

THE INCORPORATION OF THE PROVINCE OF CAVITE INTO THE WORLD ECONOMY

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In the last 20 years the Philippine province of Cavite, just south of the city of Manila, has experienced far-reaching and often traumatic change. For many people, a whole way of life has been altered in the span of a generation. It is perhaps ironic that such recent transformations have very deep roots in the past. Surely, the political and economic forces that have structured change in this region are inextricably linked to the rise of Manila as a primate city. The process of modernization that has shaped the growth of Manila has also affected change in the nearby Cavite countryside.

Departing from conventional analysis that tends to view modernization apart from the larger political-economic perspective and argues that social change must be understood in its totality and hence on a world scale. Rather than examining the development of classes, regions and centers within the boundaries of their immediate locality, this approach calls for an understanding of the expanding world economy as a totality; and further inquires how global changes influence the internal development of centers, regions and classes within any affected area. The study of social change in the province of Cavite must then proceed historically and recognize the critical impact that integration into the world economy exerts on the formation of the region of which it is a part (see Lubeck and Walton 1979).

The Entrepot Economy

The Hispanic conquest of Manila in 1571 coincided with direct colonial trade relations with China. On the basis of the Commerce the Spaniards developed a trans-Pacific galleon trade between Manila and Acapulco exchanging Chinese and Asian luxuries for the silver of Mexico. Despite its considerable hazards, the galleon trade proved to be an extremely lucrative undertaking and one that would provide the economic lifeline of the Philippine colony for more than 200 years (Schurz 1985; Reed 1978).

Recognizing the headland of Cavite as a natural barrier against typhoons that periodically swept through Manila Bay, the Spaniards began to develop the sheltered harbor as an outport. It was in the Royal shipyards of Cavite that most of the galleons were built and subsequently repaired and refitted for each new voyage. It was also at Cavite where the galleons were laden before embarking on the annual voyage to Mexico (Schurz 1985).

To provide the labor required both to cut and haul the timber and to build the galleons in the Cavite shipyard, local inhabitants were drafted from settlements primarily in Southern and Central Luzon. By several accounts the conditions experienced by the conscripted laborers at Cavite were harsh in the extreme (see Blair and Robertson 1903-9: XVIII 174-175; XVIII 130; XXXVIII 43).

The inordinate demands of the Cavite shipyard were also felt by villagers in interior settlements surrounding the port. To provide wood for the construction of ships residents of the adjacent countryside were conscripted and made to cut and haul timber at great labor, damage and cost to themselves (Borromeo 1973: 48).

From the late 16th century the colonial resettlement program designed to integrate Filipinos into the religious and political institutions of the Spaniards was implemented across wide areas of what came to be known in 1614 as the province of Cavite. Silang was established as a mission town in 1595, Cavite Viejo or Kawit in 1600, the port of Cavite and San Roque in 1614, Indang in 1655, Bacoor in 1671, Maragondon in 1727, San Francisco de Malabon in 1748, Santa Cruz de Malabon or Tanza in 1770, Imus in 1775 and Naic in 1791. These towns became centers of religious and economic activity in the first centuries of colonial rule (Medina 1985: 67-96).

The emergence of the friar estates

The entrepot economy of Manila initially supported by the *encomienda* or tribute system was sustained in the first centuries of Spanish rule by food surpluses produced on commercial rice and cattle estates in nearby provinces like Bulacan, Tondo (modern Rizal), Laguna and Cavite. Together with land purchased from local inhabitants these estates were formed from the large land grants awarded by the Crown to Spanish coloni-

zers and native elite in the late 16th and early 17th centuries (Roth 1977:39-40).

The distribution of royal land grants was significant in that it introduced to the colony the notion of private land ownership (Cushner and Larkin 1978). This allowed for more direct forms of surplus extraction. While the *encomenderos* as holders of rights collected tribute from communities indirectly through a native elite, the grantees as owners of property leased small parcels of land to tenant cultivators for a fixed rental or *inquilinato* (Phelan 1959: 117-119; Roth 1977: 31).

