from \$210 in 1940 to \$508 in 1960, to over \$600 in 1963 at an average rate of over 7% per year.

The census data reveal that the median income of persons 14 years of age and over (income recipient) rose from 378 in 1950 to \$818 in 1960. The median family income was \$1,082 in 1960.

In spite of these remarkable achievements we have to do a lot more in this category. The median personal income of recipients, for example, is still one third of the corresponding figure in the United States. This is aggravated by the fact that while in continental United States only 28% of all persons 14 years of age and over were not income recipients, in Puerto Rico this proportion amounted to 46%. In other words, if non-recipients are taken into consideration the gap between the income levels of the two countries becomes broader.

According to the 1960 Census, still 25% of Puerto Rico's families had an annual

income of less than \$500, 42% had less than \$1,000 and almost 2/3 of all families were below the \$2,000 level which is, by the way, the governments minimum annual income goal for all families.

Additional evidence of this alarming problem is the fact that almost 20% of the islands population is under public assistance and almost 30% is being nourished by the United States Government under the auspices of the Food Distribution Program.

The economic problem of Puerto Rican families, however, is the maldistribution of income. We must remember that the Commonwealth has achieved a per capita income level comparable to those prevailing in some of the most progressive countries of the world like Deamark. Back in 1947 Perloff estimated that the 11% of the Islands' top income families receive 42% of the total income. This skewed distribution was even worse than in the United States, the richest country in the world. In 1950 and 1959 the top 10% of the income ladder of the United States received 29% of all income.

A comparison between the 1950 and 1960 income distributions in Puerto Rico indicates that the gap between the rich and the poor has become broader. There is eloquent factual evidence also that in terms of economic progress there are two quite different Puerto Ricos: the progressive and highly industrialized San Juan Metropolitan Area and the rest of the island (with the exception of a few big towns) which have been left lagging one or two decades behind".

#### D- Education

##### 1) Illiteracy

"In 1950, only 25% of the population 10 years old and over was unable to read and write. By 1960 this proportion has been reduced to 17%. In general, males tend to be more educated than females although as a result of

cultural changes (in traditions and in the woman's social role) this gap is becoming narrower with time. In 1860, for example, there were 150 male literates per each 100 female ones, but in 1960 this ratio had decreased to 100.3. At present illiteracy is less than 10%.

Literacy is higher among urbanites, although progress in this realm has been more rapid for the rural population than for the urban.

### 2- Years of School Completed

The 1950 Census figures tell that survivors of the population aged 25 years and over in 1900 (aged 75 years and over in 1950) had a median of school years completed of less than one (0.7).

In 1950 those persons aged 25 years and over had a median of school years completed of 3.7 years (4.1 for males and 3.3 for females).

The 1960 Census data show that the median of school years completed increased almost a year during the last 10 years. The median for the population 25 years old and over was 4.6 years of school completed (4.8 for males and 4.3 for females).

At the same time that the proportion of persons with no schooling at all has decreased considerably, the proportion of persons who have attended high school and college has increased significantly. Again in this group we observe that males tend to be more educated than females.

According to residence we find that the urban population has a higher median of school years completed than the rural counterpart.

### 3- School enrollment

The progress achieved both in literacy and schooling has been an obvious result of improved school facilities and opportunities. Not only a larger proportion of children is being enrolled in our schools, but also they are being retained at school for a longer period of time."

SCHOOL ENROLLMENT BY AGE; PERCENTAGE OF POPULATION

<u>AGE</u>	<u>1930</u>	<u>1940</u>	<u>1950</u>	<u>1950</u>
5 - 19	35	42.7	48.7	63.8
5 - 6	5.2	8.9	9.1	29.5
7 - 13	56.0	66.8	68.4	83.7
14 - 15	35.5	42.6	57.7	64.7
16 - 17	17.4	22.4	38.4	47.1
18 - 19	6.5	8.7	19.8	29.5
20 - 24	2.3	2.3	6.9	11.2

"According to the 1960 Census, the peak of school enrollment occurred at the age of 10 where over 90% of the population were attending school.

In general school attendance is higher for males than for females and higher for the urban population than for their rural counterpart .

Summarizing, illiteracy is high as compared with highly developed areas; schooling is very low in 1960 (4.6 years) when compared with a median of 10.5 years of school completed for United States in 1960. School attendance, although having surpassed the projections of the Department of Instruction and the Planning Board, is still below the levels achieved in most of the industrialized areas of the world".

E- Marital Status and Nuptiality

"In Puerto Rico there are at least three forms of marital relationships: legal marriage, commonlaw of consensual marriage and concubinage. Concubinage differs from common-law marriage in that there exists a third party; that is, the male (never the female) is consensually married to another female. Common-law is monogamous; concubinage is bigamous."



13.1  
14.6  
12.7  
16.1

323  
0810  
53

Percentage Distribution of the Population 15 Years  
of Age and Over By Marital Status and Sex  
1899 - 1960

Year	Single	Married	Consensually Married	Widowed	Divorced	Total
M A L E S						
1899	48.4	30.6	15.3	4.7	--	100
1910	43.7	35.2	16.1	3.9	0.1	100
1920	41.9	40.1	13.4	4.3	0.3	100
1930	43.2	39.1	13.5	3.9	0.3	100
1940	42.4	39.2	14.1	3.8	0.5	100
1950	38.6	43.9	13.1	3.6	0.8	100
1960	35.3	52.3	7.8	3.4	1.2	100

F E M A L E S						
1899	43.8	28.8	15.2	12.3	--	100
1910	38.0	35.4	15.7	10.7	0.2	100
1920	34.0	39.4	14.0	12.0	0.6	100
1930	33.8	39.4	14.6	11.3	0.9	100
1940	31.4	40.2	15.2	11.6	1.6	100
1950	27.3	44.8	14.6	11.2	2.1	100
1960	25.7	53.0	8.2	10.4	2.7	100

"In the turn of the century Puerto Rican role patterns began to change.

