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FARM LABOR IN THE PHILIPPINES

An analysis of social and economic
conditions and organizations

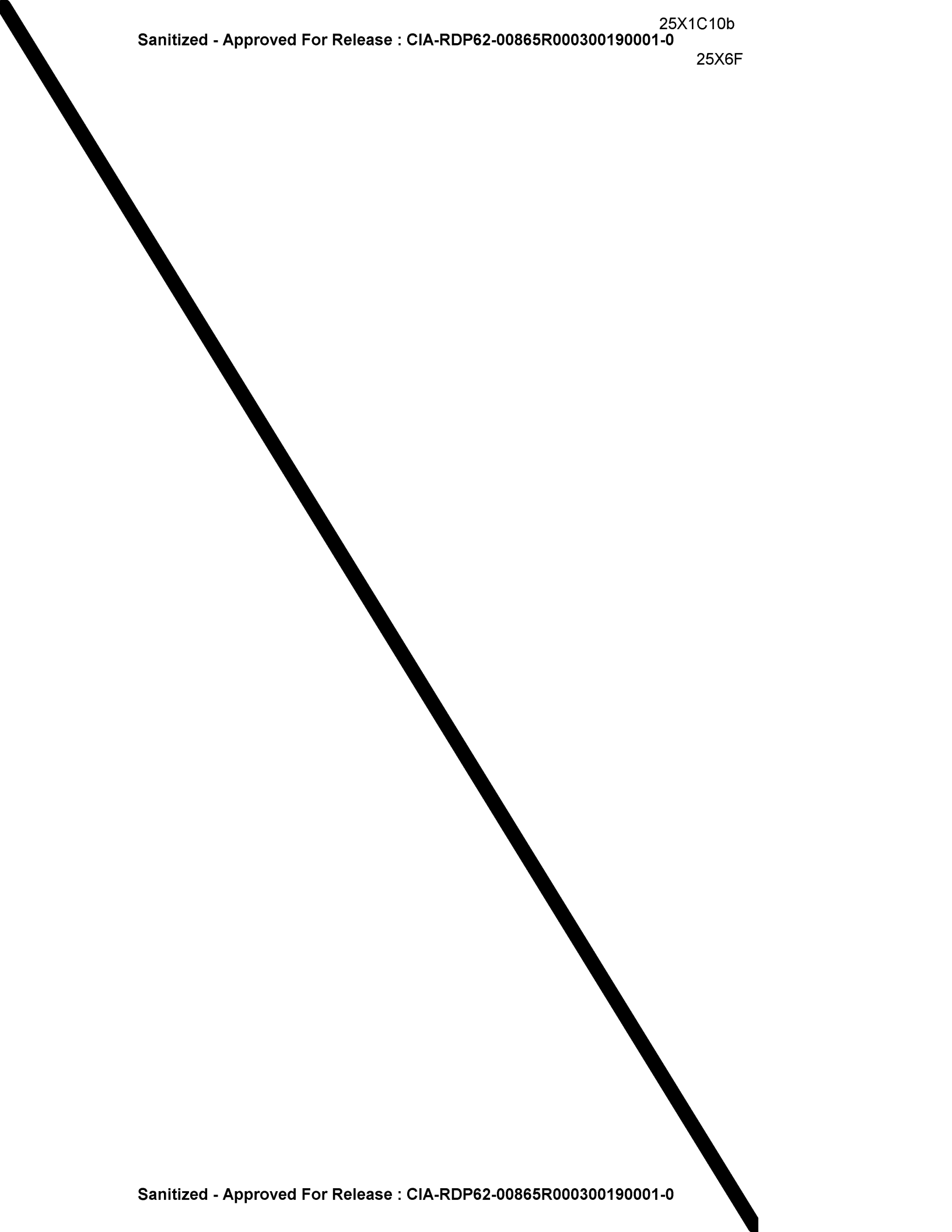


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FARM LABOR IN THE PHILIPPINES

SUMMARY

Farm laborers in the Philippine Islands are depressed financially, socially and psychologically. Living conditions and farming methods are primitive. Few farmers own the land they work and those who do own too little to provide a decent living. Lacking the essentials for more than subsistence living, the farmers, and particularly tenant farmers, have been easy prey for Communist Huk terrorists. Unemployment and underemployment chronically plague the Filipino farm workers. Farming is concentrated in a few areas, while other extensive fertile regions lie fallow. The Land Reform Program is designed to open up additional areas, but frequently the farmers refuse to move from their crowded native barrios.

Laws governing minimum wages, tenancy and other problems of farm workers have been passed by the Philippine legislature, but they are not enforced and, in general, the farmer is ignorant of the existence of such laws. He continues to suffer from inadequate wages, substandard living conditions, unsurious interest rates and other evils of a still-feudal agricultural system.

Most of the national labor confederations have tried, with varying degrees of success, to organize the farm workers, but the program is still in its initial stage and there are large numbers of workers who have never been reached by labor organizers. Lawyers have frequently founded unions, hoping or promising to accomplish benefits by bringing about enforcement of the existing laws. Many of them, however, have had insufficient background in labor organization to build strong unions and for this reason failed in their purpose. In other cases where the motive of the founder was more that of personal gain than of helping the farmers, the unions have degenerated into a source of income for the lawyer-founder.

The Magsaysay government recently expressed an interest in organizing farm workers, but apparently has taken no action. Independent of the government, the new Federation of Free Farmers, organized in 1953 by an attorney and a Jesuit priest as a cooperative for small farmers and a labor union for tenants, appears to be prospering according to late reports.

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FARM LABOR IN THE PHILIPPINES

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FARM LABOR IN THE PHILIPPINES

A. Economic Conditions

Farm laborers in the Philippine Islands are depressed financially, socially, and psychologically. Living conditions and farming methods are primitive. Opportunities for financial or social improvement are almost nonexistent. After years of exploitation by the large landholders and moneylenders the Filipino farmer has little spirit or incentive left.

In some farming areas of the Philippines 60% of the farmers are tenants; that is, they do not own the land they work. ^{1/} The average size of the farms that are owned by small landholders is 2.5 hectares (a hectare is 2.47 acres). Tenant farmers are at the mercy of their landlords and small landholders do not own enough ground from which to raise crops of sufficient value for their needs.

Because they lack the essentials for more than subsistence living, the farm population of the Philippines, and particularly the tenant farmers, have been easy prey for the Communist Huk terrorists. These guerrillas sweep down from the hills to steal farm products from the fields, but they also attempt to convert the farmers to their cause. Those farm workers who have nothing turn to the Huk movement in hopes of bettering their lot. Those who own a little land support the movement in sheer terror that by opposing it they will lose what little they have. They are frightened and intimidated, principally because of their extreme need.

The basic problem of the Filipino farmer appears to be his own ignorance, both of modern farming methods and of his legal rights. In 1951 a minimum wage law was passed, with specific sections relating to farm wages. Tenancy contracts are also stipulated by law. (Details of these laws may be found in Appendix 1.) But ruthless landlords are able to ignore these laws because the farmers do not know of their existence or are unable to understand them. With insufficient funds for enforcement, and a large stake in landholding on the part of some of its ministers and congressmen, the government has appeared unconcerned even to inform the farmers of the laws. ^{2/}

Unemployment and underemployment chronically plague the Filipino farm worker. The inequitable distribution of land is partly responsible for this. Although the Islands abound in arable land, farming is concentrated in a few areas which are mostly overworked, while extensive fertile regions lie fallow. The Land Reform Program is designed to open up some of the unused land for agriculture, but it has not been practically implemented as yet. However, efforts to resettle farmers into areas where there is a shortage of labor have often met with resistance. The Filipino farmer is strongly attached

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to his barrio, the settlement in which he was born and where all his family is, and frequently refuses to be moved, even to a nearby or adjacent area. 3/

In another effort to put surplus farm labor to work, the new Minister of Labor, Col. Eleuterio ADEVOSO, has recently written to the United States Department of State, proposing that regulations for temporary immigration be waived or amended for Filipinos, so that they could remain in the United States for 18 months instead of the present 6 months allowed, to work in West Coast farm areas where they are needed. He explained that because of the distance involved, the average Filipino could not earn enough in six months even to cover his passage, much less any profit. 4/ However, the inertia of the farmers might mean that such a program would meet with small response.