The use of tenant farmers as a labor control strategy was related to the ecological requirements of the production system developed on most of the estates. With the construction of colonial-built irrigation systems, wetland rice cultivation on the estates took prominence as a land use pattern. To regulate water flow, the land was diked into small fields or paddies. The nature of paddy rice cultivation necessitated that water control on individualized plots be managed by small farmers. Direct cultivation by a single large landowner was not practical. The estate owners also found it an effective strategy in the labor-deficit and capital-deficit production systems to allow tenants to clear new land on their own. The allocation of rice land to lessees thus helped to foster settlement patterns and to institutionalize on the estates a two-tiered tenure structure of land-owners and subsistence tenants (Roth 1977: 55-56; 84-85).

In the 17th and 18th centuries the religious orders, though legally prohibited, acquired through donation, sale, and auction the great majority of these estates. By the end of the Spanish era, the lowlands of Cavite province were occupied by five friar estates (Roth 1977: 40-53).

The agrarian revolt of 1745

In 1745, an agrarian revolt erupted around Manila in the provinces of Bulacan, Tondo, Cavite, Laguna and Batangas over the usurpation of land by friar estate owners and the closing of estate land to common use for pasturage and forage. Those who participated in the insurrection came mainly from villages surrounding the estates threatened by encroachment.

The outbreak of the rebellion was precipitated by a long-standing dispute between the Hacienda of Biñan and the neighboring town of Silang, Cavite over several thousand hectares

of irrigated rice land in what today comprise the town of Carmona, Cavite. Pedro Calderon, a judge of the Audencia or high court was commissioned to effect a settlement. Calderon allowed the rebels to retain control of the land they claimed until it could be properly surveyed. But he also pointed out that most of the estate lands had been acquired legitimately and could not be returned (Roth 1977: 100-116; 1982: 140-142).

The agrarian revolt of 1745 was significant in that it marked an end to the era where land was considered an ever-available resource. Real property was becoming recognized as a valuable commodity, finite in its supply and a source of conflict in itself. Historian John Larkin (1982: 610) proposes that this perception of land as a source of profit and the actions that followed upon it in the agrarian revolt of 1745 divide pre-modern from modern Philippine society.

The Agricultural Export Economy

For 200 years the economy of Manila based on the trade of Chinese goods for Mexican silver and sustained by food surpluses produced on large estates in surrounding hinterlands remained essentially unchanged. However, by the middle of the 18th century the galleon trade had begun to decline as English and French textiles and Oriental goods from their Asian possessions began to make their way into Latin America and in so doing undercut the once high profits earned there by the Manila traders (Roth 1977: 32). In 1813 the galleon trade was officially suspended and in 1815 the last galleon cleared Acapulco for Manila (Legarda 1955: 364).

Following the British occupation of Manila (1762-1764), Spanish official policy began slowly and haltingly to open the colony to world trade. With the opening of the port of Manila to free trade in 1834, the Philippines entered fully into the world trade system (Roth 1977:33).

Around 1817, Philippine export trade was made up of a large diversity of products that included copper, mother-of-pearl, bird's nests, tortoise shells, hides, *tapa*, salt fish, cotton, sugar, ebony, logwood, rice and black pepper. European and American demand for tropical agricultural commodities spurred on by the Industrial Revolution soon altered its composition. By the middle of the 19th century sugar, abaca,

tobacco and coffee made up between 70 and 80 percent of all exports with sugar and abaca accounting for two-thirds of the total (Larkin 1972: 65). Towards the end of the century coffee production was decimated by a blight and the export of copra came to assume increased significance.

The value of Philippine exports rose from P1 million in 1925 to P36.5 million by 1895. After 1820, European factory-made goods began to be imported and their volume grew rapidly in the next several decades, undercutting in the process the local textile industry. From P1.8 million in 1825, the value of Philippine imports rose to P25.4 million by 1895 (Legarda 1967: 11, 19).