During the 1899 Census many women were hired as enumerators, thus opening the way for female participation in the labor force outside the home. Girls began to attend public schools together with boys.

Women entered politics and the professional world. The unmarried woman began to have increased contact with men and was able to make choices in the selection of her mate.

As a result of these and other factors the proportion of single women declined from 44% in 1899 to 26% in 1960. The corresponding figures for males are 48% in 1899 and 35% in 1960. At the same time the proportion of legally married for both sexes increased from around 30% in 1899 to over 50% in 1960. Consensual marriages declined somewhat from 1899 to 1950 but the real decline has

been observed from 1950-60. While in 1950 there was a rate of 12.7 for consensually married persons, in 1960 there was a drop to 7.5." One of the factors to which this rapid change can be attributed to is the fact that social security benefits require legal marriage and people are becoming more conscious of the convenience of being legally married. "It can be observed that throughout this period (1899-1960) the number of widows have been more than twice that of widowers, a result of a sex differential in remarriage. For both sexes, a declining trend of widowhood is evident, perhaps as a result of the decline in mortality. Divorce, which was unknown in 1899 began to appear under the american regime. In 1960 over 1% of adult males and about 3% of the female population were divorced.

The trends observed in marital status of the adult population as a whole more or less repeat themselves in each age group.

The proportion of the population actually married has increased considerably in all age groups, and especially in the female component.

It can also be observed that males enter marriage later than females but remain married longer.

An interesting change has occurred in the sex pattern of the population ever married. Up to 1920, the proportion ever married was higher among males at ages above 35 years. Since 1930, and with the aging of these cohorts the pattern began to change, so that in 1950 the proportion ever married was greater among females throughout the entire age span. In other words, during the first two decades of the present century, proportionally, there were more spinners than bachelors (singles persons 35 years old and over), but in 1950 we have the inverse situation.

4.1/1000

## F- Nuptiality and Divorce

Legal marriage was a "luxury" during the spanish regime as evidenced by the scarce figures available. According to the returns made to the Captain General by the magistrates of every town and village of the Island only 1,256 marriages were celebrated in 1828. They were distributed in the following way:

734 whites, 489 free colored people and 33 slaves. In relative terms this is equivalent to a rate of 4.1 marriages/1000 population for the whole island.

This situation persisted more or less the same throughout the rest of the 19<sup>th</sup> century. Official figures published in the Report of the Census of 1899 showed that with small fluctuations the marriage rate remained almost unchanged.

Under the american influence, marriage increased considerably as a result of improvement in the economic situation as well as of the changes in the woman's role, among other things. As a good economic indicator, marriage has fluctuated following closely the "ups" and "downs" of the Island's economy. In addition, the effects of two world wars, and the Korean Affair, are noticed in marriage figures. The highest marriage rate ever recorded was that for 1918, a result of the demobilization of the Armed Forces after world war I. The mobilization of the Armed Forces in 1940 produced the second highest peak, followed by another in 1946 as a result of the end of World War II.

During the last decade the average marriage rate was 8.6 which represents an increase of more than 100% over the figure of 4.2 for the period 1888-1898.

According to registration data, the age of marriage has not changed significantly during the last 30 years. Grooms median age at marriage, with some variations, has remained more or less constant; that is around 25 years. The

situation is very similar for brides except that the median age is three years lower.

The increment in remarriages that has been observed in the last two decades has been the result of the remarriage of divorced persons. In part this phenomenon can be attributed to a change in the people's attitudes toward divorced persons but even more important is the fact that there has been an increment in the divorced population. According to the census figures in 1910 there was one male divorced per each 1,000 males aged 15 years and over. The corresponding figure for females was 2/1000. In 1960 we find 12 males and 27 females divorced per each 1000 males and females respectively, in ages 15 years or over, representing more than a tenfold increase over the corresponding 1910 figures.

Registration data show a similar trend. In 1932 when divorce data became available for the first time, 13 divorces were recorded per each 1000 marriages. In 1960 this rate has doubled and as a result more than one divorce per each four marriages occur. Few countries in the world have a divorce rate as high as Puerto Rico. The United States is, perhaps one of these exceptions."

D I V O R C E: 1935 - 60

Year	Number	Number/1000 Pop.	No/100 Marriages
1935	1,483	0.86	13.2
1940	2,500	1.38	13.4
1945	3,243	1.58	18.5
1950	3,591	1.62	17.5
1955	4,738	2.12	25.1
1960	5,363	2.27	26.1

G- Family Life

The status of women as previously described has been changing rapidly

to the point that they enjoy almost equal privileges as men.

The "double - standard" system has given way to the "single standard" one although one can observe that men make the important decisions at home. The "machismo" cult still prevails especially in the rural areas and the "virginity" cult although still strong is also yielding to the cultural influence of continentals.

All of these changes have been in part the result of the traffic to and from the Island with a consequent intermingling of cultures.

The girls are still reared with many restraints which result in the development of a strong superego, while the boys are allowed to "get away with almost anything" resulting in a weak superego.

This situation is perpetuated later on in adult life when the wife considers the father of her children as the "eldest" of these. In other words there is a tendency to over protect the male child (and later on the husband) which results in many instances in irresponsible male adults.

One of the findings which repeatedly appears is the lack of communication between husband and wife. Important matters are seldom discussed across the table, especially in the lower socioeconomic groups.

#### H- Social Classes

Up until two decades ago Puerto Rico was composed mainly of a small "rich" class and a large "poor" class with the dramatic socioeconomic changes previously described we have a rapidly growing middle class (from the economic point of view) with low class values which inevitably hang over from a recent past. This middle class is in the process of creating its own values which at this particular point are very difficult to define.

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Note: All quotations appearing in this chapter "Socio-Economic and Cultural Aspects." come from "The Demographic Evolution of Puerto Rico": Vazquez, 1964.