Another basic problem of Philippine agriculture lies in low productivity. Crop yields are small by Far East standards, 5/ and it is this very low productivity which helps to keep the Filipino farmer constantly in debt. The over-use of land and under-use of fertilizer contribute to this low productivity. Another factor is the failure to employ technological and scientific methods. Most Filipino farmers cling to the hand methods of agriculture which they learned from their forebears. Few have the interest to experiment with farm machinery and soil enrichers; those who have the interest all too frequently lack the cash. Always in debt, the Filipino farmer seldom has an opportunity to borrow from official credit facilities, since the banks usually do not have sufficient branches in the rural areas. Usually the only sources of credit for these farmers are the landlords or almost any middleman (mostly Chinese) with ready cash. Both exploit the farmer to the limit.

Even the energies at hand are not used to the optimum extent. A farmer with two caraboes can work 4 to 5 hectares, but the average Filipino farmer has only 2.5 hectares to work at present, 6/ And the inertia of centuries of depression prevents him from using his excess energies to plant a secondary crop, or engage in handiwork or other profitable endeavors.

This combination of inertia, outmoded methods of agriculture, ignorance of their legal rights, and lack of adequate leadership and ability to organize among themselves to better their conditions have resulted in a continuation of inadequate wages, substandard living conditions, unsurious interest rates and other evils of a still-feudal agricultural system.

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B. Organizations

Organizations for farm workers fall into two categories: (1) co-operatives, for the small landholders, and (2) labor unions, for the tenant farmers. Neither type of organization has met with much success in the Philippines. Several small agrarian groups have been formed with the promise to improve the farmers' way of living, but these have tended to be Communist-dominated. 7/ Those which have not fallen prey to Communists have more often than not been the victims of racketeers who have used them for their personal gain.

In 1951, the US Agricultural Attache and the ECA Agricultural Consultant met with a small group of Filipino farmers, technical agriculturalists, and home economics experts to organize a society patterned after the Grange in the United States. Previous efforts to establish such an organization failed when control of the group fell into the hands of politicians who recognized the political potential of the group. 8/ No later reports which might indicate the fate of the 1951 effort have been located.

Many organizers have, for a variety of motives, founded unions in attempts to improve the condition of Filipino workers. Most of these efforts have resulted in company unions controlled by servants of the company; Communist-dominated unions; unions dominated by politicians or would-be politicians who hope to use the workers for political gains, and unions dominated by racketeers who hope to profit financially by exploiting the workers. Some unions have also been established by individuals who are genuinely interested in organizing workers for their own good and the good of the Philippines. 9/

The union organizer frequently has been the attorney. This is not by accident. Trained in Philippine legal codes and traditions, professionally connected with judges and congressmen, Philippine attorneys have been in an advantageous position to combat the greatest detriment to the Philippine labor movement: the workers' ignorance of the laws designed to protect them. Lawyers have been able to rally workers about them because they manifestly could do something for the workers: it wasn't necessary to fight for new legislation and they knew how to demand enforcement of the existing laws. However, all too often the motives of these attorneys lay more in self-interest than in the interests of the workers. Labor lawyers have been able to make their entire livelihood from the fees collected for arguing their unions' cases in court, and in one instance at least, a union's founder and legal counsel opposed improvements in the labor litigation procedure which would have cut down his case fees. 10/ Even when they have been highly-motivated these lawyers have frequently lacked any background and training in labor organization. Thus they have been unable to pull together an efficient, loyal membership of any size.

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A 1951 report states that sugar workers on the haciendas have not been unionized, largely because of the "paquio" or piece-work system by which they work. Each worker is given a certain area to plant and cultivate, in most cases with the aid of mechanized equipment owned by the central or the hacendero. 11/

The Magsaysay government has apparently also developed an interest in organizing the farm workers. A front-page feature in the Philippines Herald on February 26, 1954 quoted reliable sources to the effect that President Magsaysay is considering the "feasibility of organizing farmers' unions in Central Luzon to break the influence of Communist front groups, such as the outlawed PKM, among tenant farmers in that troubled zone." A discussion on this subject between Col. Adevosio and the US Labor Attache brought out three major problems to such a program: (1) to guarantee that such organizations if encouraged would not fall into the hands of Huk infiltrationists; (2) to recognize the problem of political attacks stemming from landlords; and (3) to avoid laying the Administration open to the charge of Government domination of trade unions. Col. Adevosio was inclined to regard the first problem as the most serious. 12/

During mid-June 1954, Dr. Emilio CORTEZ, Nacionalista party congressman from the second district in Pampanga, and who has known past connections with the PKP/HMB movement, reportedly was making efforts to organize the peasant labor groups in Pampanga province. He was said to be working through his own contacts in Pampanga labor and peasant circles, and also to be attempting to attract support for his efforts from among the Federation of Free Farmers affiliates, or from any moribund peasant labor organizations in Pampanga. 13/

1. Farm Worker Organizations

By terms of the Industrial Peace Act of 1951, all labor unions are required to register with the government. A list containing about 70% of the 1953 registrations showed only one union for agricultural workers. 14/ Other unions have been identified from other sources. The only known farm labor organizations are listed below. However, they are mostly local in nature, and some are company-dominated.

a. Federation of Free Farmers (FFF)

Address: centered in Central Luzon (Pampanga and Tarlac Provinces)

Affiliation:

Membership:

Officers: 15/

President: Jeremias U. MONTMAYOR (founder)

Head, Legal Dept.: Federico B. MORENO

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This organization, founded in 1953 on a shoestring and an idea, is essentially an effort to improve economic conditions of both small land-owners and tenant farmers by introducing technological and scientific methods which will enable them to produce better and larger crops. It is to function as a cooperative for small landholders and as a labor union for tenant farmers. 16/

As a beginning, MONTMAYOR, an attorney, got ten farmers, who between them owned about 50 hectares of land, to invest their savings in the FFF. The Philippine Government Office of Soil Conservation made a land contour study free, and furnished a team to do soil analysis at nominal cost, which, according to one report, was borne by Fr. HOGAN, leader of the Federation of Free Workers (FFW - see below). Machinery and properly mixed fertilizers were bought for use of the members. 17/

While MONTMAYOR had to borrow the greater part of the funds necessary to start the program, he estimated that the new methods introduced would produce sufficient surplus crops to repay the loans within two years. His idea spread, and even before the federation really began operations other farmers asked to join it. However, MONTMAYOR preferred first to prove the soundness of the project, believing that then growth would be natural and rapid. 18/

The FFF was organized under the guidance of MONTMAYOR and the Rev. Fr. Pacifico ORTIZ, a Jesuit priest. A late report indicates that the federation has prospered, and now has several branches. The national organization is not registered as a trade union, but its affiliates in Pampanga and Tarlac, and possibly in Cagayan and Bulacan, are reported to be registered. The organization is reportedly not a branch of the FFW but represents a similar church-sponsored effort among rural groups. 19/

MONTMAYOR is a young attorney, highly respected by the farmers with whom he is working. He apparently receives no salary from the federation, and was forced to apply for a teaching position in order to support his family. 20/

Tarlac Farmers Association 21/

Address: c/o Jose Tanglas, Capaz, Tarlac

Affiliation: FFF

Membership:

Officers:

President: Igmidio V. MANAGUNE

Vice-president: Rufino LACSON

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Secretary: Elias MALLARE
Treasurer: Apolonio MALLARE
Registered: 1 September 1953

Recently, the Concepcion Chapter, in Tarlac, negotiated a contract with a council of landlords which covers conditions of tenancy and disposition of crops, and involves some 150 landlords and about 3,000 tenants of the Concepcion area. 22/

b. Kabalsalan Rubber Project Workers Union

Address: Mindanao
Affiliation: Inter-Island Labor Organization
Membership: Approx. 175
Officers:
Action: Plantation workers of this union have been on strike since 12 January 1954. Only a few members responded to the initial strike call, but the radical minority resorted to beating the ones who continued to work, and molesting their families, until all joined the strike. 23/ Reportedly, a "sinister character" named (fnu) ESPINAS, formerly closely identified with the FOF, southern counterpart of the Communist-dominated CLO, has inserted himself into the dispute and gained considerable influence over the workers involved.