A key indicator of the structural transformation taking place within the Philippine economy at this time was the movement of rice in foreign trade. During the first half of the 19th century, rice was definitely an export. From 1850 until about 1870, it was predominantly an export with only two years (1858-1859) of net importation. By the early 1870s, however, rice was definitely an import and the Philippines had decidedly become an agricultural export economy. The colony produced a limited number of cash crops for sale in the world market while depending on foreign trade instead of local production for such basic necessities as food and clothing (Legarda 1967: 11).

The incorporation of the Philippines into the world-trade system was facilitated by foreign merchants, mostly British and American, who came to the colony in the decade of the 1820s. These merchants, through the commercial houses they established, introduced new machinery, agricultural techniques and credit facilities to stimulate increased production. They also obtained foreign markets for the cash crops produced (Larkin 1972: 64-65). Initially, the foreign firms acted merely as commission merchants but later came to operate as merchant bankers. By accepting funds at interest they were able to make short-term advances to crop growers and thus secure for themselves control over the sources of supply (Legarda 1967: 12).

With restrictions placed on Chinese immigration between 1750 and 1850, Chinese mestizos moved into positions which had formerly been occupied by the Chinese. The mestizos

became merchants and traders and acted as agents between the export firms and the provincial producers. They also acted as moneylenders in rice-growing area. Around 1810, 12 percent of Cavite's population was Chinese mestizo (Wickberg 1964: 73-100).

After 1850, barriers to Chinese immigration and residence were removed and the Chinese returned in large numbers to recapture the trade lost to the mestizos. In the last half of the 19th century the Chinese, through the establishment of wholesale-retail stores in the provinces, effectively controlled the internal flow of the export-import trade (Wickberg 1962: 277-282).

Cavite's decline as a galleon port and rise as an agricultural producer

The decline and eventual termination of the galleon trade had telling consequences on the port of Cavite. Within the entrepot economy Cavite's stature was dependent upon its shipyard and designation as point of embarkation and disembarkation. The town itself never became an important trading center. When trade in local commodities began to replace the colony's reliance on the galleon exchange the port of Cavite was eclipsed by direct export-import trading in Manila (Borroмео 1973: 44-45, 97).

While the importance of the port of Cavite diminished in the late 18th and early 19th centuries the province of Cavite as a whole took on increased significance as a supplier of food to the capital city. Cavada reports that in 1871 a total 10,848 hectares of land in the province were cultivated, mostly to rice (6,175 hectares), coffee (1,590 hectares), sugar cane (1,098), and corn (425 hectares) (1876: Volume I, 172). Coffee introduced in the early 19th century was grown in the upland areas of the province while wetland rice and sugar were cultivated mostly on the friar estates in the lowlands. A portion of the rice produced on the Cavite estates and always been marketed in Manila. Now cash crops such as coffee and sugar found their way into Manila and export markets.

As a consequence of the increased economic activity brought about in the province by the opening of Manila to world trade,

no less than 11 towns were founded in Cavite in the last half of the 19th century. Rosario was established as a town in 1845. Ternate in 1856, Carmona in 1857, Bailen in 1858, Alfonso in 1859, Pérez-Damariñas in 1866, Noveleta in 1867, Caridad in 1868, Amadeo in 1872, Mendez Nuñez in 1875, and Magallanes in 1878. These towns were the first to be inaugurated since Naic in 1791 and brought to 22 the total number of towns established in Cavite by the end of the Spanish era (Medina 1985: 97-113).

From 1787 to 1877 the population of Cavite more than quadrupled from 32,218 to 131,658 (Roth 1977: 37). The economic growth and population increase experienced by Cavite in the 19th century were largely determined by demands emanating from Manila. But the benefits of increased agricultural production largely accrued to an emerging class of native elites and small-scale creditors while the growing mass of the provincial population remained at subsistence levels (see Roth 1977: 118).

