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AGRARIAN CONFLICTS AS BASES FOR AGRARIAN
LEGISLATION

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The Republic of the Philippines is confronted with many social economic problems; most of them are of long standing and cumulative in effect. This brief discussion relates mainly to problems in rural areas, although in many cases the same problems may also apply with equal or greater severity in urban centers.

Ownership of land is an important factor to freedom, the outlet for labor and visible symbol of wealth. Because of the universal urge to acquire property, men work harder and spontaneously, when they are working on their own land. Private ownership gives them prestige, and security for old age, and family - thus, minimizing dependency and pauperism. This makes the study of property and land ownership interesting. From them the root causes of the agrarian problems could be traced; and the development of corrective measures of these conditions would be vital.

In the process of investigation of land problems in this country, a number of outstanding causal factors of rising tide of agrarian problems had been noted.

High Tenancy and Landlessness

The increasing concentration of land among the few results in landlessness and unemployment tends to bolster the agrarian problems in critical areas of the archipelago. This is shown by the

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fact that the 1959 census of the Philippines, revealed that two-thirds of all those who were engaged in agriculture did not own farm land. The Hardie Report and other subsequent reports show that seven of every ten gainfully employed persons in agriculture were landless.^{2/} The McMillan-Rivera Report revealed that ninety per cent of all those engaged in agriculture were landless.^{3/} Other studies noted that fifty per cent of all parcels of land owned by farm-owner operators were acquired through inheritance or gift; twenty-three per cent were acquired through purchase; and fifteen per cent through homesteading. Owners of the nine per cent of the parcels had married spouses who held titles to the land.^{4/}

These findings have several important implications:

1. The transmission of farm ownership from one generation to the next tends to perpetuate the existing landed and landless groups.
2. Large farm owners accumulate savings more easily than small farm laborers.
3. The chances of youth from landless families to achieve farm ownership through means of saving are limited.
4. Large landholdings will tend to become greater in size with the passing of time, unless counteracting influences intervene,

^{2/} Hardie, R. S., "Absentee Landlordism, Land Tenure Level," Manila: Manila Daily Bulletin, Jan. 8, 1953, p. 6.

^{3/} The Manila Daily Bulletin, Jan 5, 1963 p. 8. Also refer to Rural Philippines, by McMillan Rivera.

^{4/} Ibid.

5. It promotes poverty, dependency, and pauperism among the landless, due to the degrading low economic level.

Even among the landed groups, the continued division in periods of centuries makes the individual land holdings shrink in small size lots. This is easy to understand, because while the heirs are increasing, the size of the land remains constant. Divisions and more divisions of land into small parcel per heir necessarily weakens the economic stability of the heirs and heirs' heirs'. This process is more aggravating among the small farm owners.

The problems of high tenancy is serious enough, but coupled with smaller and smaller farm holdings make the situation doubly hard to forebear hence the recurring tense tenant-landlord relationship; and the increasing economic disparity between the "haves" and the "have-nots". Previous studies of owner-operated farms show 1.5 to 3 hectares as the average size of farms. The income received from farms of less than two hectares, considering the logging farming methods and poor irrigation system, usually is not sufficient to furnish a family with a decent living. Shared equally with a landlord, the tenant's portion of income from a unit of this size seldom meets even the minimum food requirements of a family. It is estimated that household of six persons consume 25 cavans of palay per year. At the present yield of palay per hectare of from 20 to 25 cavans, one can readily see how a farmer's family subsists through the year.

Increasing landlessness among the masses is made more evident these days by the increased landgrabbing and land hogging by big corporations. As early as 1938, business corporations owned 346,017 hectares of land. Of these, 121,096 hectares belong to Filipino-owned corporations, 106,473 hectares by naturalized Chinese and Americans. Seventy thousand nine hundred eighty one hectares are owned by Spanish corporations. It is also a common knowledge that the Roman Catholic Church owns big haciendas in the Philippines. Too many Filipinos act as dummies for the Chinese. How much land do the Filipinos own in their country is indeed very small compared with the total landholdings of companies owned by alien or naturalized Chinese merchants and foreign operated church haciendas.

