

LAND AND AGRICULTURE IN THE PHILIPPINES: AN ECONOMIC HISTORY PERSPECTIVE

By O.D. Corpuz*

This article explains the land system established since the late 16th and 17th centuries as a result of the Spanish conquest, and traces the various types of landholdings and their economic roles to the end of the Spanish era. Except for the government purchase of the friar haciendas in 1903, the structure of the land system — and of agriculture — was not changed during the United States occupation era. The cadastering and titling systems favored large landholders and plantation agriculture, and small scale agriculture, especially the rice sector, was neglected. The article closes with a presentation of average farm sizes covering 1903 (good for 1898) to 1980, showing the fragmentation of farms in domestic agriculture.

The Spanish regime in old Filipinas became viable only because the Spaniards cast the subject population into the mold of a single occupational class of small scale cultivators. This mold was based on a restructuring of native society from the small pre-conquest barangays (average size: 30-50 families) to new colonial pueblos (average size: 500 families). The pueblos in turn became viable due to the institution of a land system based on sedentary agriculture. The economic history of the Philippines until the 1890s is largely the history of the changes in the land system and the breakdown of the single occupational class established in the 16th and 17th centuries. The veneer of modernization effected under the American occupation regime did not change the structure of agriculture, based on farm sizes, at the close of the Spanish era.

This paper explains the land system founded during the Spanish conquest and then the changes wrought by population growth and economic forces until the 1890s; the modernization of the legal aspects of land during the American era, without changing the structure of agriculture; reviews average farm sizes from 1903 to 1980; and ends with issues and prospects in land and agriculture policy.

*Professor Emeritus, University of the Philippines.

1. The Spanish Land System in Filipinas

The *Recopilacion de leyes de los reynos de las Indias*, the digest of laws promulgated by the king of Castilla as lord of the Indies, incorporated the Indies or colonies into the crown of Castilla, one of the various principalities that then constituted España. All lands in the vast empire were integrated by law into the estate of the king. The lands were called *realengas*, crown lands. From the *realengas* the king assigned lands to the natives and awarded tracts by royal grant to leading conquistadors and to the Church, the friar orders, and church-related organizations. We will call the lands assigned to the natives the *pueblo lands* and the tracts awarded by royal grants *haciendas*. To simplify terms, we retain the word “realengas” to refer to the remainder of the land.

Because of the basic concept that land belonged to the king, the parcels in the pueblo lands were not demarcated. Furthermore, they were not titled to the occupants. But neither were the metes and bounds of the haciendas defined as in modern cadastral surveys; in essence the grants were *mercedes*, favors from the king. The absence of cadastral surveying in all cases made the pueblo lands vulnerable to future landgrabbing or usurpation and, by the same token, made illegal expansion of the haciendas easy. A corollary to the basic concept was the absence of a tax on land, a feature that lasted until the end of the Spanish era.

The Pueblo Lands

In the course of the conquest the surviving natives were regrouped into new barangays and consolidated into fewer and larger sized pueblos. The standard pueblo would have ten or more barangays, combined to make up a pueblo population of 500 families or 2,000 to 2,500 people. The consolidation facilitated tribute collection and civil and religious administration.

To keep the natives in the pueblos it was necessary to make agriculture sedentary and viable, and in the process to get the natives to produce surpluses for their tributes and other obligations to the civil regime. The pueblo families were also required to deliver produce and provisions to the regime in the annual *compras* or government purchases of their produce and other goods. When the regime was short of supplies there were extraordinary *compras*, even when harvests were low, as well as when it launched expeditions against the Muslims in the south. The exaction of the commodities in the

LAND AND AGRICULTURE IN THE PHILIPPINES

tributes and *compras* was attended by arbitrary valuations, prices, and fraudulent weight and measures. Finally, the *pueblo* men were subject annually to 40 days of compulsory labor service, usually stretched out to many months, away from their homes and fields.

The lands of a *pueblo* consisted of: the house lots in the *poblacion*; family-size fields behind or around the *poblacion*; and a tract of commons, analogous to the commons in Europe, for the joint use of the *pueblo* families. Every family had to cultivate its assigned parcel of field for its needs and for the tributes and *compras*. The families had, at most, some usufructuary rights in their parcels, which were held by assignment, and could not be titled to them. The parcels reverted to the king if they were not cultivated for two consecutive years. But occupancy passed from the parents to heirs by inheritance; if there were no heirs the land likewise reverted to the king. Because every family had its own parcel, no family could have its field worked by others; this meant that there could no landlord-tenant relations.

The other side of the *pueblo* land system was that the native population was frozen into the mold of a single undifferentiated occupational class, that of cultivators of small fields that were not owned by the tillers. The regime strove to preserve this mold by sealing it off from outside influence. The *Recopilacion* banned lay Spaniards from living in the *pueblos*, because, it said: "They are restless, live scandalously, are gamblers, robbers, vicious, vagrants ... and drive the natives to abandon their homes." (This prohibition was repealed in 1751, but even long afterwards the friar curates harassed any Spaniards who sought to reside in the *pueblos* because they feared contamination of their flocks.)