The emergence of subtenancy on the friar estates

The rise of export agriculture in the 18th century not only stimulated the increased cultivation of cash crops on several of the friar estates. It also led to the greater valuation of all estate land fluctuating rice cultivating plots prices and higher interest rates on loans. Tenants on a subsistence basis found it more and more difficult to retain their leaseholds as a smaller but wealthier class of noncultivating tenants sought to gain control of land rights on the estates.

The noncultivating tenants were mostly Filipino *principales* or elites and Chinese mestizos able to finance agricultural production with previously accumulated commercial capital. An increased population limited access to cultivated land and competition for its occupancy provided this emerging elite class with a peasantry given to sublease and work land as sharecroppers. By the end of the 19th century, noncultivating tenants were able to acquire and consolidate most of the leaseholds on the friar estates. As a consequence the two-tiered tenure structure of estate owners and subsistence tenants gave way to a three-tiered structure of estate owners, noncultivating

tenants and sharecroppers (Roth 1977: 118-132).

As the estates became more populated, the amount of land under cultivation gradually increased. With this increase and the rise in the prices of agricultural commodities, the estates became a significant source of income for the friars in the latter part of the 19th century (Roth 1977: 91-96).

The degeneration of the friar estate economy

As the 19th century ended, economic and social forces at work within the friar estates came to have far-reaching consequences for the continued existence of the estate economy. Rent increases brought about by higher land values and declines in crop yields diminished actual shares retained by tenants and sharecroppers. As the tenure structure of the estates grew more differentiated, paternalistic ties that bound groups together largely disappeared and power rather than authority became the basis of relationships (Roth 1977: 131-148).

It was largely the interposition of noncultivating tenants between friar landlords and peasant cultivators coupled with a deteriorating economic situation that created the potential for revolutionary action from within the estates. The conditions of subtenancy made cultivators less dependent on friar landlords and more reliant on Filipino tenants. The greater wealth of the tenants in turn made them more independent of the estates. In the last decades of the 19th century, agrarian unrest on the estates became a powerful force uniting all Tagalog social classes against friar landownership. When armed revolt broke out against Spain in 1896 Cavite was a principal locale of the struggle (Achutegui and Bernad 1972; Borromeo 1973; Roth 1982).

The American Colonial Economy

To reconcile Filipinos to the American colonial regime, the United States was forced to address the problem of agrarian unrest on the friar estates. Under the authority of an act of Congress, the Philippine Commission in 1903 enacted a law providing for the lease and ultimate sale of the friar lands. The goal envisioned was to redistribute the ownership of the lands

to the farmer occupants who tilled it. But as many of the actual occupants were noncultivating tenants with large holdings, it is not surprising that much of the land was disposed to big buyers and lessees. Since much of the land was bought up and consolidated by noncultivators, the practice of cultivating the land through sharecroppers continued. Political and economic expediency motivated the American colonial government to favor affluent Filipinos and to abandon the original goal to redistribute estate ownership to actual tillers (Endriga 1970: 402-413.)

Trade relations and tariff policy in the American colonial period

The American colonial period from 1898 to 1946 marked the expansion of Philippine trade with the United States and the passage of tariff policy which specified the basic terms of that exchange. From 1899 to 1940 Philippine overseas trade rose from US\$34 million to US\$241 million and the United States proportion of total trade from 16 to 75 percent (Jenkins 1954: 38). But while the United States took steps to expand and redirect Philippine trade to its own markets, it did little to alter the composition of that trade. In 1937, as in 1894, the same four agricultural crops of sugar, abaca, tobacco and coconuts accounted for nearly 90 per cent of all Philippine exports while manufactured goods remained largely imported (Owen 1971: 57)

When the Americans began to govern the colony, a Philippine elite with economic interests directly linked to export markets was firmly entrenched in the local social structure. That this elite relied on an economy that exported agricultural raw materials for manufactured goods fit well the interests of the new colonizers. The United States found it convenient to perpetuate the economic structure that had emerged in the 19th century and did so politically by forging an alliance with the Philippine agricultural elite.