Tenant-Landlord Relationships

On this subject source references are voluminous reflecting the stages of tenant landlord relationships.

1. The encomienderos - From Blair and Robertson's account, The Philippine Islands, it was noted that the Central Luzon Provinces were formerly controlled by 300 encomienderos who apportioned the rich rice and sugarcane land including inhabitants among themselves. They collected taxes in exchange for the so-called "protective services" rendered to the people. Eventually, the people became their subjects, and the encomienderos as notorious persecutors, oppressors, masters and exploiters of the masses.

2. The cacique system - In 1574, when the encomienda system was abolished a less depressing substitute - the cacique system was introduced by the Spaniards. This resulted into Spanish-Filipino inter-marriages which strengthened the socio-economic position of the caciques. This resulted into heavy concentration of large landholdings under the hands of the privilege few. It was estimated then that only one-tenth of the population controlled the 90% of the best agricultural land in the Philippines. This put the people into virtual slavery and ignorance. Thus, since 1645 to 1896, not less than three serious revolts were recorded namely: the armed revolt against compulsory work in Pampanga (1645-1660). In 1745, there was a vigorous protest against the -

1. The armed revolt against compulsory work in Pampanga (1645-166)
2. Protest against the growing menace of aggressive religious corporations.
3. The cry of Balintawak in 1896 which marked the beginning of the revolt of the masses.

In the meantime, the mythical SAKAY known as the Filipino Robinhood was in the mountains of Luzon fighting and harassing the hacienderos or the caciques trying to unshackle the masses from serfdom and restore freedom.

From 1923 - 1942, there were noted series of uprising, namely:

1. The tangulan uprising, a protestation against the abuses of the constabulary, caciquism, and other agrarian oppressors.

2. The sakdal movement which advocated drastic reduction of taxes, equitable distribution of property, and division of big landed estates including those owned by the church.

The Absentee Landlord-Tenants, Relationship

Of the ten barrios studied by Hardie and MacMillan-Rivera Survey teams, it appears that from 60% - 80% of the farming area was owned by taxpayers living outside the barrios. The tense relation between the landlords and the tenants is also indicated by the usual visits made by landlords with large holdings. Their reluctance to visit their farms are taken to mean their unwillingness to risk their lives with their dissatisfied tenants. In farms wherein hired farm labor exists a more frequent landlord visits were noted. As a consequence, tenants frequently deliver as much harvest as they feel the landlord deserves as rent. On the other hand, the absentee landlords try to get as much as possible from his tenants with the least possible effort and expense. Ultimately, this mutual conspiracy prevents diversified or intensified cultivation. The tenants' retaliatory attitude is often expressed in this statement: "Why make special effort to make the landlord better than what he is now?"

At this juncture, a question of import may be raised. Is this the very reason why despite the presence in the Philippines of the best Rice Institute in the World, that the Philippines is always faced with perennial rice shortage every year?

In almost all haciendas wherein the landlords are not residing, the farmers housing facilities are grossly neglected and are in the state of deterioration. With the exception of a few naturalized or

alien landlords, almost all are living abroad - mostly in the United States, Spain, and Sweden directing the affairs in the farms by remote control or through their "incargados" or administrator, who receives a lucrative monthly salary in addition to 7% commission on the net income. The latter serves as a form of inducement to put the hacienda in productivity.

The fact that very few farm laborer families change their place of work creates a strong family attachment to the land. Thus, whenever tenure arrangement are altered through transfer of land ownership, increase rentals or lowering of wage rates, the security of the family is threatened, and resistance or retaliation appears in one form or another, viz, petty thievery, when they feel their rights have been encroached upon.

Farm Credit, A Persistent Problem

The scarcity of credit at reasonable rates of interest is one of the most serious problems in rural Philippines. The usual sources of credit are the merchant, money lenders, landlord, relative, or neighbor. Several government lending institutions serve as a relatively small number most of whom are economically well-to-do farmers who can pledge their land as security for loans. It is estimated that majority of 1,000,000 farmers, borrow from loan sharks, especially from the landlords, at exorbitant interest ranging from 50% to 300%. Farmers interviewed yielded the information that they could not borrow

from any lending institutions for lack of required collateral, hence, the prevalence of dissatisfaction against government lending institutions. As a consequence, they become victims of loan sharks who do not require a collateral.