Agriculture in the *pueblo* lands was made viable because of a vital technological innovation: the use of the *carabao* and plow (the latter of south China origin) in land preparation. This was begun by the friars in the late 16th through the 17th century in order to keep their flocks in place. But the process was slow; by the mid-18th century *carabao* and plow agriculture was practised only in Luzon and Panay Island. No new technology was introduced from here on and no growth in output would be achieved except due to population growth leading to the cultivation of new land. The disincentives to increased production were strong. The *pueblo* families normally had no savings. If they did they did not invest in improvements. Harvest gains were lost through outright seizure or frauds in the tributes and *compras*. Each *pueblo* was also a parish, and the people were assessed contributions for the religious fiestas and had to give alms to the

Church. The law bound the people to their fields and prohibited them from leaving their pueblos.

The oppressiveness of the system of exacting surpluses from the pueblos led to a lasting decline in the tributary or subject population. In 1588 the tribute-paying population was estimated at some 673,600; in 1686 the estimate was "over 600,000." In 1701 the heads of the friar orders warned the governor-general that Filipinas had been depopulated, that the islands "at present lack their former abundance of population and the resources of wealth that are native to them." Recovery set in at the turn of the century, notably after the phasing out of the harsh *encomienda* system beginning in 1720. The tribute-paying population was at an estimated 946,500 in 1760 and 1.5 million in 1800; the annual growth rate computed from the Spanish estimates was 1.8 percent over 1800-1850, and 1.2 percent to 1.5 percent thereafter until the mid-1890s.

Steady population growth had consequences on the pueblo lands. Generations of new families led to fragmentation of the family-held parcels and exerted pressures for new land. The surplus families without assigned parcels were impelled to appropriate the nearby tract of commons; by the 1840s the commons of most pueblos had disappeared. Other families spilled over into the nearby *realangas*. The appropriation of the commons and *realangas* was extra-legal but could not be helped; in any case, occupancy was not accompanied by ownership.

Aside from the obvious pressure on land, population growth was associated with complex strands of change. Not only were new pueblos founded — from 310 pueblos in 1766 to 858 in 1879. Many pueblos grew in size. In contrast to the standard pueblo of 2,000 to 2,500 residents, many pueblos over time came to have more than 10,000 people. There were fifteen pueblos with over 13,000 people in 1827, the largest of them had 25,242 residents. In 1849 there were 35 pueblos with over 15,000 residents. In 1879 there were 65 with more than 15,000 residents, the largest with 49,398; another 35 pueblos had 13,000 or more.

Many pueblos after 1815 were no longer purely agricultural. Those with trading links to Manila became provincial trading centers. The old single occupational class broke down as families left cultivation and turned to small crafts, services, and other non-farming means of livelihood. Some Manila-area pueblos, especially Binondo and Tondo, had become post-agricultural towns. These new trends also meant

LAND AND AGRICULTURE IN THE PHILIPPINES

that pueblo agriculture was no longer producing surpluses only for the tributes and *compras*. Cash agriculture had emerged, and the tribute was paid in coin in almost all provinces shortly after 1800.

At this point we must take note of the rise of a dynamic class in pueblo society. The class began with the families from whom the heads of barangays and pueblos during the conquest were selected. They became menials and dummies of the Spanish *alcaldes* or provincial governors, or *criados* (servants) of the friars. Not infrequently they became lowly accomplices of their masters in the latter's scandalous and illegal trading. They took to petty frauds in the tributes and *compras*. By the mid-18th century coin from Mexico had found their way into many of the Tagalog pueblos. The native officials acquired some of the silver and engaged in usurious moneylending, became petty local traders on their own, and bought the cockfighting concessions in their pueblos in the public auctions. They were accumulating modest capitals.

It is the moneylending of the emerging pueblo upper class that we are interested in. The stabilization of the natives in the pueblos during the eighteenth century gave rise to the culture of religious fiestas and family celebrations of baptisms, weddings, funerals, etc. Most of the families borrowed money to mark these festive events. But the moneylender(s) always insisted that the borrower pledge his parcel of land as collateral. The borrowers, without savings, would never be able to repay the money, so that the debtor's field invariably passed into the lender's hands. The instrument devised for this transaction was the agreement called *sanlangbili* (*sangla*, mortgage; *bili*, sale). To evade the prohibition against selling the parcel, the agreement was drawn up as a simple loan transaction with the proviso that the borrower could repay the debt any time, with the lender then obliged to return possession of the debtor's field. In the meantime, all harvests went to the lender, so that the borrower ended up working his own parcel as the tenant sharecropper of the lender. In this way some of the leading pueblo families accumulated land parcels. Towards the 1780s, in more and more pueblos, the old system of equal-size fields had given way to turnovers in possession of the pueblo lands, and the occupationally undifferentiated native population was giving way to new agrarian relationships.

After a century of the *sanlangbili* (since the 1740s), a more radical and forthright mode of change in the possession of the pueblo lands was a natural evolution. This was direct sale by the natives of their land parcels, notably in the populous pueblos of the 1840s. This

is another indication of the drift away from cultivation, on the part of the seller, towards non-farming occupations. On the buyer's side, it meant added capability for gain from cash agriculture and trading. There are prices quoted by the *quiñon* (2.7945 hectares) for 1842, 1846, and 1859 by the Spaniard Mas, the Frenchman Mallat, and the Englishman Bowring.

The result of *sanlangbili* and sales of the pueblo land parcels is indicated in an essay on land and agriculture in Filipinas in 1876. The author noted that there had been a "complete turnover" in the possession of the pueblo lands in some provinces since the 1840s — a slight exaggeration. The Spanish author knew that the loans and sales were forbidden by the laws; however, he adjudged that growth in agriculture had been achieved precisely due to the persistent and widespread violation of the archaic laws. We will see other changes in the land system in the next sections. Meantime, we note that during 1888-1892 the regime itself engaged in expropriation proceedings to buy the pueblo lands along the route of the projected Manila-Dagupan railroad.

