

THE LANDLESS IN THE PHILIPPINES

Extracted from Chapter 5 of Justice William O. Douglas's book, "North from Malaya"*

Magsaysay knows how the Communist command in the Philippines leads back to the Kremlin. But he also knows that the political leverage of the Huks comes not from conversion to Marxism, but from the desire of people to escape their awful plight. He knows, in other words, that the great power of the Huks derives from the people's misery and that the land-tenure system is the source of most of it. Families impoverished from generation to generation, young people facing a future of misery, of malnutrition, of illiteracy, of serfdom—these are the ones who follow the Huk leader with his promise that they will inherit the earth.

Landlordism has placed a curse on most of the Middle East and Asia. The Philippines are no exception. The landlord problem is indeed as acute in the Philippines as in any country in the world. Where the landlords are the most numerous, there the Huks are the thickest. Take a map of the Philippines and place blue pins on the heavy landlord holdings; then place red pins on the concentration of Huks. The blue pins and the red pins will form close clusters. The Hardie Report (*Philippine Land Tenure Reform, Analysis and Recommendations*), prepared in 1952 by the Mutual Security Agency, gives the details.

On a national basis 35 per cent of all Philippine farms are operated by tenants. But that cold statistic does not tell the whole story. In 16 provinces 40 per cent of the farms are operated by tenants; in 7, 50 per cent; in 4, 60 per cent or more. It is in these provinces that the strongholds of the Huks are to be found. Their great fortress has been in Pampanga Province in Luzon. Mount Arayat—3,367 feet high and thickly wooded—north of Manila and not far from Clark Field, is a stronghold of the Huks. Nearby is the Candaba Swamp containing thousands of acres. The mountain and the swamp provide good hiding. The nearby villages are sources of food. They also have been good recruiting grounds for the Huks. For this is the heart of landlordism: *here 70 per cent of the farmers are tenants; here 2 per cent of the people own 98 per cent of the land.*

There are some large estates in the Philippines—40,000 acres, 80,000 acres, and even larger. As many as 30,000 tenants work for one landlord. Most of these huge holdings are sources of evil, for they are held by absentee owners and managed by local agents who feel none of the responsibilities of ownership. The curse of Philippine landlordism is found not so much in the large holdings as in the smaller ones. These are absentee landlords—merchants, doctors, lawyers—who have purchased ten, twenty, or thirty acres as an investment. They lease the land to share-croppers (90 per cent of all tenant farmers in the Islands are share-croppers). *The landlords collect on their investment from 20 to 22 per cent a year.* That is a handsome return. It is so handsome that very little capital is available for any other purpose. Everyone wants to put his money in land. Where else can one get a better investment? Where else will capital be safer? The capital of the Philippines, in fact, is mostly in the land. It lies there idle—rentier capital unavailable for the industrial development that the Islands badly need. The 20 to 22 per cent annual return is from the hides of the peasants who writhe under a burden of rent and interest and eke out a bare subsistence.

* *North from Malaya—Adventure on Five Fronts.* Doubleday & Company, Inc., New York.

LIVING CONDITIONS

The living costs of the *average* farm tenant family are estimated at \$313 a year. The gross income of the *average* tenant family will be no more than \$180 a year for rice land and no more than \$160 on sugar cane.

The truth of the matter is that there are in the Philippines to-day one and a half million farm families below the subsistence level. Several factors contribute to that condition . . .

This miserable condition of the Philippine farmer breeds a dangerous virus. The main industry of the Philippines is agriculture. It accounts for 58 per cent of the national income. Over 70 per cent of the people in the Islands derive their livelihood from it. But the system of land tenure is so vicious that it threatens to destroy the great civilisation for which the Philippines are famous . . .

LAND RESETTLEMENT SCHEME

Magsaysay has done something about the land problem. He and others in the Armed Forces, particularly Major Ciriaco V. Mirasol, organised the Economic Development Corps of the Army (known as EDCor) and started land-resettlement projects on Mindanao—the southernmost island of the Philippines. Unoccupied, unclaimed land was set aside at two places—Kapatagan and Buldon in northern Mindanao. This is flat land, traversed by many small winding creeks and covered by second-growth forest . . .

Huks who have neither been indicted nor convicted by the courts and who want a farm of their own are sent down there. Each settler is assigned a farm of six to ten hectares. The army helps them to put up a house and clear the land. The settlers are on Army rations until their crops come in. The Army also puts up schools, nurseries, dispensaries, chapels, and co-operative stores. The Army furnishes each farmer with a carabao, the faithful work animal of Southeast Asia. The farmer gets the land free after he has operated it for a year. He then starts to pay back the advances which the Army has made, including the cost of the carabao.

These communities are modern, healthy, and happy ones. Many people have thought they were the answer to the land problem of the Islands. But, good as they are, they amount to only a drop in the bucket. By late 1952 less than 300 families had been resettled here. The rehabilitation of 300 families out of one and a half million impoverished farm families is a minor contribution to the basic problem of the Philippines. Moreover, resettlement is not a panacea for the pernicious land system which the Philippines inherited from Spanish days. It supplements land reform but does not take its place. There is the unwillingness of people to pull up all community roots and go to a new and distant area. There is the heavy cost of forcing mass migrations of people. Moreover, in the new region, as in the old, the ancient vices quickly appear and the new settler becomes the victim of the old system.