2. National Confederations with Farm Affiliates

Several of the national labor confederations have affiliates among farm workers. Those known are:

a. Federation of Free Workers (FFW)

Address:
Affiliation:
Membership: 5,000 - 8,000

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Officers:

President: Juan C. TAN

Vice-presidents: Edmundo NOLASCO
Ignacio LACSINA
Alejandrino MANALAC

Organized: 1950, by TAN and Fr. Walter B.
HOGAN, Jesuit

The FFW is reported to have penetrated the HUK area of Pampanga Province by organizing drives among sugar workers and farm tenants. Strong employer opposition has been met, but about 800 designations have been received. 24/ The FFW is the only major labor group which declined to join the Philippine Trade Union Unity Council, a move to establish a national federation of trade unions.

b. National Labor Union (NLU)

Address:

Affiliation: ICFTU (this is the only ICFTU
affiliate in the Philippines)

Membership: 20,000

Officers:

President and
Legal Counsel: Attorney Eulogio LERUM

This union functions almost exclusively through cases which are under consideration in the Court of Industrial Relations. The union is the source of LERUM's finances, and he is mainly interested in making a living from its operation. However, he has achieved benefits for the workers, including payment of back pay for overtime; some wage increases, and fringe benefits such as vacation with pay. 25/

Farm Workers Organization:

The union, which is loosely organized, operates as a company union on the Canlubang estate of Jose Yulo. 26/

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c. United Labor Organization (ULO)

Address:

Affiliation:

Membership:

Officers: Vicente RAFAEL
 Vicente ARNIEGO

This union was founded within the past year as a splinter of PAFLU (Philippines Association of Free Trade Unions), when RAFAEL and ARNIEGO disagreed with the policies of PAFLU leader Cipriano CID. The ULO was said to have taken out of PAFLU several farm workers unions, but they have not been identified.

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APPENDIX 1: SUMMARY OF LABOR CONDITIONS AND LAND
REFORM IN PHILIPPINE AGRICULTURE



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APPENDIX 1: SUMMARY OF LABOR CONDITIONS AND LAND
REFORM IN PHILIPPINE AGRICULTURE

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SUMMARY OF LABOR CONDITIONS AND LAND
REFORM IN PHILIPPINE AGRICULTURE

1. Importance of Agricultural Workers

In 1953, according to the Philippine Bureau of Census and Statistics, agricultural workers constituted 71.26 per cent of the labor force 10 years of age and over. The breakdown by occupation and sex is shown in the following table:

Table 1: Projection of Labor Force 10 Years Old and Over, by Industry Division and by Sex: 1952-1953 ^{1/}
(Number of Persons in Thousand)

Industry Division	1953			Per cent of total		
	Male	Female	Total	Male	Female	Total
PHILIPPINES	<u>4,865</u>	<u>3,256</u>	<u>8,121</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Per cent distribution	59.91	40.09	100.0			
I. Agriculture, Forestry, Fishing and Hunting	<u>3,336</u>	<u>2,453</u>	<u>5,789</u>	<u>68.57</u>	<u>75.33</u>	<u>71.26</u>
Agriculture and Livestock	3,049	2,443	5,492	62.67	75.04	67.59
Forestry	13	1	14	.28	.02	.17
Fishing	272	9	281	5.59	.27	3.48
Hunting	2	-	2	.03	-	.02
II. Non-Agricultural Under- takings	<u>1,529</u>	<u>803</u>	<u>2,332</u>	<u>31.43</u>	<u>24.67</u>	<u>28.74</u>

It is interesting to note from the above table, that there are a higher proportion of women than men in agricultural pursuits.

2. Types of Farms

A classification of types of farms on the basis of the principal products and the area in hectares is shown in Table 2. This data is from the 1948 Census of Agriculture.

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Table 2: Types of Farms, 1948. 2/

Type of Product	Number of Farms	Area in Hectares
Palay Farms	783,938	2,423,613.32
Corn Farms	254,367	550,899.18
Abaca Farms	22,960	191,843.21
Sugarcane Farms	12,522	124,020.27
Coconut Farms	233,086	1,082,028.48
Fruit Farms	23,944	25,366.25
Tobacco Farms	2,048	6,227.51
Vegetable Farms	1,519	4,685.22
Root Crop Farms	47,875	101,414.75
Livestock Farms	102	17,277.15
Poultry Farms	126	277.54
Other Farms	256,137	1,198,930.76

3. Extent of Land Tenancy

The prevailing form of farm labor is tenancy, under which the worker contributes his labor in the production of the crop and is remunerated by a definite portion of the produce. The extent of tenancy in the Philippines is shown in the following table based on the 1948 Census of Agriculture.

Table 3: Extent of Land Tenancy. 3/

	Number of Farms	Area in Hectares
Owners	861,239	3,519,473.36
Part Owners	163,132	490,887.89
Tenants:		
Share Tenants	424,732	1,011,753.07
Share-cash Tenants	5,411	19,411.72
Cash Tenants	7,898	35,111.65
Other Tenants	173,930	487,513.98
Farm Managers	2,282	162,431.97

4. Labor Standardsa. Minimum Wage Legislation

The Philippine Minimum Wage Law, which became effective August 4, 1951, provides with respect to agricultural employers in Section 3(b):

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"Every employer who operates a farm enterprise comprising more than 12 hectares shall pay to each of his employees, who is engaged in agriculture, wages at the rate of not less than --

- (1) On the effective date of this Act and for one year thereafter, ₱1.75 a day, and no allowances for board and lodging shall reduce this wage below ₱1.50 in cash during that year;
- (2) One year after the effective date of this Act, ₱2 a day, and no allowances for board and lodging shall reduce this wage below ₱1.75 in cash; and
- (3) One year thereafter, ₱2.50 a day and no allowances for board and lodging shall reduce this wage below ₱2.25 in cash." 4/

Farm laborers employed on farms of 30 acres or less are exempt from coverage of the Act.

The law also provides for direct payment of wages to workers, thus making illegal the prevalent practice of giving worker's wages to foremen or labor bosses for distribution who retained as much for themselves as the traffic would bear.

Though the passage of the law was greeted with considerable enthusiasm by the press and the general population, this was later followed by a feeling of disillusionment as the result of failure to enforce the law, especially in agricultural areas.

In a despatch from Manila dated November 9, 1953, the embassy stated: 5/

"but on the whole, labor, to the extent it had optimistic expectations is disillusioned about the minimum wage law, for the guaranteed minimum is more often a myth than a reality due to the difficulties of enforcement."

b. Eight Hour Labor Law

The eight-hour labor law is not applicable to agricultural enterprises or farm laborers. However, provisions similar to those provided by the law may be adopted, especially on large well-established farms through collective bargaining agreements. 6/

c. Other Legislation

Act 104 of 1936 which enables the Secretary of Labor to set safety standards makes no specific provisions for agricultural workers and is intended primarily for the protection of workers in mines, quarries, and industrial establishments. Similarly

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the Workmen's Compensation Act and the Women's and Children's law appear to be intended primarily for the protection of non-agricultural workers. Enforcement of these, as well as the minimum wage law, is hindered by lack of funds for inspection and enforcement.

5. Agricultural Wage Rates

There had been complaints by employers that the minimums set by the Minimum Wage Law were too high and that they would result in lay-offs and consequent lower total earnings by workers.

Though earnings data are more significant than wage rates in measuring the welfare of workers, no such data are available and it is therefore not possible to measure the effects of the minimum wage law on the earnings of agricultural workers.

Table 4 shows the wage rates of agricultural laborers in various regions of the Philippines both in terms of index numbers and in pesos.

Chart I shows the wage rate indices in graphic form that appear in Table 4.

The chart brings out in a more striking way than the table that agriculture wage rates were higher in 1947 prior to the passage of minimum wage legislation than in 1952 in Central Luzon (including Zambales) and Southern Luzon (including Marinduque, Mindoro, and Bicol). As computed by the Bureau of the Census and Statistics, the higher wage rate levels in these regions were sufficient to make the average rates for the Philippines as a whole higher also in 1947 than in 1952.

It was not possible to obtain on short notice any other explanation for the existence of higher agricultural wage rates in 1947 than 1952 than that the statistical techniques were deficient.

The minimum wage for agricultural workers, which became effective August 4, 1951, was ₱1.75. This was raised to ₱2 a year later. Thus for approximately 8 months of 1952, the first minimum prevailed and for 4 months the second minimum prevailed. This results in a 1952 weighted average of ₱1.83, disregarding for the moment any allowable deductions for board and lodging. It is therefore interesting to note from the above table that the national average shown for the year 1952 was ₱1.94. It should also be noted that the increase in the national average from 1951 to 1952 approximated 13.5 per cent. As in the case of many averages, the above national average increase concealed considerable variation in the data. Thus the variation by regions, of the increase in the wage rate from 1951 to 1952, ranged from 6.7 per cent in Mindanao (including Sulu) to 47.4 per cent in Luzon (Cagayan Valley, including Batanes).