The Haciendas

Unlike the parcels in the pueblo lands, which were small and untitled, the haciendas granted during the era of the conquest were extensive tracts and the document of each award constituted legal evidence of ownership. In the event, the early conquistadors who were given land grants usually had no families, or eventually left Filipinas; others perished in the wars against the Dutch (who contested the Spaniards up to 1649) or the Muslims of Mindanao and Sulu. Many bequeathed their estates to the Church or friar orders or similar organizations in their last wills and testaments, often drawn up on the eve of an expedition. Tomas de Comyn records that there were "not more than a dozen" lay Spanish owners of haciendas left in 1810. Of these dozen hacienda owners, those who tried to run their estates as plantations all failed (up to the 1830s-1840s). We will not detail the reasons, chief of which was that they could not cope with their difficulties with their native workers and ended up by selling or sub-letting their haciendas in small parcels to native families.

The haciendas of the friar orders — mostly the Augustinians, Dominicans and Recollects (the Franciscans had no haciendas, and the Jesuits were expelled from all Spanish dominions in 1768) — were the most extensive in Filipinas. There was a notable buildup of the friar haciendas at about the time of the recovery and growth of

LAND AND AGRICULTURE IN THE PHILIPPINES

the pueblo population. During the 1730s-1740s there was restlessness among the natives of the provinces of Manila (much of the modern national capital region and Rizal), Cavite, Laguna, Batangas and Bulacan. The natives were losing their parcels and the commons of their pueblos to the friar haciendas. According to the testimonies of the natives before the magistrate in charge of the *composicion de tierras* (a judicial process of verification of titles and claims to land), they were losing their lands due to landgrabbing, usurpation, and fraudulent surveys. The archives in Sevilla record that the magistrate (Pedro Calderon Enriquez) sustained the natives; he established that the friar haciendas were holding pueblo lands without good title or in excess of what they legitimately owned.

The friar haciendas are important as socioeconomic phenomena. Their operations evolved the early agrarian relations system in Filipinas, featured by native families cultivating plots for rent in kind. For instance, in the San Juan de Dios hacienda of Buenavista near Baliwag, Bulacan in the 1840s, much of the cultivated area was sub-let to 1,000 tenant families growing rice on parcels that averaged 5.5 hectares per family. A major variation featured the introduction of an intermediate stratum between the hacienda owner and workers. Instead of sub-letting the parcels directly to tenant families, the Dominicans leased fairly large tracts to the pueblo elite, called *inquilinos*, who brought in their *kasamahan* or followers to work the family size parcels.

The friar haciendas were not as important as economic enterprises. As a result of sub-letting, they evolved the case of vast tracts *cum* small scale cultivation. They were run conservatively, and were never prominent in export agriculture. They were mainly devoted to the growing of staples, mostly rice, taking advantage of the sure market due to population growth. A few haciendas near Manila produced fruits and vegetables for the capital.

The expansion of the friar haciendas continued during the 19th century; they aggregated 165,000 hectares in 1896. Of these, some 49,270 hectares encompassed the best lands as well as whole towns in Cavite. This explains why the fiercest fighting in the Revolution took place in Cavite.

The Realengas

A different strand of agricultural development began in the *realengas*. These were vacant and uncultivated lands. The growing

population led to fragmentation and turnovers in the possession of the pueblo land parcels as well as to the creation of surplus families. But population growth *per se* did not lead to massive appropriation and cultivation of the realengas. The need for new land was moderated by the emergence of non-farming occupations and the intensification of domestic trade. The idle lands in the realengas would assume an economic role only if a sector of agriculture would develop apart from the traditional small scale cultivation in the pueblo lands and friar haciendas. This sector would be large scale agriculture and would require capital and foreign demand for its products.

This was what the governor-general Basco y Vargas envisioned during his term (1778-1787). He dreamed of a new colonial economy based on the development of agriculture, manufacturing and industry, and trade with the world. To Basco the key was large scale production of new crops such as cinnamon, pepper, nutmeg, indigo, mulberry trees for silk, etc., and familiar crops such as cotton, sugar, and tobacco, for all of which there was an assured foreign demand. Basco assumed that the Spaniards of Filipinas would lead in the opening up and running of plantations.

Mass planting of black pepper and tobacco in the pueblo lands, and government-backed extensive planting of cinnamon and mulberry trees on the realengas, were undertaken into the 1790s. The labor was supplied by conscripted men from the pueblos. The ambitious projects all failed for many reasons, chief of which were that no Spaniards in Filipinas knew what to do with the cinnamon and mulberry trees after they were grown, as well as the fact that the relations between Basco and his compatriots were hostile.