### III INDUSTRIALIZATION PROGRAM

The Industrial Development Program of Puerto Rico had the basic purpose of ridding Puerto Rico of poverty when it was established and this remains unchanged until today. During the first phase of the program emphasis was given to government ownership and operation of factories; during the second the program has been aimed primarily at the promotion of private industrial enterprise.

#### A- The Situation in 1940.

"During the late 1920's and early thirties two hurricanes and the great economic depression in the United States brought a large part of the predominantly rural population near starvation. By 1940 and largely in part because of Federal relief programs, per capita personal income had risen slowly to a about \$125, per year, roughly double the figure prevailing in a number of countries which have recently started economic development programs. Sugar accounted for almost half of agricultural and manufacturing income and for over 2/3 of Puerto Rico's exports.

Scarcity of land has always forced agricultural specialization, and as early as 1940 a third of the gross product was exported almost entirely in the form of sugar, tobacco and hand needlework done at home by farm women and children. Agricultural and manufacturing production for the home market was rudimentary but banking and commerce were relatively highly developed and more than half the people over ten years of age were literate, a considerable number bilingually so."

The Chancellor of the University of Puerto Rico said in 1950:

"Two million United States citizens, with a spanish cultural background and an uncertain american present, struggle on a small caribbean island to achieve real democracy and decent stadards of living for themselves and their children.

The population density of Puerto Rico is over six hundred persons per square mile, fifteen times greater than that of the United States. Population pressure in

the United States would begin to compare with that of Puerto Rico if all the people of the world (over 2 billion men, women and children) landed there overnight and if by the same nocturnal magic, all available mineral resources were eliminated, heavy industry disappeared and agriculture became the main source of employment".

#### B- Ending Poverty: the Major Political Objective

"In 1940, the Popular Democratic Party, under the leadership of Luis Muñoz Marín, won a majority in the legislature. The victory at the polls of this newly formed political party marked so great and so abrupt, a break with the past as to constitute a true political revolution. The new program had increasingly competent technical assistance after President Roosevelt appointed Rexford Guy Tugwell as Governor. What financed it was a windfall from World War II. Between 1941 and 1946 remissions of Puerto Rico of Federal excise tax collections on the sale of Puerto Rican rum in the United States amounted to \$160 million more than 'normal' expectations, an amount five times the 1940 budget of the Insular Government. This made possible substantial capital grants to the Industrial Development Company, the Government Development Bank, the Land Authority and other government corporations established to carry out the economic revolution without which the political might soon have failed.

Nevertheless, the nature of the political revolution is probably the basic factor in Puerto Rico's change from years of stagnation to an economy of growth. The Popular Party slogan 'Pan, Tierra y Libertad' (Bread, Land and Liberty) is expressive of political aspirations which were major breaks with the past. The emphasis on 'Bread' a political promise to end poverty contrasted sharply with traditional political debate which centered mainly on the issue of political status.

Next, with regard to status, the Popular position soon became a centrist one

between the extremes of Independence and Statehood, the key words in the names of the other political parties. Both independence and statehood had quite serious and readily, demonstrable economic disadvantages, as compared with the status of 'unincorporated territory' which Puerto Rico then had. The centrist position of the Popular Party was soon formalized in an effort to achieve 'Commonwealth Status' which, while retaining the economic advantages of being an unincorporated territory, would provide somewhat greater political autonomy and which also had the dignity of being not 'under' or 'a part of' the United States but 'associated' with it. Puerto Rico became a Commonwealth in 1952 and its Spanish name 'Estado Libre Asociado' (Free Associated State) suggests the political convenience of a position between emotionally charged extremes as well as the positive value placed on 'association' with the United States.

Another break with the past was the promise of land ('Tierra') to the landless workers in the sugar industry, a promise that has been substantially kept in spirit by providing small plots, usually of less than an acre, on which a farm laborer can have his own home and produce some food. The word 'Tierra' probably also reflects the belief, which continued to prevail for several years, that agricultural development and self-sufficiency was the main economic route Puerto Rico was to travel.

'Liberty' was not meant to imply complete independence from the United States, but rather freedom from the economic and political domination of the sugar companies. They were largely United States owned, their economic power was only too obvious and their political power was exercised by overt vote buying as well as by the control of the press, and even of Puerto Rico's representatives in Washington".

"The central effect of this political revolution was to change the whole temper of the people of Puerto Rico from apathy and despair (operation Lament) to one of



vigor and hopefulness (operation Bootstrap) . "

"A political explosion gave the initial impetus to economic development. But it has been the stability in politics and continuity of leadership since then which has made it possible to plan government programs on a long-range basis and to operate them in a reasonably consistent manner. In turn, of course, success of the programs made a contribution to stability of government. "

#### C- Creating Effective Public Administration.

"Governor Tugwell, a political economist and planner with substantial prior experience in federal and municipal government, is largely responsible for building an executive branch of government capable of achieving the political objectives of Munoz. He had become familiar with Puerto Rico's problems as early as 1934, especially in the fields of agriculture and education. During his term as governor (1941-46) he brought an unusually talented and equally dedicated group of young men, most of them in their early thirties, into the Government where many of them continue to serve today. Practically all of them were technically minded and trained, and such appointment as a geographer in Planning, an engineer in Public Works, an economist in Treasury, and an agronomist in Agriculture, are a reflection of Tugwell's technical approach to governmental problems.

Tugwell was also largely responsible for the establishment of the Puerto Rico Planning Board. It has been preparing the capital budget since 1942 and since 1950 it has carried on general economic planning work. This, in addition to its highly centralized physical planning and regulatory work, provides the machinery for rational determination of the general areas and purposes for which government capital is to be used and for establishing priorities among them.

During Tugwell's administration nine public corporations were formed, one of

which has since been liquidated. They produce electric power and operate irrigation, water supply, and sewage disposal systems. They construct public housing, operate the San Juan bus system, ports and airports, and a limited telephone and telegraph system, and they conduct farming operations on a modified cooperative basis. Also included are the Government Development Bank and the Industrial Development Company."