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Table 4: Wage Rates ^{1/} and Wage Indexes of Agricultural Laborers in the Philippines, by Region
1941; 1947-1952

(Wage rate in pesos)
(1941 = 100)

Region	1941	1947		1948		1949		1950		1951		1952	
	Wage rate	Wage rate	Index	Wage rate	Index	Wage rate	Index	Wage rate	Index	Wage rate	Index	Wage rate	Index
Philippines	0.56	2.05	366.1	1.66	296.4	1.73	308.9	1.70	303.6	1.71	305.4	1.94	346.4
Luzon: Ilocos, including Mountain region	0.53	2.06	388.7	1.40	264.2	1.67	315.1	1.63	307.5	1.80	339.6	2.11	398.1
Luzon: Cagayan Valley, including Batanes	0.60	1.44	240.0	1.42	236.7	1.76	293.3	1.62	270.0	1.54	256.7	2.27	378.3
Central Luzon: including Zambales	0.67	3.00	447.8	2.35	350.7	2.04	304.5	2.10	313.4	1.95	291.0	2.13	317.9
Southern Luzon: including Marinduque & Mindoro	0.66	3.06	463.6	1.92	290.9	2.02	306.1	2.18	330.3	2.16	327.3	2.45	371.2
Southern Luzon, Bicol	0.52	2.05	394.2	1.42	273.1	1.51	290.4	1.43	275.0	1.51	290.4	1.82	350.0
East Visayan	0.37	1.49	402.7	1.25	337.8	1.27	343.2	1.41	381.1	1.43	386.5	1.84	497.3
West Visayan	0.47	1.38	293.6	1.13	240.4	1.37	291.5	1.27	270.2	1.31	278.7	1.70	361.7
Mindanao: including Sulu	0.60	1.80	300.0	1.76	293.3	1.86	310.0	1.77	295.0	1.76	296.7	1.90	316.7

Source of Basic Data: Philippines Bureau of the Census and Statistics.

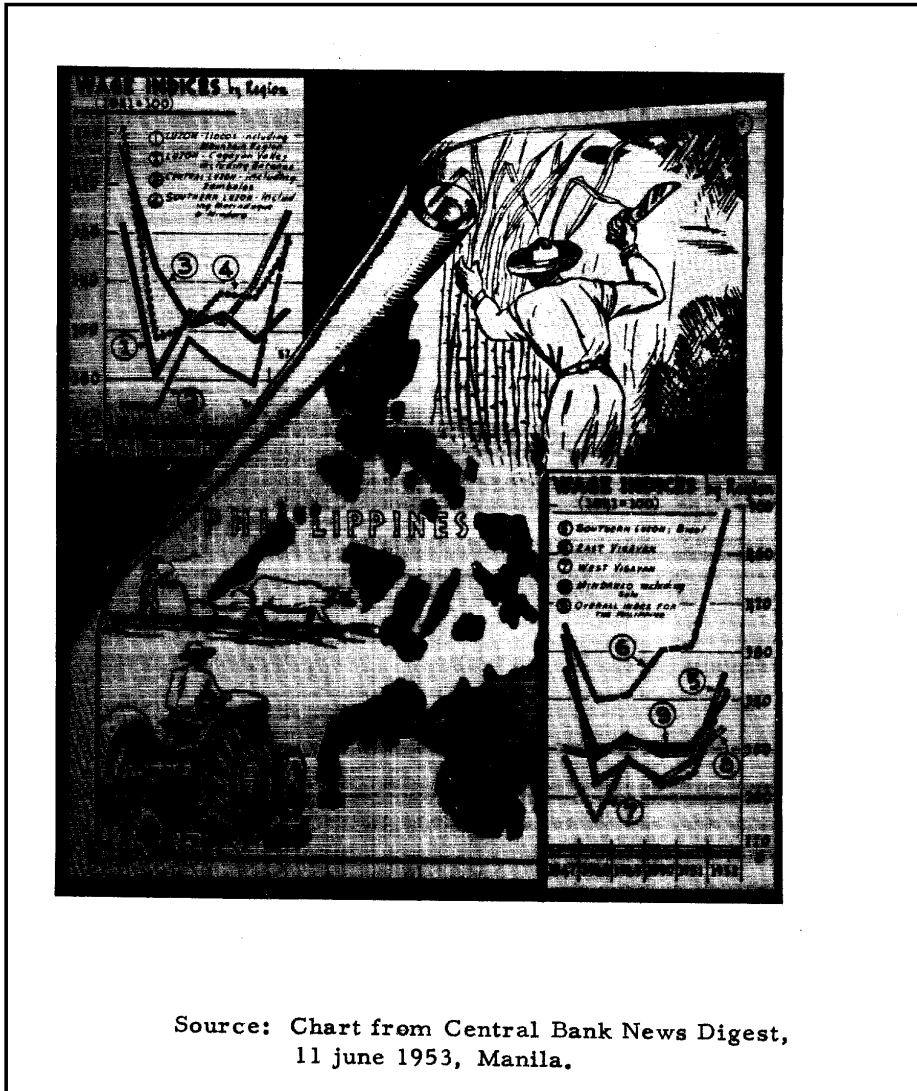
^{1/} Revised Wage rates are averages of daily money wage rates. Aside from this wage, agricultural laborers are furnished with two free meals.

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CHART I

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Source: Chart from Central Bank News Digest, 11 June 1953, Manila.

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6. Land Tenancy Status

An analysis of the legal status of farm tenancy was made by the American Embassy in Manila in 1951. The pertinent sections are as follows:

Rice tenancy and sugar tenancy are regulated by law. The historic division in rice tenancy is one-third for human labor and management, one-third for the supplier of animal labor, and one-third for the owner of the land. Usually the landowner has the responsibility for the payment of taxes and for furnishing the cash for growing the crop. The work animal may be supplied by either the tenant or the landowner.

In 1933, to correct oppressive practices of landowners, which had been associated from time immemorial with the system, and which had brought about increasing unrest in rice-tenancy areas, a law was passed "to promote the well-being of tenants (aparceros) in agricultural lands devoted to the production of rice." (Act No. 4054.) This law has been amended several times, the latest of which was on September 30, 1946, when Republic Act No. 34 was approved.

This Act, as amended, gives to the landlord and the tenant freedom to enter into any or all kinds of tenancy contract as long as they are not contrary to existing laws, morals, and public policy. The following stipulations are, however, declared to be against public policy:

- (a) If the tenant shall receive less than fifty-five per cent of the net produce, in case he furnished the work animals and the farm implements, and the expenses of planting and cultivation are borne equally by said tenant and the landlord;
- (b) If the rental stipulated to be paid by the tenant to the landlord is higher than twenty-five per cent of the estimated normal harvest, in case of a contract providing for a fixed rental of the land; and
- (c) If the landlord is the owner of the work animal, and the tenant of the farm implements, and the expenses are equally divided between the landlord and the tenant, for the tenant to receive less than fifty per cent of the crop.

In the absence of any written agreement to the contrary and when the tenant furnishes the necessary implements and the work animals and defrays all the expenses for planting and cultivation of the land, the crop shall be divided as follows:

The tenant shall receive seventy per cent of the net produce of the land and the landlord thirty per cent, for first-class land, the normal production of which, based on the

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average yield for the three preceding years, is more than forty cavans of palay per cavan of seeds; seventy-five per cent for the tenant and twenty-five for the landlord, in case of land the average normal production of which is not more than forty cavans of palay per one cavan of seeds. In case the landlord furnishes the necessary work animals and farm implements and, likewise, bears all the expenses of planting and cultivation, the landlord shall receive seventy per cent and the tenant thirty per cent of the crop; but if the landlord furnishes the necessary work animals and farm implements and bears equally with the tenant the expenses of planting and cultivation the crop shall be divided equally between the parties. 7/

Additional information on farm tenancy in the Philippines is contained in a press release of the CIO International Affairs Committee of July 1953. In an attachment by Jose J. Hernandez entitled "Facts about Sugar Workers in the Philippines," there is the following information:

The records of the Philippine Bureau of Census and Statistics shows that there are at present 289,000 agricultural laborers in the sugar industry. The record likewise shows that the total sugar quota of the Philippines at present including export and domestic sugar is 16,883,343 piculs.