In order to have sufficient spending money farmers often dispose of their palay through pre-harvest sales or advances at prices far below those prevailing at harvest time. A few months later, the same grain will be sold to the public at almost prohibitive cost.

Usuries^{5/}

In rural Philippines, usurious practice took root from the Spanish regime. Until now, it is causing uneasiness among the masters. The varying types of usuries are being presented briefly as follows:

1. Loans secured by mortgage of real property - In this type of mortgaging, the interest is either deducted or added in advance when the borrower receives the money, making it appear that no interest is being charged against him.

2. Loans obtained on certificates of animal ownership - The interest in the money borrowed is made to appear as payment of the services of the animal pledged.

3. Simple Loans or promissory notes - This practice when resorted to by the farmers takes in two forms thus: (1) If the borrower has no property he may obtain simple loans on agricultural products or seeds or both. The debtor is compelled to pay one and half times the original capital; (2) In case of failure to pay

^{5/} For more facts about the types of usuries, See Gailego, "Usurious Practices", Philippine Law Journal, Vol. V, 1948.

the debts on time, the borrower is obliged to pay double the amount of loan. Thus, for 100 cavans of "palay" borrowed, the lender gets 150 cavans the following year. But in case of failure to pay on time, the borrower is obliged to pay double or 200 cavans of "palay". On loans of money the interest charged varies from 30 per cent to 50 per cent or from ten to twenty cavans of "palay" yearly.

4. Fictitious purchase and sales of real estate - A case of this kind may be illustrated thus: A has property valued at P3,000. B agrees to furnish A the amount of P10,000 at legal interest or 12 per cent per annum. The document is then prepared in accepted legal style, except for an agreed hidden condition that A would buy a piece of property owned by B. After a year, A comes to get his money amounting to P10,000, but he would receive only P7,000 and the document for the sale of property of P3,000. The trick is that B knows that A could not pay for the property so A would receive only P7,000 of the original loan of P10,000 asked by A. The interest now appears to be P3,000 for the P10,000 borrowed by A or 30% interest instead of the 12 per cent per annum.

5. Partnership system - This usurious practice is quite typical in the provinces. For the improvement of several acres of farm land or fishlands the owner may borrow P1,000. The money lender lends the money on condition that until the amount is paid the product of the farm should be shared equally while at the same time the property is pledged as security. The lender has all the advantage to himself.

If the farm does not produce, the mortgaged property would be confiscated by the lender for non-payment of the share and the interest usually mounts from 80 per cent to 100 per cent annually.

6. Takalanan - The debtor agrees to pay a cavan of palay for every P2.00 borrowed.

7. Pasunod - The tenant obliges the farm hand to receive P2 or more whether he likes it or not and at the end of the year requires him to pay a cavan of palay.

8. Talindua - Three cavans are paid for every two cavans borrowed.

9. Baligtaran - For every peso borrowed a cavan of palay is demanded from the debtor.

10. Takipan - for every peso borrowed a cavan of palay is demanded from the debtor.

11. Medyang Palabasan - The container used in landing palay or unhusked rice is only half of the one used in collecting.

Conflict over Ethnic Property Rights

The frequent clashes on property rights in the Moslem land may be traced from the way the Moslems put claims on the properties they fondly believe they owned. They also believe that as first settlers in Mindanao, especially in the Islands of Sulu, and in the provinces of Lanao and Cotabato that the settled area already belonged to them. In the earlier days, they used the so-called "ocular surveying method" of acquiring land. A Moslem leader set

foot on a piece of land and claimed for himself all the areas within his seeing distance. As the eyesight is not a reliable measure of determining the exact size of their landholdings, it usually results in over-lapping of claims, periodic misunderstandings and frequent sharp tribal rivalries. The victor gave him prominent economic leadership among the tribes. The datus who usually occupied the leadership positions maintained peace and order in their respective folds, but nevertheless have always been under constant threat of other datus' economic ambitions. As a result, strong group loyalties developed for mutual protection against intruders and aggressors.