There were no plantations in Filipinas before the 1820s. Meanwhile, the small quantities of indigo, sugar, coffee, and pepper exported since the 1790s to the early 1820s were grown by the pueblo elites on their parcels, often non-contiguous, in the pueblo lands. Plantation agriculture developed as result of the pressures of foreign trade. Foreign trading ships were informally calling at Manila; during October-December 1796 English, Swedish, American, Danish, Chinese, and Malay ships called. Spain became a second-class power during the Napoleonic wars, and in 1814 English pressure forced Madrid to admit foreign traders and allow their trading houses formal resident status in its colonies. The founding of four leading foreign trading houses in Manila during the 1820s — Peele, Hubbell and Company (1822); Russel, Sturgis and Company (1828); Wise and Company (1826); and Ker and Company (1827) — proved crucial to export

LAND AND AGRICULTURE IN THE PHILIPPINES

agriculture, especially in the financing of plantation operations through crop loans and advance purchase of the harvests, other credit arrangements, and arrangements for import of basic processing equipment by local planters.

It was during this era that the Frenchman Gironiere, a medical officer in one of the Manila regiments, began his plantation venture in Jala-jala, Laguna. In 1823 he bought some 2,460 hectares of raw land from the realengas and successfully raised sugar, indigo, coffee, abaca, rice, and some livestock. His venture was followed on the estates of the Spaniards Iñigo Gonzales de Azaola and Domingo Roxas in the 1830s. Another Frenchman, Yves Leopold Germain Gaston, opened up a small plantation in Negros in 1847 on which he grew sugar. From here on the leading plantation crop would be sugar. The mestizos of Jaro, Iloilo pioneered in the acquisition of extensive tracts in Panay and Negros in the 1850s. Nicholas Loney, British vice-consul in Iloilo in the 1850s, ran a hacienda in Negros; among the leading planters then were Agustin Montilla and Jose Ruiz de Luzurriaga, both Spaniards.

The lands acquired from the realengas were unlike the pueblo land parcels; the former were extensive tracts. During the 1850s, according to Bowring, tracts from the realengas could be bought for next to nothing provided one undertook to bring them under cultivation. Among the leading buyers of land in Negros were the Chinese-native mestizos. Buyers held documentary evidence of the purchase. The best example of acquisition of tracts from the realengas in this era is the Lopez family. The second generation Lopezes from Jaro, Iloilo was headed by Eugenio (1837-1906); he bought up numerous tracts as small as 80 hectares and as large as 840 hectares. His purchases included tracts that had been bought by foreigners from the realengas; they did not succeed in their ventures.

Aside from larger tracts, agriculture in the Negros realengas evolved a system of agrarian relations other than the landlord-inquilino-kasama system of Luzon. The Negros sugar plantations or haciendas featured the sugar hacendero-*sacada* system. The *sacada* were men recruited from the populous Iloilo pueblos who worked as seasonal daily wage laborers, unlike the all-year Luzon kasama or sharecroppers. A final feature of agrarian relations in the sugar plantations was the *acsa* system. The *acsa* was a sub-manager of a fair-sized portion of the plantation, responsible for all operations up to the delivery of the cane for milling; all costs from here on were to

the owner's account; and then the proceeds of sale of the milled sugar were divided between the owner and acsa.

2. Farm Sizes at the End of the Spanish Era

The data in the following table are of farm sizes, good for *circa* 1896:

Table 1 - Agricultural Landholdings Classified by Size, and Percentage of Farm Area, 1903*

Size of Landholding	No of Landholdings	Total Area of Landholdings
All Farms	100.0	100.0
Less than 0.35 hectare	21.7	1.2
0.35 to less than 1 ha.	28.1	5.2
1 ha to less than 2 has.	20.6	8.3
2 has. to less than 5 has.	18.5	16.3
5 has. to less than 10 has.	6.5	12.7
10 has. to less than 15 has.	1.8	6.3
15 has. to less than 30 has.	1.5	8.9
30 has. to less than 50 has.	0.6	6.0
50 has. to less than 100 has.	0.4	7.6
100 has. and larger	0.3	27.5

*From data in U.S. Comision Filipina, *Censo de 1903* (1905), IV, 210.

We can identify the distinct sectors of agriculture based on farm size: the dominant small scale sector of traditional cultivation in the pueblo lands, a subsistence sector with little or no savings; a middle sector of medium scale cultivation producing primarily for the domestic trade and partly for exports; and the sector of large size tracts built from the realengas, the base of the export trade. The small scale sector covered farms from less than 0.35 hectares to less than 5 hectares in area, representing 88.9 percent of all farms and 31.0 percent of total farm area. The middle sector comprised farms of 5 hectares to less than 30 hectares in size and 9.8 percent of farm area. The last sector, that of large scale agriculture, embraced farms from 30 hectares and over and constituted 1.3 percent of all farms but 41.1 percent of the farm area. The small farms were worked by the masses of the pueblos; the middle sector farms were the holdings of the

pueblo and provincial elite; and the large sector farms belonged to the friar haciendas and the national elite.

3. Land During the Filipino Republic

The populist democracy ideals of the Revolution and the Filipino Republic led to the provision in the constitution of 1899 that: as of May 24, 1898, "all the lands, buildings, and other properties held by the religious corporations in these islands will be deemed restored to the Filipino Nation." The titling of the pueblo land parcels to the occupant families, of the parcels in the friar haciendas in favor of the tenants, and of tracts in the realengas in favor of those who had cleared them, was provided for in regulations issued on February 27, 1899 to govern the processing of claims to land; the demarcation of parcels; the adjudication of disputes; and the registration of the corresponding titles.

The first agrarian and land reform concepts in Filipinas were developed by the native and mestizo inquilinos in the Dominican hacienda in Calamba, Laguna. These concepts were formulated into a land-to-the-landless policy during the Revolution.