Eighty (80) per cent of the whole Philippine sugar quota is produced in the Islands of Negros, where the prevailing rate of daily wage for farm laborers prior to the passage of the Minimum Wage Law is ₱1.00 and for mill laborers ₱3.00. In the Island of Luzon, the prevailing wages before the approval of the Minimum Wage Law is ₱2.50 for farm laborers and ₱3.30 for mill laborers.

With the recent passage and approval of the Minimum Wage Law (Republic Act No. 602) last April 6, 1951, the prevailing daily minimum wage for farm laborers at present is ₱2.50 and ₱4.00 for industrial laborers. (Note: One US Dollar is equivalent to the (2) Philippine Pesos.)

At present, there are only two labor organizations in the Philippines that have active members among sugar cane workers. These are the Allied Workers Association of the Philippines which is presently operating in the Island of Negros Occidental and the National Labor Union which has its central office in Manila. The Allied Workers Association with chapters in twelve (12) sugar centrals and fifteen (15) sugar cane plantations has 13,000 active members while the National Labor Union in Luzon has 6,000 active members.

Eighty (80) per cent of the total quota of 16,883,343 piculs is produced by planters who are owners of the plantations they are working while twenty (20) per cent of the entire Philippine

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sugar quota is produced by planters who are only leasing the sugar cane plantations at the prevailing rental ranging from 15% to 20% of the gross production.

One half of the total leasehold contracts are family contracts or leases between fathers and sons or between close relatives.

Eighty (80) per cent of the entire quota is produced from plantations with more than 10,000 piculs quota. Ten (10) per cent of the entire quota is produced by planters with more than 6,000 piculs quota. Five (5) per cent is produced by planters with 3,000 piculs quota and another five (5) per cent is produced by planters with less than 3,000 piculs quota.

Planters producing from 6,000 to 10,000 piculs, even if they are leases, provided the rental does not exceed 12 per cent, and provided that the sharing contract between planters and millers is 60-40, can afford to pay a minimum cash wage of ₱2.00.

Planters producing over 10,000 piculs quota can, whether planters-leases or planters-owners, afford to pay a minimum cash wage of ₱2.50 to their laborers.

Planters with less than 3,000 piculs quota can afford to pay a minimum cash wage of ₱2.00 provided they are planters-owners and do not have to add to their cost of production the value of the rental.

In the Philippines, the equitableness of the 60-40 participation between millers and planters has never been thoroughly investigated by qualified investigators. This is partly due to the fact that, while sugar mills are corporations whose books are open to the inspection of government auditors, the books of the planters have never been investigated by competent examiners. For this reason, the actual cost of production of the planters has never been accurately ascertained.

The principal problem of labor unions in the Philippines today with respect to sugar cane workers is the difficulty they meet in unionizing farm laborers. This is mainly due to two important reasons: the fact that sugar cane plantations are numerous and are scattered in wide areas which makes it hard for organizers to go from one plantation to another one, and the insistent opposition of sugar cane planters against the unionizing of their laborers. 8/

Additional light on the sugar workers is given by the following comment by the American Embassy in Manila:

"In Negros Occidental, the center of the sugar industry, where a field trip was recently made by embassy officers for the purpose of observing conditions and studying problems of the industry, it was stated on reliable authority that the majority of the planters pay wages of only 1.50 pesos a day. Even this wage is often paid only on condition that the worker be assisted by members of his family, who are paid nothing. The government is making a half-hearted attempt to enforce the minimum

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wage in factories and offices, but on the farms it seems to lack the will and the force to do so. The farm workers themselves are generally subservient, passive, inarticulate. 9/

7. Issues Utilized by Communist or Communist-Dominated Groups

a. War-time Origin of Subversive Groups

During the Japanese Occupation overt trade union activity was suppressed and many trade union leaders joined the Hukbalahap (anti-Japanese) movement. The Huk movement, which now calls itself the People's Liberation Army, sprang up during World War II in central Luzon where overpopulation, misrule and poverty were causing widespread discontent. The wartime targets of the Huk guerrillas were the Japanese and the landlords. The movement was gradually taken over by the Communists, who extended it to other parts of the country and are now trying to overthrow the elected government by armed revolution. 10/

b. Philosophy and Issues Used by Congress of Labor Organizations (CLO)

Following the end of World War II left wing trade union leaders set up federations which engaged in organizational programs and soon had a relatively large membership. By 1951 the subversive nature of the leadership of the major federations had become evident, and the Secretary of Labor outlawed them. These organizations were (1) the WFTU - affiliated Congress of Labor Organizations (CLO), (2) the KKM, an offshoot of the CLO, and (3) the Federal of Philippine Workers (FOF). 11/

The following excerpts from the first annual report of the CLO in 1946 indicate some of the issues utilized by that group.

THE FIRST STEP TAKEN BY THE CLO IN INCREASING WAGES

The sum of ₱1.25, which was the lowest daily wage allowed by the army, during the first days of the CLO organization, was exceedingly low considering the fact that the cost of the first necessities of life had increased 1000% compared with the pre-war costs. This sum is not even enough to buy a half ganta of rice when, before the war, ₱1.25 could buy four (4) gantas.

Continuous petitions were filed by our brother laborers to army authorities. These petitions were not heard. At that time, it was decided by the CLO to forget the use of the right to strike, the most effective weapon in such cases, as it considered more important the early destruction of facism.

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Because of the apparent disregard to the petitions by the army authorities, it was thought proper, by the CLO to take a decided action thereon and request the adherence of the people. They held a big labor meeting which was attended by Secretary of Labor Adduru and by representatives of the army. In that meeting a resolution of the laboring class was handed to Secretary Adduru, signed by 10,000 citizens, for presentation to President Camena and to the high officials of the American Army. Not a week had passed and the old rate of ₱1.25 was changed to ₱2.40, which was the minimum wage granted by the army, although the amount requested by the CLO was ₱3.00.

THERE IS NO PLACE IN THE CLO FOR LABOR LEADERS WHO WERE AGAINST THE PEOPLE

Before the war, there were already many who claimed to be leaders in labor movements in the Philippines. The truth is that these false leaders were either secretly or openly agents of capital, of reactionists and of fascism. For the small sums with which they were bribed by the capitalists and the fascist elements, they worked with no other aim but to hinder the progress of the labor movements and of democratic citizens of the Philippines. They have been very aggressive in starting strikes, in organizing company unions, in canvassing strike breakers (esquirola), for factories under strike, in convincing laborers to avoid progressive unions because they are reds, etc. They are executioners of the cause of labor.

ASSOCIATIONS WHICH DECLARED STRIKES - THEIR SUCCESS

1. KAISAHAN NG MGA MANGINGISDA SA PILIPINAS:

Our brothers in Tondo, Manila, who are members of this union make their living by fishing in the Manila Bay. Due to the great number of ships of the American Navy, anchored in the Bay, fishing in there was prohibited, which meant that our brothers would have to face great miseries in their existence. This urged them to organize a union and join the CLO. Thru the management of the CLO our brothers were again allowed to fish in the Manila Bay.

2. RURAL TRANSIT WORKER'S UNION:

Because of the smallness of the salary paid to our brothers in the Rural Transit, they planned to organize a union to be joined to the CLO. Before they succeeded in organizing they had to endure difficulties because of various obstacles put by the capitalists. When they presented their petition, the company readily acceded, so they did not have to resort

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to a strike. This success was due to the closed union among the employees themselves and to the fact that the farmers' organization in the lands traversed by the busses of the Rural Transit are ready to help their brother laborers, especially those who are members of CLO. Their union was recognized and all were given an increase of ₱2.50 a day.

It is not wrong to state, that the present opponent of President Osmena is a right-hand man of Hitler. Hence, even though the CLO admits that Osmena is slow, it should resolve not to side with but work against a Hitler in the person of Manuel Acuna Roxas, who is a pest and a hangman of labor and democracy. 12/

The outlawed FOF included in its constitution that one of its aims was "to organize the peasants, tenants and small land-owners and ... struggle against feudalistic practices of landlords and reactionary elements." 13/

c. Goals of the Philippine Communist Party (PKP)

Since the Philippine Communist Party was the mainspring and source of the objectives and activities of its various front groups, an examination of the Party's goals will, of course, provide the clue to the activities of these groups.