When the Americans came to the Islands, they initiated the "Torrens Title System" of acquiring land which provides for scientific surveying in determining the exact size of the land. This method as against the "ocular surveying method" used by the Moslems had somewhat prejudiced the Datus' claims over their lands. Thus, when migratory Christian settled in the land acquired through legal means on an area acquired by a Moslem through "ocular surveying method", sharp Moslem-Christian conflicts were generated. This tense situation was further aggravated by the presence of Chinese merchants and Christian traders who exploit the rich natural resources in this "island granary" of the Philippines. The steady inflow of aggressive Christians and Chinese merchants and the presence of the Philippine Armed Forces have further aggravated the "ire" of the Muslims. The illegal entries of the Indonesians

contributed to the racial problems in the Islands. Although their meager number and the similarity of cultural background do not affect the economic ambition of the Muslims, but one that has promoted deep political concern to the government.

The traditional Moslem's way of claiming property opens huge opportunity for the landgrabbers, because the early Muslims have generally no titles to the land claims. When the Muslims found that the new owners have already occupied their claims, it is not too difficult to see why the Muslims suffer frustrations. Antagonism creeps in, and oftentimes ends up in sporadic running amok and killing of innocent bystanders.

Deprived of their property, many have been driven to the hills, engaged themselves in outlawry, converting the valuable timber land to "kaingin" which is causing alarming soil erosion in many sectors in Mindanao. Fortunately, however, an accelerated move to survey the land is being made with the view to reducing the tension points by preventing wholesale land grabbing by the so-called responsible officials and the well-to-do.

The continuous inflow of land grabbing Christian, die-hard Chinese merchants, and the presence of the armed might of the Philippines had developed the "ire" of the Muslims and had put them in a tense defensive position. They had also learned the number of increasing Christian settlers as offensive and a threat against the Muslim integrity. The aggravating presence of a large group of

absentee landlords and the white collar land grabbers also deepened the vat of ferment in some sectors of Mindanao. As a consequence, rampant systematic squatting on lands owned by Christians remains unabated; the source of sharp conflicts; and a hindrance against full cultivation of the land. Thus, the saying among the squatter Muslims, "The Christians can have the title, but we hold the land." This uneasy situation represents a double edge roadblock against the Philippine economy with the helpless legal owners facing constant bodily threat, and the poor land claimant-squatters occupying the land to give them a hand-to-mouth existence. The result is gross neglect of vast rich but idle agricultural land. This is another reason why the Philippines subsists on the so-called rice import economy. What is more concerting is the fact that only 15% of the 85% agricultural land in this country is under cultivation, placing the economy of the country in a more precarious situation.

Co-existent with the land grabbing problem are the armed outlawry and smuggling which the present administration is trying to quell. This is easily understood, because the land could otherwise be made productive had it not been for the decades of absentee-tenants economic conspiracy. So it seems natural that other means of livelihood should be sought for survival purposes.

Increasing Population and Landlessness

Among the low economic level high birth rate exists, and the opportunity for acquisition of farm lands remains more and more

difficult. The tendency therefore is definitely toward progressive landlessness. This problem is further compounded by the increasing concentration of land in the hands of few big corporations, and the favored individuals. Thus, the limited opportunity in the rural areas results in the inevitable accelerated population drift to the urban areas. Such demographic trend has tremendous implications in terms of future agricultural and industrial productivity in the rural areas; and only to swell the unemployment situation in the urban areas. Frustration suffered from unfulfilled aspiration results in ferment and dissatisfaction. And unless the Government resettlement program is made more attractive, the shortage of manpower resources in the rural areas may develop as a real threat against the Philippine agricultural economy.

With 800,000 - 900,000 babies being born in this country every year; and with the heavier concentration in the hands of the few, plus the fact that the size of the land remains constant, it is not surprising to see in the near future a desperate land crises for the masses. It is quite apparent that a responsible leadership would be needed to prevent a social ferment which might end up in explosion. Such leadership should focalize its attention to developing plans for painless and equitable redistribution of land and for making the acquisition of such land permanent and binding.