4. Land During the American Occupation Era

The Christian Filipino-American war was still going on when the US Philippine Commission, the civilian component of the new colonial regime, assumed authority over Luzon and the Visayas. The dislocation and losses due to the wars were devastating. The 1903 Census reported a population level that had already been attained during the mid-1890s. Agriculture was in ruins. The cultivated area in 1902 was estimated as at least 20 percent less than hectarage in 1896. Worse, the carabao stock was depleted; in 1902 the stock was only 10 percent to 15 percent of the 1896 carabao population. Rice production was only 25 percent of the 1896 level. Food shortages were widespread. Part of the shortages were due to the US Army tactics of herding the entire non-combatant population — men and women and children — of two rice provinces, Batangas and Laguna, in concentration camps from December 1901 to June 1902. (The same tactics were used for Albay in 1903, and for Batangas and Cavite in 1905.) Lack of food led to malnutrition and the tally of more than 102,000 deaths due to the cholera epidemic of 1902 alone was reckoned as reflecting only two-thirds of actual mortality.

Rice imports cost \$5,490,958 in 1901 and \$6,578,481 in 1902. As the US Army occupied more and pueblos, more people had to be fed. In 1903 rice imports of \$10,061,323 exceeded total expenditures for ordinary government purposes. Imports abated during the next few years, but rice imports of \$10,569,949 led all imports in 1912.

The promotion of cultivation to relieve the shortages and the import bill ought therefore to have been a priority concern. But the insular government relied on rice imports as a major part of its food policy until the late 1920s. It approached agriculture in general indirectly, by taking steps to modernize the form of the land system. No tax on land was ever collected during the Spanish era. What the Philippine Commission did was to impose a land tax beginning in 1902. This tax was a light *ad valorem* levy, shortly replaced by rates based on assessed value of parcels. In 1902 the Philippine Commission enacted (it was both legislature and executive) its Act No. 496 which lay down rules for land titling and registration, although it did not make registration compulsory. The Commission, anxious to go farther, had earlier asked the US Congress for authority to pass a comprehensive public land law because, it said: "Large amounts of American capital are only awaiting the opportunity to invest in the rich agricultural field which may here be developed." The enabling authority sought by the Commission was granted, subject to certain conditions in Sections 12-15 (with respect to public lands other than timber and mineral lands) of US Public Law 235 (passed July 1, 1902). Those sections lay down the doctrine that by virtue of the United States acquisition of the Philippines, all public lands in the latter belonged to "the public domain of the United States."

The Commission duly enacted the Public Land Law (Act No. 926) in October 1903. The first part of the title of this law was: "An Act prescribing rules and regulations governing the homesteading, selling, and leasing of portions of the public domain ..." Thus, it lay down the procedures to govern the issuance of patents for **homesteads** and for **tracts bought** from the public lands, issuance of **lease certificates**, and issuance of gratuitous or **free patents** to small occupant-cultivators. Parcels not more than sixteen hectares in area could be applied for as homesteads by settlers; no patent would be issued before a period of five years after the filing of the application; nor could a patent be issued until after a parcel applied for had been surveyed under the direction of the bureau of public lands and an accurate plat thereof drawn up and approved. A filing fee of ten pesos and a patent fee of another ten pesos were required of the applicant homesteader.

LAND AND AGRICULTURE IN THE PHILIPPINES

Portions of the public lands could also be sold in parcels not exceeding 16 hectares to individuals, and in tracts not more than 1,024 hectares to corporations or similar associations. The land had to be appraised for value, and no appraisal could be for less than P10 per hectare. There was to be a public bidding before the award. Again, no patent was to be issued until the expiration of five years after the award; and no patent could be issued without officially conducted cadastral surveys and accurate plats.

Tracts not exceeding 1,024 hectares were available for lease at a rent of not less than ₱.50 per hectare, for a lease period of 25 years and renewable for another 25 years, with the requirement of surveys and plats.

Finally, gratuitous or free-of-cost patents were available for parcels in sizes not more than sixteen hectares in area. This was in favor of people who had been occupant-cultivators of the lands since August 1, 1898 (to 1904) or had occupied and cultivated the parcel for three years immediately prior to the that date and had so occupied and worked the land since July 1, 1902 until July 26, 1904. And again, the survey and plat requirements had to be met.

The new system seemed neat, eminently modern and logical, and reasonable — to the Americans. In fact, however, the 16-hectare parcels that were supposed to be available in the pueblo lands to applicants for free patents, if they had occupied the land since before August 1898 were illusory. Table 1 shows that the parcels were part of a group of farms that made up only 1.5 percent of the total number of farms. Realities confounded implementation of the new system from all sides. In 1905 the Commission noted that the land tax was “not kindly received” by the people. In 1906 the tax was suspended due to the agricultural crisis. Under Act No. 1189 (the Internal Revenue Law) the proceeds of the land tax funded the mandatory obligations of the provincial governments to construct and maintain roads and bridges, and also some of their general government operations, as well as the obligations of the municipal governments to operate public schools and some of their general operations. Due to the suspension, the insular government had to remit to the local governments amounts equivalent to their 1905 land tax collections. The suspension was extended in 1907, but the insular government could only remit half of what it gave in 1906.