A study by the State Department's Office of Intelligence Research, indicates what these goals were in late 1952: 14/

The avowed aims of the PKP, which have changed very little since the inauguration of the Party in 1930, are orthodox Communist goals. The clearest public enunciation of these goals were made in a statement by Mariano Balgos before the Committee on Un-Filipino Activities of the Philippine House of Representatives in December 1948. According to the Balgos statement, the Party has both maximum and minimum aims. The maximum aim is the establishment of a Communist state and society in the Philippines. The minimum aims include the founding of a "People's Democracy," which he defined as "a democratic coalition government in which power is shared among the democratic classes and groups such as the peasants, workers, middle-class elements including the working intelligentsia and the nationalist bourgeoisie who are interested in the democratic industrialization of our country." Other "minimum" Party aims comprise the following:

- (a) Government confiscation of the large landed estates and distribution of these among the peasants;

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- (b) additional agrarian reforms, such as establishment of producers' and marketing cooperatives, increase of irrigation and flood control facilities, distribution of fertilizer and farm machinery, rural electrification, and improvement of rural credit sources;
- (c) removal of American troops and military bases from the Philippines and termination of preferential treatment accorded to Americans by the Philippine-American Trade Agreement of 1946 and the so-called "Parity Amendment";
- (d) nationalization of basic and strategic industries;
- (e) promulgation of a social-welfare program; including minimum wages and maximum hours, insurance for sickness, unemployment, and old age, workmen's compensation, and free public schools, hospitals, dispensaries, dental clinics, maternity centers, nurseries, public libraries, and recreational facilities.

The Balgos statement was formulated largely for propaganda purposes. However, its division of Party goals into maximum and minimum aims reflected dominant Party theory. This theory holds that the economic and social development of the Philippines is not sufficiently advanced to support a "proletarian-type" revolution which would establish a Socialist society, and that the present armed conflict constitutes a "bourgeois" revolution which in Marxian theory, must necessarily precede a proletarian revolution, before the latter type of revolution can be achieved. To judge by the events in Communist China and the "People's Democracies" of eastern Europe in recent years, the PKP, once in power, would not be bound rigidly by the above list of "minimum aims."

Moreover, very little information is available about auxiliary and front groups of the Party in late 1952. The latest estimate of membership in all Communist-dominated "mass organizations" is a US Army source of December 1951, citing a strength figure of 43,100.

Since the suppression by the Government of the large "front" labor federations in 1951--including the Congress of Labor Organizations and the Kalipunang ng mga Kaishang Manggagawa (Federation of Trade Unions)--the largest mass organization probably has been the National Peasants Union. Other noteworthy groups were the National Women's League and the National Youth League. Liaison between these organizations and the PKP is affected through the National Organization Department of the Party. 15/

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8. Status of the Land Reform Program

Without doubt, the Department of Agriculture and the FOA have more detailed information on the Philippine land reform program than is available in the Department of Labor. However, we shall provide the information we have available, with the understanding that it is far from exhaustive and that its major purpose is to provide a broad picture and leads for further study.

a. Nature of the Problem

As in the case of many underdeveloped countries, the Philippines has the problem of absentee landlords owning vast estates, tenant-farmer or sharecropper operation, and underpaid agricultural labor living in substandard conditions and insecurity.

b. The Bell Mission Report

A good description of this situation is given in the so-called Bell Mission report on page 55:

Land is the most important source of wealth in the Philippines and its concentration or distribution is the primary factor that affects the social and economic well-being of the people. Land has been the safest investment, even under very unstable political conditions. Large profits enjoyed at various times by the landowner class have gone into the acquisition of more land. The result has been that land ownership by farmers who work the land has steadily declined. Land values have risen so much that tenants have little or no chance whatever of acquiring equities in the land they farm.

The strained relationship between the landlords and their tenants and the low economic condition generally of the tillers of the soil compose one of the main factors retarding the recovery of agricultural production. While some laws have been passed to relieve the tenant's plight they have not worked out as expected. The land problem remains the same or worse than four years ago and the dissident trouble has spread to wider areas.

c. Land Title Registration

The most retarding and disorganizing factor in Philippine agriculture has to do with the registration of land titles and the effect this has on the settlement of farmers on new lands. With the sole exception of tenure problems, more rancor and discontent arise out of title registration difficulties, particularly on the Island of Mindanao, than from any other source. These difficulties are hindering not only the orderly settlement of new lands, but they invite squatting and cause many great injustices. More than that, they are at least partially responsible for the continuation

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of the old practice known as "caingin" which consists of burning out a patch of forest, raising one crop of corn, and then moving on to some new site to do the same thing. This is a threat to the conservation of large tracts of valuable forest.

Although the destruction of records during the war is an important mitigating circumstance in some provinces, nevertheless one gets the impression that title difficulties are countenanced by design, for they favor the rich and influential, and defeat the efforts of small farmers. They give rise to injustice and breed discontent. The whole morass of land title registration cannot be overcome except through a major effort devoted to the completion of cadastral surveys and adjudication of claims in special courts set up for this sole purpose. 16/

d. Bell Mission Recommendations 17/

The Commission made the following recommendations concerning the above problems:

Laws providing for the division of crops between the tenant and landlord should be amended and enforced to see that the tenant receives an equitable share of the crop for his labors. At the same time, the landlord should receive sufficient return to see that he is interested in improving his land. A broad program should be inaugurated of acquiring large estates at fair value for resale in small holdings to tillers of the soil. New lands should be opened for settlement by homesteaders and their titles promptly cleared. The administration of public lands and the procedures for land-title registration should be thoroughly overhauled. Cadastral surveys should be completed and courts of claim set up to handle land cases exclusively.

Rural banks should be established to provide credit for agricultural production. Loans should be available both to small land owners and to responsible tenants. The rate of interest should be moderate, approximately the same as commercial banks charge for larger loans to agricultural producers in a strong financial position. A farm management service should be operated in connection with Rural Banks to provide farmers with advice on financial problems.

e. Other Reports

In attempting to implement the Bell Commission recommendations the Philippine Office of Economic Coordination on February 28, 1951 created a committee to investigate the problems involved in purchasing large estates. In April 1951, this committee issued a report entitled "Report and Recommendations of the Advisory Committee of Large Estates Problems." 18/ This report is not available in our files and pressure of time makes it impossible to locate before the requested deadline for the present paper.

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A report on land tenure reform was also issued in 1952 by the land tenure specialist of the Special Technical and Economic Mission (STEM) MSA to the Philippines, Robert S. Hardie. 19/ This report was controversial and caused strained relations with the then President Quirino who felt the report unfairly blamed his administration for conditions which had prevailed for centuries.

Another report which met with a somewhat similar reaction from President Quirino was the Rivera-McMillan Report of August 1952 on conditions in the Philippine barrios. 20/ Neither of these reports were available for summary.

f. Developments in Land Reform to January 1953

The Quarterly Economic and Financial Review of the American Embassy in Manila, dated January 12, 1953 includes the following basic discussion of land tenure reform: 21/

Recent developments concerning land reform in the Philippines are considered of such importance for the future and direction of the country's economic development that they have been made the major part of this quarterly report. Events are covered up to about January 5. Developments after January 5 and up to the time this report is written do not seem to have changed the main issues and the implications for American policy that are involved.

The central problem of economic development in the Philippines is not that of raising national income by increasing effective demand. It is rather that of breaking the bottlenecks and eliminating the rigidities in the economy that impede a better allocation and utilization of resources, greater investment and production. Of the bottlenecks and rigidities, the most important and certainly the most difficult to overcome, are those which are institutional. Of the institutional bottlenecks and rigidities in the Philippine economy, the outstanding one is that of land tenure reform.

(1) Land Tenure Reform Defined 22/

Land tenure reform is defined to include: (a) the breaking up of large estates to enable the maximum practicable number of tenants to become owner-operators of family-size farms, (b) the establishment of leasehold tenancy to replace the Kasama system of tenure which is a lord and serf relationship, (c) the payment of adequate wages to hired farm workers, (d) change of inheritance law to increase security of tenure and to prevent the atomization of farm holdings. Land reform as a more general term includes not only land tenure reform but also such items as agricultural credit, producer marketing, land rents, taxation of agricultural land or income from land.

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~~SECRET~~(2) Change in Land Reform Policy 23/

President Quirino has declared that the Philippine Government will not continue its policy of purchasing large estates for resale to tenants and those who actually occupy the land. Instead of such land tenure reform, he stated, the settlement of public lands is the Government's policy.