"The public corporation has a great advantage. Corporations which have established earnings records can then borrow in the United States capital market or locally on their own credit. This leaves regular government borrowing power unimpaired and available for the public works issues which are the common purpose of state and municipal bonds floated in the United States Market."

#### D- The Critical Initial Investment Decision

"Certainly the 1941 - 46 rum bonanza came at a fortunate time and the bulk of the \$160 millions was quickly invested in the new corporations. But assets of the corporations had reached over \$850 millions by mid - 1959 partly because of earnings but mostly because of the ability of some of them, recently including the Industrial Development Company, to borrow in the open market. Without the \$160 millions of initial capital it is problematical whether the Government would have been able to make large enough appropriations out of 'normal' revenues to finance the public corporations on a scale which would have permitted any such rate of growth."

"It was a decision to invest instead of spending and, although perhaps not fully anticipated at the time, it was to relieve the Treasury of a much larger total demand for funds at a later date.

Not all this investment was wisely made. About \$8 millions were lost by the

now defunct Agricultural Development Company. The Land Authority had proved to be no better a sugar 'farmer' than most private operators and it should probably divest itself of purely commercial operations so as to be able to engage more single-mindedly in experimental, demonstration, and technical assistance projects and in the selective extension of agricultural credit. It is indicative of early development policy that the capital appropriations for these two corporations in the agricultural field were considerably larger (\$39 millions by 1950) than those for the Industrial Development Company (\$24 millions). The Communications Authority (telephone and telegraph) has been stagnant partly because the privately owned telephone company has always been much larger and the Government has been reluctant to buy it out or to engage in what, would clearly be uneconomic competition with it."

#### E- Government Ownership and Operation of Factories

"The Puerto Rico Industrial Development Company was established in 1942 with an initial capital of \$500,000 which was soon increased to about \$20 millions and it also received title to a \$2 millions cement plant already in operation."

"By 1947 the Company had five rather large plants as operating subsidiaries: the original cement plant, a glass container plant, a paperboard mill, a shoe factory and a plant making structural clay products and sanitary ware. Funds had been committed and plans made for a \$4 millions cotton textile mill and a \$7 millions tourist hotel. The Development Company also had a program for labor training and a technical research program, mainly in the field of sugar cane by-products, as a part of which a yeast pilot plant (molasses fermentation process) was in operation. Several hand craft projects in furniture, ceramics, fiber textiles, and the like, were operating under the Company's Product Design Division."

"At the end of 1947, after five years of driving effort and the investment or commitment of nearly \$20 millions the Company had created less than 2,000 actual and potential factory jobs when some 100,000 were needed. At this rate something like \$2 billions of government capital, a clearly impossible amount, would be needed to achieve the economic objectives which had been set for the program."

F- Promotion of Private Industrial Enterprise.

"The idea of a government program to promote and develop private industry was not a new one in 1947. Mississippi had its 'Balancing Agriculture with Industry' (BAWI) program and people in Israel (then Palestine), Ireland and the Netherlands were already beginning to think along similar lines. By 1945 the Development Company stood ready to provide buildings for lease to private operators, but probably did not succeed in attracting any new firms by this device alone, which was the principal ingredient of the BAWI plan. In September of that year the Company opened an office in New York intended as much for promotion of private enterprise as for service to its subsidiaries, and it also appropriated \$10,000 for a booklet and \$43,000 for advertising to sell the advantages of Puerto Rico as an industrial location.

Two years later, at the end of 1947, only 13 plants of United States origin had been established under the program. The problems encountered in administering and operating the subsidiaries had already led to a decision to seek private operators for the textile mill then under construction and the hotel which was soon to be built. These two projects, in which the government invested the fixed capital and a private firm invested the working capital, were in a sense intermediate between the government and private phases of the program."

"The decision to make the basic shift in the program was probably reached

before 1947 and the last of the Company's manufacturing subsidiaries was not sold until 1951. But in 1947, the essential ingredient of the second phase of the program was supplied by the enactment of Puerto Rico's first soundly conceived exemption law. Other important elements of the new industrial promotion program were advertising and contact work in the United States and provision of ready to rent factory buildings, both of which had already been tried in a tentative way."

"Investment in Fomento - promoted factories now totals about \$465 millions (1950) double the amount of a current annual budget of the Commonwealth Government. Government investment in these private manufacturing enterprises totals \$45 millions less than 10% of the total".

"The United States and Puerto Rican Industry are in direct competition in whatever market they seek to sell. From the standpoint of industrial economics, this is the central fact about Puerto Rican industry -- every domestic or export market it is in actual on potential competition with the most powerful industrial complex in the world."

"Fomento's industrial development program thus operates within a large and highly competitive economy which has no legal restrictions on the internal movements of citizens, their goods, nor their money. In this it differs from many, but by no means all, development programs in the world. It also differs from some of them in that its objective is not simply to maximize national income, but rather to abolish poverty, and also to help prevent excessive urbanization, to provide relief to especially distressed towns and to increase the revenue of the Commonwealth Treasury. In other words, the Fomento program operates under the laws of the United States and as a part of the United States economy, but it is intended to serve primarily the economic, social, and political interests of the people of Puerto Rico."

The following table shows the end results of the industrial promotion process:

<u>Year ending</u> <u>June 30</u>	<u>Opened</u>	<u>Closed</u>	<u>Existing</u>	<u>Operating</u>	<u>Being established</u>
1943-48	24	0	24	24	9
1949	28	0	52	50	9
1950	34	3	83	80	12
1951	36	5	114	108	17
1952	63	11	166	157	28
1953	75	12	229	223	31
1954	74	21	282	264	30
1955	52	31	303	292	35
1956	88	27	364	354	49
1957	90	25	429	422	91
1958	96	45	480	464	84
*1959	111	28	563	530	91

\*

For the year 1962 there were already in operation 813 plants scattered all over the Island with an employment average of 58,657; by June 1963 there were 867 operating plants with an employment average of 60,027.