There were serious conceptual, technical, and legal problems. The early reports of the Commission repeatedly refer to more than

two million land parcels that it said were privately owned or occupied. In 1908 it fixed the number at 2,286,439 parcels (outside the city of Manila, where the lands were nonagricultural). The Americans misunderstood the land system during the Spanish era, and especially the nature of the pueblo lands, which had no counterpart in the United States. The Census of 1903 classified agricultural landholdings by basis of tenure, as shown in the following table.

Table 2 - Agricultural Landholdings Classified by Basis of Tenure, and Percentage of Farm Area, 1903*

Basis of Tenure	No. of Landholdings	Farm Area
All Landholdings	100.0%	100.0%
Ownership	80.8	75.6
Tenancy, with:		
Payment in money	1.8	3.9
Payment in produce	16.2	17.3
Payment in labor	0.1	0.1
Occupancy without payment	1.1	3.1

*From data in U.S. Comision Filipina, *Censo de 1903* (1905), IV, 210.

In the above table the Census reported that 80.8 percent of all farms were owned by the occupants. But in Table 1 (*supra*) the Census classified 70.4 percent of all farms as less than 2 hectares in area, with another 18.5 percent of all farms 2 hectares to less than 5 hectares in area. And it is evident that the farms falling in the 70.4 percent group, and almost certainly also the farms in the 18.5 percent group, had to be parcels in the old pueblo lands. What this means is that it is impossible that 80.8 percent of all farms could have been owned by the claimants or occupants. Either the Census was in error, or it merely recorded the respondents' conviction that they had ownership rights over the parcels.

And then, after accepting the classification of the parcels as privately held or owned, the Commission applied the public domain doctrine of US PL 235 in its own Act No. 926 to cover, in effect, the parcels in the pueblo lands (untitled and uncadastered); the friar haciendas (which the insular government purchased in 1903); and the tracts bought by individuals from the realengas (the ownership documents were valid during the Spanish era but were now ruled as

LAND AND AGRICULTURE IN THE PHILIPPINES

“imperfect” titles — see Chapter 6, Act No. 926). Thus, all classes of claims were made subject to the new requirements, and title registration was to be effected through adjudication in a new court of land registration.

The requirement in Act No. 926 for cadastral surveys and plats turned out to be a formidable obstacle to expeditious titling. A former governor-general recalled that in 1913 the government was resigned to “a generation or more” to complete the survey work, while in 1928 an expert estimated that, “at the present rate of progress in the surveys, 400 years would be required to put the 14,000,000 hectares of idle and arable land under private ownership and under cultivation.” There were always very few surveyors and appropriations for surveys were chronically short. How, then, to establish the parcellary metes and bounds for the land tax and titles involving more than 2.25 million parcels?

The placing of the pueblo lands and tenant-cultivated parcels in the friar haciendas in the public domain was crucial. In the matter of the pueblo lands, the effect of the decision was to extinguish the occupants’ rights in their parcels, acquired through public, uncontested, and lawful occupation by their ancestors and themselves for centuries. The bureau of public lands director made short shrift of those rights by saying that long possession did not confer ownership “because the attorney-general of the Philippine Islands has ruled that no title can be acquired against the government by prescription.”

The land tax brings the public domain issue to a sharp focus: if the parcels (pueblo lands, friar haciendas, tracts bought from the realengas) were in the public domain, how then could there be a tax on them? And what was the basis for collecting the tax from people who, under the law, did not own the land? Land rents until the parcels passed into the ownership of the occupants would have been logical, with the rents applied to the purchase price of the parcels. It is true that around 473,000 of the 2,286,439 parcels were exempted from the tax for being too small, but if the cadastral surveys were still to be undertaken in the future, how could parcels be distinguished for purposes of taxation and exemption?

An incidental result of the land law and its implementation was that there no hordes of Americans descending and buying or leasing land tracts. There were many reasons for this. We will only point out the view of the Commission that the 1,024-hectare limit on lands that could be acquired by sale or lease to corporations, as fixed in US PL

235 and Act No. 926, was too low. The Commission repeatedly recommended in its reports that the limit be raised. In 1910, for instance, it proposed to Washington that larger tracts be made available from the public domain for agricultural purposes: that the 16-hectare limit for homesteads be raised to fifty hectares; that the 16-hectare limit on sales to individuals be raised to 500 hectares; and that the 1,024-hectare limit for corporations or similar associations be raised to 6,000 hectares. The limit on sales of agricultural land to individuals was later raised to 100 hectares and in 1924 to 144 hectares, but the 1,024 hectare limit on corporate acquisition remained.

W. Cameron Forbes, former governor-general (1909-1913), called the limits "severe restrictions," noting that they had been:

imposed by Congress ostensibly for the protection of the Filipinos (but) in reality were the results of a very powerful lobby maintained in Washington by the beet sugar interests, who looked with alarm upon possible Philippine competition and endeavored to cripple the Philippine sugar industry by preventing corporations from holding enough land to supply a modern sugar central.

In retrospect, the insular government's concern was focussed on the promotion of "high-profile" and big ventures in commerce and banking, which supported foreign trade; urban projects such as harbor improvements and electric tramcars; railroads; the timber and mining industries and export agriculture, the last three involving large land tracts. It regarded agricultural development in terms of large scale cultivation.