(3) Reasons for Government Delay 24/

This statement and the Quirino Administration's vehement reaction against the STEM/MSA report on land tenure reform, which has been published for the first time, emphasize what is probably the major obstacle to land tenure reform in the Philippines: the unwillingness, and perhaps even inability, of a Government that derives its principle support from a wealthy landholding minority to take action that might be detrimental to those whose established position the Government is dedicated to maintain. Neither the Liberals nor the Nacionalistas have in the past evinced enthusiasm for effective land tenure reform. It remains to be seen whether a Nacionalista Administration would be more receptive to reform than are the Liberals.

(4) Extent of Land Ownership by Farm Families 25/

The main issue involved in the President's declaration of a "new policy" for dealing with the problem of land reform and the furor caused by the publication of the Hardie Report is that of redistributing large estates--that is, correcting to the greatest extent practicable the extremely unequal distribution of land by making it possible for those who till the soil to become owners and by creating the maximum practicable number of owner-operated family-size farms. As noted above, the redistribution of estates is only part of the general problem of land reform. And some progress has been and is being made toward certain types of land reform. There is legislation providing for the establishment of rural credit facilities, and, as we shall see later, a beginning is now being made toward implementing these laws. Legislation exists for governing the division of rice and sugar crops between landowners and tenants, but these laws are based in large part on feudal concepts, are ambiguous, and their enforcement leaves much to be desired. Measures which are supplementary to land reform are also being taken. The settlement of public lands, provided it is properly carried out, can help alleviate agrarian unrest, but it is not land reform, and its ability to eradicate any of the causes of unrest is doubtful. Measures to increase agricultural productivity--such as the provision of fertilizers, irrigation, better seeds, better techniques, extension services--may likewise make a contribution toward overcoming some of the many handicaps to rural stability

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and productivity, but they, too, are not land reform, and unless there are institutional reforms, the benefits of such measures are all too likely to go to large landowners rather than to those who till the soil. Granted the importance of such measures supplementary to land reform and of such institutional reforms as have been started, the most fundamental aspect of land reform is who owns the land. And a solution to this question involves an assault on the established position of the large landowners, the ruling minority.

(5) Danger to Nation's Stability in Land Tenure System 26/

It is apparently true that some 50 per cent of the working farm families own all the land they cultivate and that an additional 15 per cent own part of the land they work. Hence, it may seem that undue importance is given to the problems of 35 per cent of farm families when it is said that the redistribution of large estates is the most important part of land reform. But the established trend is for the average size of farms to decrease and for the tenure system to spread, taking instability and dissidence with it. Even in public lands that are being settled, particularly in Mindanao, there is strong evidence that the land tenure system of central Luzon and its attendant Huk activities are being transplanted. As long as the system remains an established institution in the Philippines, it will constitute a danger to the political, social and economic well being of the country. The pernicious land tenure system, even though it is concentrated in Central Luzon, makes its malicious influence felt throughout the country. It is probably the primary source of political, social and economic instability, which manifests itself most acutely in Communist-led armed rebellion. It is a major, perhaps the major, institutional obstacle to economic development.

(6) Land Settlement - The New Policy 27/

In a speech at Tanay, Rizal Province, on December 7, 1952 and also in a fireside chat broadcast on December 15, 1952 the President announced that the Government had adopted a "new policy" of "land for the landless." The "new policy," said the President, is to be concentration on the opening of idle public lands for sale at nominal prices to the landless and abandonment of the past policy of purchasing large estates for resale at cost to tenants. The reason given for no longer purchasing estates for redistribution is a lack of funds.

The "new policy" represents a break with the past. The Constitution of the Philippines authorizes the Government to acquire private land for subdivision and sale at cost to individuals. And during the middle 1930's the Legislature began the enactment of a series of laws authorizing expropriation of large estates for the purpose of establishing tenants

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as owners of the soil they till. In recent years, however, the Government has not been buying estates for redistribution, and the record regarding the sale of the 30-odd estates which had previously been purchased for this purpose is not a good one. The President's announcement is a public admission of what already existed in fact. In this sense the policy is not "new" at all.

It is to be emphasized that the settlement of public lands which are suitable for cultivation is a highly desirable supplement to land reform but that settlement is neither land reform, as the President calls it, nor a substitute for land reform.

(7) Problems Involved in New Policy 28/

Available statistics do not warrant the Government's optimism regarding the capacity of public lands to absorb the vast number of families seeking to establish themselves as owner-cultivators. In all the Philippines there are an estimated 7.6 million hectares of public lands capable of settlement for agricultural development, and this estimate is generally regarded as grossly optimistic. In rural areas alone there would appear to be some 1.6 million families requiring land. To divide the available public land by this number would mean an average allotment of only 4.7 hectares per family, which is an amount slightly above the existing average farm size. Furthermore, in order to neutralize the annual population growth in rural areas alone accommodations would have to be found for an estimated 52,400 families per year.

There are two kinds of settlement: (a) organized settlement carried out by the Government's Land Settlement and Development Corporation (LASEDECO) and Economic Development Corporation (EDCOR); and (b) unorganized settlement which has been going on for years through squatting and homesteading on public lands without assistance from the Government. Unorganized settlement is far more important than organized settlement so far as numbers of settlers are concerned, and the major problem involved in the settlement of public lands is that of title registration.

(8) Agencies Implementing "Land for Landless" Program 29/

In announcing his "new policy" the President declared that the LASEDECO and EDCOR, especially LASEDECO, are primarily responsible for carrying out the "land for the landless" program. EDCOR has the special purpose of settling and rehabilitating ex-Huks. In recent months each allocation of public land to LASEDECO and EDCOR has received much publicity as evidence that the President is implementing

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the settlement program. The amounts of land that an individual may settle in LASEDECO and EDCOR projects vary from six to ten hectares. The two organizations are designed to provide a variety of services to settlers. The settlers pay nominal sums for the land and certain services received. The objectives of LASEDECO and EDCOR are commendable, but LASEDECO and EDCOR are of minor importance with regard to the number of families settled. A STEM/MSA estimate generously places at not over 11,000 the number of families actually settled in projects operated by LASEDECO and the organizations it replaced when it was created in 1950. Not over 200 ex-Huk families have been settled by EDCOR, according to estimates by STEM/MSA and by Major Jose M. Crisol, Chief, Civilian Affairs Office, Department of National Defense.

LASEDECO has been a somewhat moribund organization, at least until recently, and its efficiency and effectiveness have been questioned. In the last session of Congress the Senate failed to pass the LASEDECO appropriation bill for 5 million pesos, and the corporation has been kept in operation by an advance of 2 million pesos from the Central Bank's economic development fund. LASEDECO has also been promised aid from MSA counterpart funds for the survey of certain of its settled lands and for related title issuance. Last November the House Agriculture Committee tentatively approved the fusion of LASEDECO and EDCOR under a new office of the Department of Agriculture and Natural Resources for purposes of greater efficiency and economy. In support of this proposal Representative Manuel Zosa (Liberal) was reported to have "deplored that millions of pesos are thrown away for LASEDECO and EDCOR agricultural settlement work without benefitting settlers or giving financial returns to the Government." And Acting Secretary of Agriculture Camus was quoted as saying, "just let us prepare the lands by having them surveyed, parcelled out, and classified according to agricultural fitness, and the settlers will come in without much encouragement from the Government."

(9) Squatting and Homesteading 30/

Squatting and homesteading on public lands have proceeded far more rapidly than settlement in Government projects. One estimate frequently heard in Manila is that some 30,000 families per year squat and homestead. Further evidence is found in the comparatively rapid population growth of the undeveloped areas. For example, the population of Mindanao between 1939 and 1948 increased from 1.8 million to 2.7 million, which is approximately 2.9 times the rate of growth in other parts of the Philippines.

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(10) Urgent Need of Title Registration Reform 31/

For the settlement of public lands, much more significant than anything LASEDECO and EDCOR have done, or probably could do, is the urgent need for greatly increasing the speed, efficiency, and possibly honesty with which titles are registered. Title registration difficulties are a prime source of instability, discontent, and injustice in newly settled areas. One gets the impression that title difficulties are countenanced by design, for they favor the rich and influential, and defeat the efforts of small farmers.

The process through which public lands pass to become available for legitimate settlement is found in the operations of the Bureau of Forestry and the Bureau of Lands.

The Bureau of Forestry has responsibility for classifying land in the public domain according to whether the land is to remain in forest, part of the public domain, and under the Bureau of Forestry, or whether the land is suitable for agricultural purposes. If the latter is the case, the land is released to the Bureau of Lands for subdivision and eventual disposition to homesteaders. It is, incidentally, from such lands passed to the Bureau of Lands that the President allots tracts for LASEDECO and EDCOR projects.