Program Achievements - 1947 to date (a)

For the past 15 years Puerto Rico's industrialization program has been the dynamo of its economy. During this period the Island has changed from a primarily agricultural to a considerably diversified industrial - agricultural economy. Net agricultural income has risen from \$143 millions in 1947 to \$220 millions in 1963. However, during this same period, manufacturing income has increased from \$93 millions to \$432 millions, far surpassing agriculture as a source of income.

\* Economic Development Administration Annual Statistical Report of EDA Manufacturing plants.

1962 - 63 Edition

(a) Testimony of Mr. R. Durand, Administrator of the E.D.A. of Puerto Rico before the Sub-Committee on Small Business of the United States Senate - April 16/64.

Net income from tax-exempt plants rose to \$257.6 millions in 1963. Thus, activity in plants enjoying tax exemption now accounts for 60% of total manufacturing income.

Today, over 1,000 modern plants are operating in Puerto Rico. Roughly 1/3 are owned and operated by Puerto Ricans and the remaining 2/3 by subsidiaries of mainland manufacturing concerns whose out-put is oriented toward mainland markets.

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All quotations appearing in this chapter "Industrialization Program" come from: Puerto Rico's Industrial Development Program - 1942 - 60 by H. C. Barton Jr. Puerto Rico

#### IV - COSTS

##### A- Cost of General Hospital Services

###### (1) Department of Health General Hospitals

The Department of Health spent \$5,337,819 (including overhead) in the operation of its five district hospitals during 1957-58. Of this amount \$3,476,774 was used to provide 443,715 in-patient days of care at an average cost per day of \$7.83 (Expenditures for the care of the newborn have been included in total costs.) The cost of such services was \$5.97 in 1948 and \$7.60 in 1955.

The following table shows the distribution of cost for in-patient services in the five District Hospitals of the Department of Health 1957-58

Hospital	Bed Complement	Occupancy Rate	No. of Patient Days	Cost of In-Patient Services	Cost per Patient Day
Ponce District Hosp.	470	64.5	110,667	\$928,461	\$8.39
Bayamón District Hosp.	280	87.5	89,236	857,829	9.61
Arecibo District Hosp.	280	81.1	82,807	626,504	7.57
Aguadilla District Hosp.	280	75.3	76,926	539,370	7.01
Fajardo District Hosp.	280	82.1	84,079	524,610	6.24
<b>Total</b>	<b>1,590</b>	<b>76.5</b>	<b>443,715</b>	<b>\$3,476,774</b>	<b>\$7.83</b>

Total payments to physicians by the five district hospitals amounted to \$718,868, or 16.2% of hospital expenditures. If medical services are excluded the average cost per patient per day in these hospital is \$6.56.

###### (2) Costs of General Hospital Services Under Contract with the Department of Health

The Department of Health paid \$20,000 to the Castaner and Mennonite General Hospitals at a rate \$5.00/day including medical services. The largest sum was paid to private institutions



under the Crippled Children's Program. A total of \$291,929 was paid during 1957-58 under this program. In spite of the low per diem allowed to the Department for its own hospitals, paradoxically hospitals in the metropolitan area were paid at a rate of \$13.25 patient/day in 1957-58 and \$14.65 in 1958-59; hospitals outside San Juan including those at Ponce \$8.00. The convalescent and custodial institution also under the Crippled Children's Program was paid \$4.36/patient/day. It received \$132,939 which is the largest payment to an institution.

(3) Hospital Services Provided by Health Centers

The 31 health centers in operation in 1957-58 spent a total of \$2,470,564 for in-patient and out patient services, state and municipal appropriations combined. A total of 151,174 patient days of service were given.

In order to separate the costs for in-patient and out-patient services a study was conducted at a large and a small health center. The estimates appear in the following table:

ESTIMATED COST OF IN-PATIENT SERVICES IN A LARGE AND SMALL HEALTH CENTER  
1957 - 1958

Health Center	Bed Complement	Occupancy Rate	Cost/Patient Day
1	47	72.9	\$ 9.98
2	24	55.8	11.66

Because of the great difference in the occupancy rate utilization is probably the most important factor affecting costs in these

two institutions. The following table shows the costs of Hospital, Out Patient and Emergency Services in center #1 (large) The Humacao Health Center 1958-59.

Hospital Unit

Total expenses incurred	\$5,139.71
No. of patient days	515
Cost per patient day	\$9.98

Out Patient Department

Total expenses incurred	\$1,559.62
No. of out patient visits	1,611
Cost per visit	\$0.97

Emergency Visits

Total expenses incurred	\$ 580.95
No. of emergency visits	1,405
Cost per visit	\$0.41

In Health Center #2 (Small) the following data was obtained:

Costs of Hospital, Out Patient and Emergency Services, Vega Baja  
Health Center - 1959.

Hospital Unit

Total expenses incurred	\$2,344.48
No. of patient days	201
Cost per patient day	\$11.66

Out Patient Department

Total expenses incurred	\$ 927.78
No. of out patient visits	1,200
Cost per visit	\$0.77

Emergency Services

Total expenses incurred	\$ 792.64
No. of emergency visits	1,607
Cost per visit	\$0.49

(4) Cost of In-Patient Services in Municipal Hospitals

The 76 municipalities in Puerto Rico are divided into classes 1, 2 and 3 on the basis of the assessed value of their property. There are 4 first class municipalities in Puerto Rico - San Juan, Ponce, Mayaguez and Arecibo. The resources for medical care in these municipalities and the overall socio-economic conditions are better than in second and third class municipalities. Municipal Hospitals do not keep separate record of expenditures for in-hospital services, out patient and emergency visits. In order to estimate such costs studies were made in a large and a small municipal hospital. The results are shown in the following table:

ESTIMATED COST OF IN PATIENT SERVICES - IN A LARGE  
AND SMALL MUNICIPAL HOSPITAL - 1958 - 59

Municipal Hospital	Bed Complement	Average Daily Census	Occupancy Rate	Cost/Patient Day
1	113	86	75.1	\$8.48
2	15	12.1	90.8	3.95

(5) Cost of Hospital Services to the State Insurance Fund.