It did not matter that the small parcels in the old pueblo lands and friar haciendas were worked by the large majority of farming families, were the base of domestic rice production, and were cleared and cultivated fields unlike the idle and vacant public lands. The government was obsessed with cadastral surveys and titling and registration. The small farmers could not obtain credit for production and improvements. The government founded a bank in 1906 to extend credit to farmers, but the bank would not accommodate applications from small farmers who had no titles to their holdings. It was abolished and replaced by the Philippine National Bank in 1916, but the latter's lending activities were inevitably directed to large scale agriculture, where the tracts were titled, especially in the sugar

LAND AND AGRICULTURE IN THE PHILIPPINES

plantation sector. The small farmers had to rely on the local usurers. In contrast, the large planters easily coped with the expenses and procedures of surveys and titling. The export agriculture sector recovered as early as 1905 with exports, mainly plantation crops such as sugar, exceeding imports for the first time since 1899.

The cost of the government's obstinacy on the cadastral survey requirement was high. Rice imports topped all imports for several years since 1901. As late as 1924 rice imports cost P18,525,837, not far below the cost of imported rice in 1903. The continuing high cost of importing the country's prime staple slowly brought about a change of attitude and, after 1915, the land registration office moved to speed up its issuance of decrees on cadastral, titling, and registration cases. These decrees were recorded by the registrars of deeds in the provinces and were valuable to claimants. In 1903 the office of land registration issued only 126 decrees. The record for the period 1903-1933 is shown in Table 3.

To keep the problem in perspective, it must be recalled that the government had identified 2,286,439 land parcels in 1908, but the decrees covered only 586,783 parcels in 1933, inclusive of new parcels that had been added since 1908. The additions were due to population growth (average annual growth rates: 1.89 percent from 1903 to 1918; 2.22 percent over 1918-1939). More than 1.5 million hectares had been added to the cultivated area from 1908 to 1930.

Although 37,916 decrees were issued in 1926, only 1,572 of these were patents for homesteads; 263 for free patents; 46 for sales of agricultural land; and three were awards for leases of agricultural land. Of the 76,743 decrees in 1927, there were 896 for homesteads; 88 for free patents; 1,725 for sales of agricultural land; and nine were lease awards. The issuance of titles or patents was excruciatingly slow and prejudiced, most of all, the masses of small farmers.

The bright spot was that rice production had been rising due to expanded hectarage. The expansion was partly stimulated by the road-building program that began in 1909. The rice import level of P18.5 million in 1924 dropped to P9.06 million in 1926 and to P2.15 million in 1927. Rice imports continued hereafter, but rice ceased to be a major import item. On the other hand, productivity in the neglected rice farming sector was low. The average yield during 1913-1917 was 19.41 cavans per hectare, and the government reported that yields went up to 26.16 cavans per hectare in 1918. But the

Table 3 - Decrees on Cadastral Cases, Land Titles, and Land Registration Records Issued by the Land Registration Office, 1903-1933

Year	Number of Decrees	Number of Parcels	Area in Hectares
1903	126	140	34.8949
1904	294	312	34,684.9099
1905	561	681	15,776.1083
1906	655	880	49,156.4560
1907	678	825	20,299.4448
1908	898	1,232	23,724.1038
1909	635	899	28,765.4172
1910	625	1,023	82,551.0972
1911	2,274	3,938	43,361.8388
1912	3,580	4,776	64,593.7970
1913	4,402	5,408	85,049.5138
1914	3,962	5,881	75,492.5420
1915	1,242	2,770	55,218.3762
1916	5,825	7,168	82,313.9595
1917	37,811	40,817	180,597.3682
1918	10,197	11,507	53,255.2776
1919	13,446	15,313	65,251.1912
1920	14,287	16,058	73,011.1493
1921	16,475	19,529	67,138.9590
1922	13,996	15,893	59,621.8669
1923	14,238	16,817	82,349.1617
1924	22,465	24,841	74,438.1268
1925	32,372	34,239	105,092.4286
1926	37,916	40,708	73,100.2127
1927	76,743	83,440	173,819.3435
1928	32,460	35,316	103,614.7368
1929	23,143	27,180	78,879.0483
1930	45,975	53,314	118,970.0648
1931	50,066	55,630	103,758.9721
1932	32,863	35,460	59,006.0001
1933	21,809	24,788	53,276.0213
Total	522,019	586,783	2,186,202.3883

*Source: U.S., Congress, House of Representatives, *Annual Report of the Governor-General of the Philippine Islands*, 1933, House Doc. No. 32, 74th Cong., 1st Session (Washington, D.C. 1935), p. 71.

LAND AND AGRICULTURE IN THE PHILIPPINES

average harvest of 1,225 kilos of rice per hectare in 1930 was way below the 2,200 kilos per hectare average in Cochin-China and less than one-half the 3,000 kilos in Bali.

The worldwide economic depression of the late 1920s and early 1930s led to an indirect change in the government's attitude to the small farmer class and small scale cultivation. The American governors-general began to extol the small landholders, the small farmers, as the "safe bulwark of any society," the "backbone of Filipino agriculture," and to warn that "an oppressed peasantry" was the "greatest danger" to society. These thoughts derived from anxieties about the country's future, in view of the fact that 75 percent of its foreign trade was dependent on the United States.

The new land system with all its delays had become established by the 1930s. But by then the problem was no longer just a matter of delays and neglect, which weighed most heavily upon the small farmers. The problem had become much more complex. The following appraisal of the governor-general in 1931 is a criticism of the system and depicts the emergence of socio-political factors in Filipino provincial society that were both cause and consequence of the land system as an institution:

One condition which retards settlement of the public lands is the delay and uncertainty in obtaining titles. Administrative delays, ignorance of the applicant, fraud, failure of applicants to complete residence and cultivation requirements, wrongful efforts of piratical claimants to reap the benefit of others' pioneer work, and court delays, all combine to retard the granting of titles. The whole system has been against the title seeker, whose efforts, if aided, would change unused lands into taxable property. Desirable pioneers refrain from taking up land because of distrust, suspicion, and discontent growing out of present delays.