(11) "Caingin" and Land Destruction 32/

More rapid and better classification of public lands by the Bureau of Forestry would enhance the Government's ability to administer public lands. At the present time there are some 1.9 million hectares of public lands which are occupied by squatters and which have not yet been classified. It is important to have these lands classified so that those who have settled on tillable lands may qualify as homesteaders and secure titles. Classification is also important as a means of controlling squatting on non-agricultural lands, which results in a waste of resources. Squatters on lands not fit for cultivation destroy a patch of forest, plant a crop, and move on, leaving the soil to erode--a process called caingin which, if continued on the present scale, constitutes a serious threat to forest reserves. The Bureau of Forestry has under way a six year land classification program, which is being supported by STEM/MSA technical assistance and equipment.

Among the principal functions of the Bureau of Lands are subdividing and surveying public lands received from the Bureau of Forestry and issuing titles to homesteaders. The Bureau of Lands has a ten year program for subdividing 4 million hectares of alienable and disposable lands. This program complements the Bureau of Forestry's land classification program, and it too is supported by STEM/MSA technical

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assistance and equipment. At present the verification and approval of completed surveys is some six to eight years behind.

The issuance of titles is fantastically out of gear to keep up with demand. Before the war the maximum number of titles issued in any one year was about 10,000. At present the Bureau of Lands is endeavoring to issue some 7,000 annually. But applications for titles in 1952 numbered an estimated 25,000. And due to the growing migration to public lands it is believed that there will be perhaps 40,000 applicants in 1953 and 50,000 in 1954. It is anticipated that there will be approximately 700,000 additional applications for titles when the current land surveys are completed. In order to speed up the work of the Bureau of Lands STEM/MSA has under consideration a project for modernizing the processes and techniques of the Bureau and training its personnel.

(12) Political Repercussions of New Policy 33/

When the President announced his "new policy," he undoubtedly had in mind the 1953 elections. In the December 15 radio address he stressed his "constant obsession" to improve the lot of "the people whom the Lord exalted--the poor." For them, he said, the Government was determined, under the slogan "land for the landless," to open for them "new lands ... virgin fertile lands in a new atmosphere away from the old scene and source of their old anxieties and sufferings, away from the depressing conditions in which they found themselves virtual serfs in a long standing feudalistic system." (We shall see in a moment that a few days later the President was denying the existence of such conditions in the Philippines.) He also spoke of the "minimum wage for all" and of low cost housing projects. It was a speech directed at the working man.

It seems very doubtful, however, that the "land for the landless" policy as conceived by the President will have the desired public appeal. The Manila Daily Bulletin wrote in an editorial that abandoning the redistribution of large estates is "non-fulfillment of a promise to the people." A comment in the Philippines Herald was: "Like a thunderbolt from a clear sky, the new agrarian policy of President Quirino to abandon the purchase of landed estates and their sale to tenants is felt by the tenant farmers in central Luzon. They are more than disappointed while the Huks and the Communists may feel happy Let us not make the agrarian problem a political football in spite of the coming elections."

Perhaps the announcement of the "new policy" was intended as a public answer to Embassy and STEM/MSA urging that the Philippine Government take steps to bring about genuine land tenure reform.

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~~SECRET~~(13) Industrialization Versus Land Tenure Reform 34/

In contrast to its antipathy for land tenure reform the Government is very enthusiastic about industrialization as a major means of increasing employment opportunities and promoting economic development. The view that land tenure reform is a "minor factor" in the country's economic development is held not only by politicians but also by some influential economists in the Government. Of principal importance in increasing agricultural productivity, they say, is the establishment of industries which use agricultural products, such as the manufacture of sacks, wallboards, and wines. An industrialization program is needed to stimulate demand for agricultural products, to raise farm prices and output, and to increase incomes in the agricultural sector. Tenant farmers would share in the benefits accruing to agriculture, and for both tenants and landowners this approach would be more fruitful than land tenure reform. Land tenure reform is desirable, but it would be "useless" if not accompanied by a vigorous industrialization program.

No doubt the establishment of sound industries, particularly those using locally produced raw materials, is a highly desirable part of economic development in the Philippines. Ideally a sound industrialization program should be carried on simultaneously with land reform and other measures to promote a stability and productivity in rural areas. But it is difficult to see how industrialization can possibly be considered either more essential than land tenure reform or a prerequisite to land tenure reform. The argument that tenants, as well as landlords, would benefit from industrialization is doubtful in the extreme as long as present agrarian institutions prevail. The existence of feudal institutions in the agricultural sector constitute perhaps the most serious single impediment to economic, political, and social progress in the Philippines-- an impediment which should be removed not only for the development of agriculture but for the growth of the entire economy, including industrialization.

g. Prospects for Fulfillment of Land Tenure Reform

Unquestionably the prospects for genuine land tenure reform improved considerably with the election of President Magsaysay. In his State of the Nation Message 35/ he covers his plans for land reform after a brief but related statement on national security. Since the President is considered to be genuinely convinced of the necessity for land reform, it is reasonable to believe he will back this program to the fullest extent. His remarks are as follows:

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Mr. President, Mr. Speaker
Members of Congress:

The Constitution makes us equal partners in the patriotic task of serving our people. I am here today to start the job with you.

What do our people want?

When our people cast their ballots in the recent election, they voted primarily for a great, sweeping change. They voted to throw out dishonesty, inefficiency, and waste. And they voted for a government that would act boldly and effectively, to banish insecurity and fear, poverty and want.

We promised all those things. The people voted for them. Now we must keep faith.

Our first step must be to take an inventory of the nation, to define our problems, and to set our goals.

National Security

Let us turn first to the security of the nation, which must be our prime concern.

I must warn against complacency. Communist imperialism still threatens us from without and from within.

We must, therefore, move to strengthen our defenses. It is clearly in the national interest that we meet with the representatives of the United States Government to settle pending legal questions so that the bases we have granted to that country can be immediately developed and fully activated.

Internally, the absence of major armed conflicts in dissident areas does not necessarily mean that the Huks have ceased to be a threat. They are still trying to undermine the government, not with as much open defiance as before, but slyly and secretly.

Against this conspiracy we will continue our policy of 'all-out friendship and all-out force.' I say again that I have said many times before: we will give every dissident who surrenders new opportunities for decent livelihood, but we will smash those who would overthrow our independent democracy in order to hand it over to an alien dictatorship.

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The Land Problem

At the same time we will employ the manpower and resources of our Armed Forces to combat not only dissidence, but also the causes which breed dissidence. Troops and trainees of the Armed Forces will be mobilized for the construction of public works and economic development projects, as far as this may be compatible with their primary mission and with economy of operation. This will achieve a double purpose: to give these citizens training in useful and technical pursuits, and to help in the material progress of the nation.

The existing civilian agency charged with resettlement work, the Land Settlement Development Company (LASEDECO), is in such a state of disorganization and disorder that it may be more convenient to liquidate and replace it than to reorganize it. I am afraid, however, that it will take some time before we can set up a new and effective agency, and I would suggest that the Engineer Development Corps (EDCOR) be expanded and utilized to help not only surrendered Huks but also those landless Filipinos who have remained loyal.

As much as the finance of the government will permit, we should also buy large estates for resale to small farmers on liberal terms.

In order to encourage agricultural production and eliminate absentee-landlordism, I propose that Congress study the advisability of imposing special taxes on lands left uncultivated for an unreasonably long period and without justifiable cause.

Our laws on land registration and the disposition of public lands should be revised. We should make it easier for our people to get land of their own, free from any nagging technical doubts.

The government should extend greater protection to tenants who, because of ignorance of illiteracy, are often badly in need of advice with respect to their rights, especially in the liquidation of their harvests with the landlords. I urge Congress to strengthen the legal staff entrusted with the specific task of rendering this kind of assistance.

Existing legislation on tenancy relations is confusing. There are too many laws in too many books. We need a single, concise and easily understood farm tenancy code.

Our small farmers and producers should find it easier to borrow money when they need it to increase production. This means more rural banks and more ample working capital for the Agricultural Credit and Cooperative Financing Administration (ACCFA). Producers' cooperatives should also be properly organized and financed.

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Our ultimate goal is to reshape the land tenure system in our country in such a way as to build a strong nation of small, independent and contented farm owners, free from want, protected from injustice, and eager to contribute their share to the welfare and progress of the nation.

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