CORRUPTION AND SPECULATION

I saw some illustrations of this on a visit I made to the island of Mindanao in 1952. I went by air to the Koronadal and Allah valleys, where the government has resettled almost 10,000 families. The resettlement agency is called Lasedeco (Land Settlement and Development Corporation). In August, 1952, 6,000 additional families were there, awaiting resettlement. But this project—worthy

as it is—has bogged down. The local officials are bright, earnest, and industrious. But somewhere high above them fraud, dishonesty, and inefficiency have crippled the undertaking.

Mindanao, the southernmost island of the group, contains vast, undeveloped resources. There are fertile valleys that have hardly been touched. Thousands of acres could be turned into model farms. That was the purpose of Lasedeco, and there is still hope among the local officials in Mindanao. But the resettlement efforts have been grinding slowly to a stop.

When the word spread that these valleys would be open to settlement, hungry speculators filed claims to the land and by that act placed a cloud on the title to every acre in the project. Higher-ups in Manila co-operated with them to keep their claims alive. They succeeded in paralysing the whole operation. Before titles can be given, surveys must be made. Lasedeco has been operating twelve years and few surveys have been made; no titles

have been issued. The speculator stands behind the government official, controlling his action. The speculator wants money to have his cloud to the title removed; and the public official, directly or indirectly, supports him in this position. Quirino has taken some measures to crush graft. But corruption is still rife. Many Philippine officials still believe in rehabilitating themselves before rehabilitating the country . . .

Back in Manila, I talked with Magsaysay about this problem. He cursed the inefficiency and corruptness that prevented the surveying of the land and the issuance of titles in the Lasedeco projects. Exactly the same conditions almost defeated his resettlement programme with Edecor. Magsaysay adopted bold and energetic measures. He sent the Army engineers out to make the surveys; and by shouts and threats he forced the issuance of land titles without payment of tribute to anyone. Magsaysay, honest as he is courageous, said to me:—

“The Mindanao land-distribution project is a scandal. There should be a house cleaning, starting from the top.”

OUR POLICY EXPLAINED TO EAST AFRICANS

Nairobi, the capital city of Kenya Colony, has levied its rates exclusively on the (capital) value of land apart from buildings since 1921. There and in other urban areas in the Colony the practice has stood the test of time and has proved so beneficial that it should now be extended to the rest of the country. Yet there is a move afoot, so far as the Nairobi County Council area is concerned, to adopt the English practice of taxing improvements. The implications of the proposed change and the desirability of levying County Council rates on land values were well stated in an extensive letter contributed by one of our readers in Kenya, Mrs. Margaret C. Layzell, to the *East African Standard*, March 11, from which we quote:—

“I hope that all ratepayers will give this very important matter their earnest consideration as it is one which will affect the prosperity of the county and country more deeply than may at first sight appear. In fact all country dwellers of all races should study the question, as other rural areas may in due course follow the lead of the Nairobi County Council, even Native Land Units . . .

“Urban ratepayers are to be congratulated on the wisdom shown by their advisers in the past. There are few other countries in the world so enlightened.

“The results of this policy are seen to-day in the splendid buildings which adorn our towns and amaze our visitors. Could such buildings have arisen if they had ‘attracted’ basic rates according to their value? This happens in England to-day where the addition of even a bathroom ‘attracts’ an addition to the rates on a building.

“I believe that no thoughtful person would deny that the system of rating unimproved sites values is largely responsible for the stimulus given to the development of our towns. It is now suggested that in the rural areas of the County the exactly opposite system should be adopted, but, in the opinion of many who have made a lifetime study of the question, the principle of rating unimproved sites values is just as applicable to rural as to urban properties.

Mau Mau in Kenya, L. & L., May, page 52. We regret that in condensing Mr. Saldji's reply to Mr. Llewellyn we inadvertently sited the Sotik Club in Nairobi. Actually it is some considerable distance from that city.

“If a landowner pays a basic rate assessed on the unimproved value of his land, he is encouraged to erect good and durable buildings and to make the best possible use of his land. He is also discouraged from being a mere speculator holding up the land for a higher price. Since the amenities provided by the rates and the activities of the community benefit the owner of idle land or under-developed land and increase its value, rates should be paid accordingly.

“In this country it is comparatively easy to assess the value of property as every transfer is, I believe, recorded in the Register of Titles and a reference to these records would help to check the value as stated by the owner, who would be rated on the agreed value and not on his buildings, fences, coffee trees or any crop. Thus an absentee or non-resident owner, would pay a contribution to the exchequer at the same rate as a resident one, and this is as it should be as his property is increasing in value owing to the services provided by the County Council and to the pioneering work done by his neighbours and the community . . .

“Ratepayers for their own sakes should not be lulled into indifference by any idea that the amount to be collected is so small (£20,000 for the whole county) that it does not matter what system is adopted. It may be small to-day, but rates have a way of increasing and what will the amount be in 10 or 20 years' time? A £5,000 house may this year pay only £10 if the rate is one-fifth of one per cent, but in a few years' time may easily be paying £50, while the equally valuable undeveloped land next door will be paying only a ‘minimum rate to be agreed by Council’ which may be virtually nothing. (But apparently no one knows on what principle this ‘minimum rate’ is to be agreed.)

“Another point to be considered is the line to be drawn between agricultural land and building land. How can the former be exempted from rating without the latter? What is merely agricultural land to-day may be valuable building land tomorrow when roads, railways, water and electricity are supplied by the activity of the community.

“The simplest and fairest system is to rate all land according to its unimproved value with periodical revaluations at reasonable intervals. It is obvious that such a system encourages people to build on their land or to develop it in other ways and this is surely the aim for any county, town or country.”