The State Insurance Fund operated 85 beds under contract with Clinica Pereira Leal. It offers specialized surgical, medical and rehabilitation services to injured workers. The cost per day in this facility is \$16.00 including medical services (\$13.00 excluding them). The Fund also paid private hospitals the amount of \$910,152 for hospital services at a rate varying from \$5.00 to \$6.00/patient/day.

B- Cost of In-Patient Care in Special Hospitals

1) Government Hospitals

The Department of Health operates six T. B. hospitals, one psychiatric hospital and a hospital for lepers.

a) The cost per patient day in state tuberculosis hospitals is shown in the following table.

Costs Per Patient Day in State Tuberculosis  
Hospitals - 1957-58

Name of Hospital	Bed Complement	Occup. Rate	Expenditures for Hospitalization	No. of Patient Days	Cost Per Patient Day
Aibonito	100	86	\$ 134,085	31,382	\$4.27
Guayama	100	93	117,785	33,935	3.47
Mayaguez	200	81.5	205,944	59,543	3.46
Ponce	300	86.3	315,023	94,381	3.34
Cayey	400	75.7	433,879	110,465	3.93
Dr. Ruiz Solor	1,292	95.0	1,895,276	447,724	4.23
<b>TOTAL</b>	<b>2,392</b>	<b>89.4*</b>	<b>\$3,101,992</b>	<b>777,430</b>	<b>\$3.99*</b>

\*Average

b) State Psychiatric Hospital

This institution has a capacity of 1,719 beds. It had an occupancy rate of 83.9% and provided 526,319 days of service in 1957-58. Total in-patient expenditures were \$1,628,773 and the cost per patient day was 3.09 including overhead. (\$4.64 for patients receiving intensive care and \$2.95 for chronic and senile patients)

C- Cost for Dispensary Services

1) Dispensary Services in District Hospitals - 1957-58

Hospital	No. of Visits <sup>a)</sup>	Total Cost	Cost/Visit <sup>b)</sup>
Bayamón District	49,034	\$244,784	\$ 4.99
Ponce District	37,172	227,918	6.13
Arecibo District	39,440	124,023	3.14
Aguadilla District	45,852	117,867	2.57
Fajardo District	49,946	158,917	3.18
<b>TOTAL</b>	<b>221,444</b>	<b>\$873,509</b>	<b>\$ 3.94</b>

a) Include emergency visits

b) Average

## 2) Dispensary Services in Health Centers

There were 32 health centers in 1959, that served a total population of 720,000. The number of visits during the year was 1,381,701 or 1.9 per person.

It was not possible to determine routinely the cost per dispensary visit to these health centers, because costs for in patient and out patient services are not kept separate. According to a special study the cost per visit to a large health center was estimated to be \$.71 and the cost per visit to a small health center was estimated to be \$.61.

## V- EXPENDITURES FOR MEDICAL CARE BY THE DEPARTMENT OF HEALTH

The Commonwealth's total budget is at present over \$373 millions excluding federal and capital funds\* Out of the total amount roughly 13% is appropriated for health services \*\*

Health and welfare services have a fairly high priority among commonwealth services and programs. The following table will show the appropriations for health services during the last years.

### COMMONWEALTH TOTAL BUDGET AND APPROPRIATIONS FOR HEALTH SERVICES, FISCAL YEARS 1952-53 TO 1959-60 AND 1964-65

Fiscal Year	Commonwealth Total Budget	Appropriation For Health Services	% Of Total Budget
1952 - 53	\$174,710,579	\$16,310,522	9.3
1953 - 54	170,415,283	18,938,203	11.1
1954 - 55	180,881,034	19,208,975	10.6
1955 - 56	192,903,509	18,991,293	9.8
1956 - 57	230,902,536	21,437,770	9.3
1957 - 58	245,375,356	22,179,155	9.0
1958 - 59	267,754,640	24,124,844	9.0
1959 - 60	278,642,222	25,486,522	9.1
1964 - 65	505,786,594	64,100,404	13.0

NOTE: Federal and capital funds are included.

\*Approximately \$505 millions in total

\*\*Budget for 1964-65 includes approximately \$64 millions for Health and \$35 millions for Welfare, (or 7%)

A- Department of Health Expenditures

The following table shows the expenditures of the Department of Health and their distribution for the fiscal year 1957-58.

EXPENDITURES BY THE DEPARTMENT OF HEALTH, FISCAL YEAR 1957-58

DIVISION	TOTAL (a) EXPENDITURES	DISTRIBUTION			
		COMMUNITY HEALTH (d) SERVICES	PERSONAL HEALTH SERVICES	EDUCATION PLANNING RESEARCH	WELFARE AND OTHER
Hospitals	\$10,583,200 (b)	-	\$9,797,104	\$ 786,096	-
Public Health	8,568,778	\$2,679,231	5,480,297	89,241	\$ 320,009
Public Welfare	17,932,349	-	113,737	24,564	17,794,048
Departmental Bureaus	2,922,535 (c)	513,001	350,908	331,985	1,726,641
<b>TOTAL</b>	<b>\$40,006,862</b>	<b>\$3,192,232</b>	<b>\$15,742,046</b>	<b>\$1,231,886</b>	<b>\$19,840,698</b>

a) Includes 3.5% Department of Health overhead

b) Includes \$5,027,999 for the operation of tuberculosis, leprosy and psychiatric hospitals.

c) Includes \$1,546,018 for hospital construction both federal and state. The balance of \$1,276,517 was the operating costs of the bureaus under the Central office.

d) Includes general public health services, communicable disease control, vital statistics, environmental sanitation, health education and some activities of the public health clinics, milk distribution program, etc.

e) This refers to welfare programs within the Department of Health. Other department and governmental agencies are responsible for other aspects.