The bias of the system against the small "title seeker" aggravated a legacy from the Spanish era. The dispossessed families created in the course of the buildup of the friar haciendas usually meant that the families became tenants in the haciendas. But strong-willed individuals refused to work as sharecroppers on lands they believed had been stolen from them. They took to the woods and hills; hardly any were captured because they received the support from the pueblo

folk. Every now and then they would kill some hacienda manager or Spanish official. To the Spaniards these men, who were armed with sharp bolos, were the *tulisan*, and the word came to mean outlaws. In fact they were essentially good men. Some became officers during the Revolution. But they had no place as peaceful farmers in the new regime; the slow and complex process of acquiring and titling land, often accompanied by fraud and abuses from "land sharks," intensified their old grievances. The American regime perpetuated the *tulisan* tradition by treating them as outlaws. The *tulisan* grievances resulted in the agrarian uprisings in Luzon during the 1920s and 1930s, the precursors of the Huk movement of the 1940s.

Finally, it must be noted that the protracted neglect of small scale cultivation and small rice farmers was not exclusive to the Americans. Filipinos became part of the government since some were named to the Philippine Commission in 1902 and after the establishment of an all-Filipino legislature in 1916. Successor Filipino governments also unquestioningly maintained the *tulisan* tradition. In the same way that the *tulisan* led to the Huk movement, so did the latter lead to the Marxist CPP-NPA insurrection that still plagues the country.

5. Farm Sizes, 1903-1980

Based on the Spanish figures of 815,453 agricultural landholdings covering a total of 2,827,704 hectares, the average farm size was 3.47 hectares at the close of the Spanish era. According to Forbes this fell to less than 2.5 hectares in the late 1920s. Since cultivated area had increased by more than 1.5 million hectares in the meantime, the drop can only be attributed to population growth and the dominance of traditional small farms, many of the latter untitled.

We will leapfrog over the intervening decades and go to recent times. Total farm area in 1980 was almost 3.5 times larger than the 2,827,704 hectares of total farm area in 1903; but the number of farms in 1980 was more than 4 times the number in 1903. This is shown in the following table:

LAND AND AGRICULTURE IN THE PHILIPPINES

**Table 4 - Comparative Average Farm Sizes:
1903, 1960, 1971, and 1980***

Year	Average Farm Size (Hectares)	Total Farm Area (Hectares X 000)	Number of Farms (X 000)
1903	3.47	2,827.7	815.5
1960	3.6	7,772.5	2,166.2
1971	3.6	8,493.7	2,354.5
1980	2.9	9,692.2	3,342.1

*Sources: For 1903: *Censo de 1903*, IV, 194-218; for 1960 and 1971: National Economic and Development Authority, *Philippine Statistical Yearbook*, 1983; for 1980: National Statistics Office, *Census of Agriculture*, 1980.

6. Issues and Prospects

A continuation of the historical trend and the recent political trend toward land distribution (of the public lands and privately held lands) will almost certainly lead to lower average farm sizes in view of the high population growth rate and the fast closing agricultural land frontier.

The Comprehensive Agrarian Reform Law (RA 6657) is misnamed. It does not reform agrarian relations. It is essentially a land distribution law that is not demonstrably addressed to economic criteria.

The record of four centuries has been one of neglect of small scale agriculture. During the Spanish era the small farmers were weighed down by regressive poll taxes (the tribute until 1884 and the *cedula personal* thereafter) and an array of indirect taxes. In contrast, large scale planters enjoyed freedom from taxes on land, and the successor American regime promoted export agriculture. The bias against small rice farmers has been enduring. The price controls on rice (average farm size in 1980, 2.9 hectares; hectarage as a percentage of all farms, 38.7 percent) that began during the rice shortages of the early American occupation are a permanent part of government policy not applied to other products and services. This is an unjustified bias against the politically unorganized rice farmers in favor of vociferous urban consumers.

Single-crop agriculture suffers from the disadvantage of weeks and months of land preparation and growing of the crop, with no income to the farmer. Small scale agriculture can return profits only when planting is combined with nontraditional complementary activities, and overall operations are featured by high inputs of

technology and capital. Applications of new technology in various countries (Israel, Japan, e.g.) promise a revolution in agriculture. Research on the new technology already in use should be pooled and focussed to provide direction for government policy.

Meanwhile, the trend toward corporate farming or collective or cooperative organization and management should be promoted, especially if linked to agro-processing and marketing.

Land distribution is economically meaningless without a land use policy. Land use goes beyond technical cost-benefit criteria derived from a national framework of area resource endowments. A land use policy requires a firm decision on food security policy: Should we aim for food self-sufficiency? Or should we rely on comparative advantage?

Economic historians argued during the 19th century that industrialization and social progress are not possible without first settling the land and agrarian relations problem. We have alternatives in our times, but it is certain that in societies where so much of the population is engaged in low-income agriculture, policies must be addressed to promote the modernization of cultivation and treat the agriculture sector on equal terms with banking, manufacturing, and industry, the preserves of the elite.

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