After the reorganization of the Department of Health in 1960, the Division of Hospitals and the Division of Public Health were fused into the Bureau of Health Services.



B- Division of Public Health

EXPENDITURES INCURRED BY THE DIVISION OF PUBLIC HEALTH - FISCAL YEAR 1957-58

BUDGETARY UNIT	TOTAL EXPENDITURES	DISTRIBUTION			
		COMMUNITY HEALTH SERVICES	PERSONAL HEALTH SERVICES	EDUCATION PLANNING AND RESEARCH	OTHER
Central Office (Adm.)	\$ 165,888	\$ 46,449	\$ 117,448	\$ 1,991	-
Bur. of P.H. Laboratories	381,352	99,152	282,200	--	--
Bureau of Nursing	105,033	27,309	77,724	--	--
Bureau of Chronic and Communicable Diseases	80,755	20,996	59,759	--	--
Bureau of Environmental Sanitation	657,969	657,969	--	--	--
Bureau of Crippled Children	572,075	8,515	270,975	--	\$292,585
Bureau of MCH	198,015	14,718	100,188	83,109	--
Bureau of Oral Hygiene	46,664	12,133	34,531	--	--
Bureau of T.B. Control	138,326	11,988	126,338	--	--
Bureau of V.D. Control	97,099	1,905	95,194	--	--
Salk Polio Immun. Prog.	186,746	138,192	48,554	--	--
P. H. Units	4,514,968	1,537,209 <sup>(a)</sup>	2,977,759	--	--
Health Centers (Hosp. Units)	1,015,666 <sup>b</sup>	--	1,015,666	--	--
Fed. Food Dist. Prog.	16,332	--	16,332	--	--
Maint. Bureau	102,125 <sup>c</sup>	28,697	72,305	1,123	--
<b>SUB TOTAL</b>	<b>\$8,279,013<sup>(d)</sup></b>	<b>\$2,605,232</b>	<b>\$5,294,973</b>	<b>\$86,223</b>	<b>\$292,585</b>
Departmental Overhead (3.5%)	289,765	73,999	185,234	3,018	27,424
<b>T O T A L</b>	<b>\$8,568,778</b>	<b>\$2,679,231</b>	<b>\$5,480,207</b>	<b>\$89,241</b>	<b>\$320,009</b>

a) Milk Distribution Program

b) Includes \$61,033 for salaries of personnel from the central office rendering direct services in the health centers (hospital unit)

c) Prorated

d) Includes 3.5% departmental overhead, but does not include 10.2% state overhead

C- Division of Hospitals

EXPENDITURES INCURRED BY THE DIVISION OF HOSPITALS  
(FISCAL YEAR 1957-58)

BUDGETARY UNIT	TOTAL EXPENDITURES	PERSONAL HEALTH SERVICES	EDUCATION PLANNING AND RESEARCH
General Hospital	\$ 5,157,313	\$ 4,449,437	\$707,876
Special Hospitals:			
Psych. Hosp.	1,904,670	1,853,033	51,637
T.B. Hospital	2,997,105	2,997,105	--
Leper Hospital	126,225	126,225	--
Payment to Vol. Hosp.			
Mennonite Gen. Hosp.	20,000	20,000	--
Castañer Gen. Hosp.	20,000	20,000	--
<b>SUB-TOTAL</b>	<b>\$10,225,313</b>	<b>\$ 9,465,800</b>	<b>\$759,513</b>
Departmental overhead	357,886	331,303	26,583
<b>T O T A L</b>	<b>\$10,583,199</b>	<b>\$ 9,797,103</b>	<b>\$786,096</b>

D- Central Department Office (1957-58)

The Central Department Office had in total expenditures \$2,922,535. (This includes: office of the Secretary and Division of Administration, Bureau of Health Education, Bureau of Medical Social Work, Bureau of Mental Health, Bureau of Cancer Control, Bureau of Nutrition and Dietetics, Bureau of Hospital Survey and Constructions, Bureau of Pathology and Medical Education, Bureau of Demographic Registry, Regionalization of Services, Bureau of Personnel and the Medical Center)

A total of \$431,929 was paid to different private hospitals under contract with the Health Department.

E- EXPENDITURES FOR DRUGS AND MEDICINES IN GOVERNMENTAL  
MEDICAL CARE FACILITIES FISCAL YEAR 1957-58

FACILITY	TOTAL	DRUGS AND MEDICINES	
	EXPENDITURES	AMOUNT	PERCENT
All Commonwealth Hosp.	\$9,465,799	\$508,354	5.4
General District Hosp.	4,304,405	253,156	5.9
Health Centers			
(Hosp. Unit)	2,470,565	413,303	16.7
Municipal Hospitals	6,244,430	1,196,864	19.2

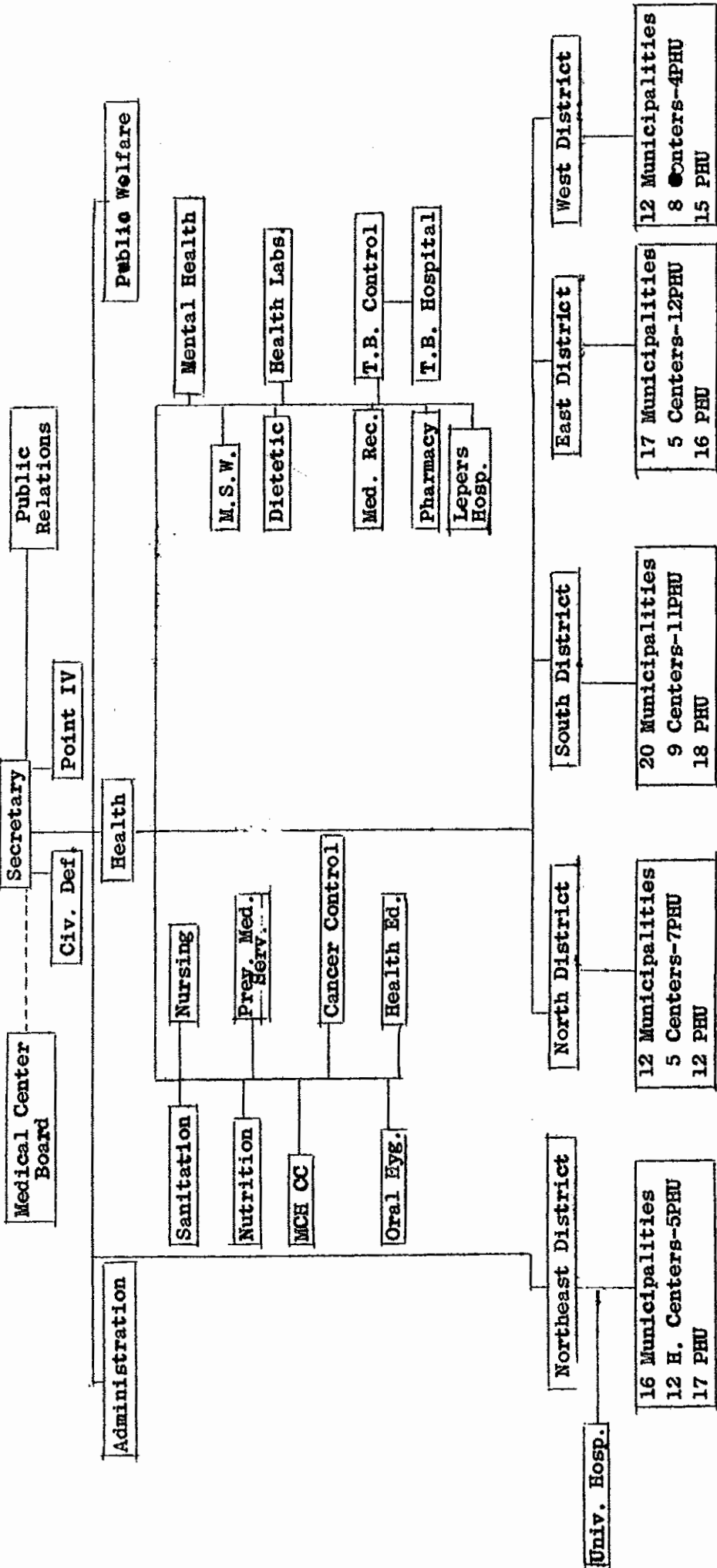
F- EXPENDITURES INCURRED BY THE DEPARTMENT  
OF HEALTH FOR THE YEAR 1963

BUDGETARY UNIT* BUREAUS	TOTAL EXPENDITURES	
	AMOUNT	PERCENT
Bureau of Administration	\$ 3,900,000	7%
Bureau of Health:	<u>29,800,000</u>	51%
Hospitals	13,500,000	
Public Health	16,000,000	
Bureau of Public Welfare	<u>24,300,000</u>	42%
<b>T O T A L</b>	<b>\$57,800,000</b>	<b>100%</b>

\* The organization of the Health Department has changed since 1960 and will be discussed in the next chapter.

Forty two local health centers were operating by the end of 1963 where preventive and curative services are offered in coordination with those of social welfare. The health centers have a total bed capacity of 1,003 beds.

FUNCTIONAL ORGANIZATION OF THE HEALTH DEPARTMENT



## VI - ORGANIZATION OF THE HEALTH DEPARTMENT

As one can observe in the preceding organizational chart there has been a significant reorganization in the Health Department since 1960.

The Division of Hospitals and the Division of Public Health were fused into the Bureau of Health, which is responsible for the different central programs and services and for the North, East, West and South Districts of Health and Welfare to the Secretary of Health. The Northeast Region with its University Hospital (and the Medical Center) is directly responsible to the Secretary of Health.

### Population Distribution by Regions

District	Population	
	Number*	%
Northeast	875,000	36
South	538,000	23
West	316,000	13
East	372,000	15
North	326,000	13

\* Approximate figures

This reorganization was carried out as a result of a study (of experimental nature) sponsored by Rockefeller Foundation and the Commonwealth of Puerto Rico, which study was motivated by the highly centralized administration of a rapidly growing health program. Decentralization of services of health and welfare was the main element of the reorganization. The central programs and services ceased to have any direct supervisory responsibility and assumed the role of advisors and consultants. All the administrative authority of the Secretary of Health was delegated to the Directors of the Bureaus of Health, Welfare and Administration. The Director of the Bureau of Health delegates in turn the administrative authority to the Regional (District) Directors. These manage their own budget and have their own administrative machinery of the public health programs since 1962.

### Organization of the Maternal and Child Health Program:

According to the above mentioned facts there is a central MCH program that functions mainly as an advisory and consultant body which is in charge of broad policy making, demonstration and administrative research. It collects the data of the five districts.

The five regional directors are then the authorities responsible for the planning, establishment and development of the regional maternal and child health programs in their own particular districts. In other words, by having their own administrative mechanisms they carry out their own regional programs according to the standards of care that they establish in accordance with their own specific health needs.

The regional offices have as one of their main duties the development of initiative and leadership of their corresponding local health officers, so that they can then proceed to establish their own local health programs.

The Maternal and Child Health Program has received top priority for the next ten year period. If we examine the distribution of our population one can see why MCH has received special attention. The median age of our population is 18 years and 52% of our people are children under 19. On the other hand the group of women in reproductive ages (15-44 years - actual or potential mothers) represent 22% of the entire population. Thus, 74% of the Puerto Ricans are the responsibility of the MCH Programme.

In view of these facts and looking ahead the Northeast Region of Health and Welfare has already expressed the intention of converting all the local health centers into MCH centers which will devote their activities to mothers and children, to out-patients (ambulatory patients) and other non-personal services. The rest of the services will be rendered at the Intermediate Hospitals\* or referred to the Base Hospitals for care.

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\*Being developed at present at Bayamón, Carolina and Caguas, to offer intermediate specialized care.