The convergence of interest between American manufacturers and Philippine agricultural exporters was formalized in tariff policy that sought to expand and rationalize the economy but not to change it. The Payne-Aldrich Tariff Act of 1909 and the Underwood Tariff Act of 1913 established free

trade between the United States and the Philippines except for quotas on sugar and tobacco from 1909 to 1913. One

general tendency of the free trade tariff policy from 1909 was to discourage potential investment in Philippine industry (Owen 1971: 51-52).

Manufacturing and crop production in Cavite in the American colonial period

In the American colonial period manufacturing in Cavite was limited by the larger agricultural export economy which imported most manufactured goods and by the concentration of factories in Manila. In 1918, manufacturing in the province was confined to household enterprises and small-scale establishments which produced mostly cloth, clothing and processed food for the local market. In 1918, 3,115 workers were employed in 2,401 household enterprises in Cavite while 1,726 workers were employed in 288 manufacturing establishments.

From 1918 to 1939 the population of Cavite increased by 52 percent from 157,355 to 238,581. Census data suggest that relative growth also took place within the manufacturing sector. In 1939, 11,472 Cavite workers were employed in manufacturing and mechanical industries. In general, these workers still produced light consumer goods like clothing and processed food. Except perhaps for ship and boat manufacture, laborers were not engaged in medium or heavy industries.

From 1918 to 1938 farmland under cultivation in Cavite increased from 31,572 to 52,914 hectares. From 1902 to 1938 the cultivation of rice and corn also increased. While provincial farmland planted to coconuts rose considerably from 1902 to 1938 provincial farmland planted to sugar remained more even over this period (Appendix 1). Cavite farmland planted to abaca rose sharply from 1902 to 1918 then dropped drastically in 1938. Areas cultivated to tobacco in Cavite were never high.

If crop production generally flourished in Cavite during the American colonial period, the wealth it produced was not shared equitably, Cavite farms operated by tenants, already high at 25 percent in 1918, rose to 56 percent by 1938. The worsening condition of peasants amid relative productivity led to

an intensification of agrarian unrest.

In the 1920s and 1930s, peasant unrest led to sporadic uprisings in Central and Southern Luzon. Popular movements initiated in Manila by middle-class leaders combined peasant grievances against landlords with calls for immediate independence (Kerkvliet 1971: 172-175). Two such movements which found adherents in Cavite were the Tugulan and the Sakdal (Sturtevant 1976).

The Japanese occupation of 1942-1945

Under the conditions of the Tydings-McDuffie Act of 1934 the Philippines was to obtain its independence from the United States in 1946. But the Japanese intervened and invaded the colony following their attack on Pearl Harbor in December 1941. While some members of the local elite chose to collaborate with the Japanese in order to maintain their positions of political and economic power, many other Filipinos chose to resist and joined guerrilla groups in their areas.

Once the Japanese had gained control of the Philippines they sought to implement their own economic policy. To offset the deficit incurred from the cessation of American cotton imports to Japan, authorities forced the cultivation of cotton in the colony. The Japanese also drastically reduced the hectareage planted to sugar and ordered the increased cultivation of food crops to feed the occupation forces. The Japanese, too, appropriated transport vehicles and spare parts for shipment out of the colony for use in their war machine (Salgado 1985: 32-33).

Japanese economic policy during the occupation was not based on any long-term plan but on the immediate requirements of an invasion force still at war. As a result, the Philippines suffered severe economic disruption during the three-year period of Japanese domination. Standards of living were reduced, consumer goods were not available and real wages fell. Inflation was also widespread just before the reentry of the American forces in 1945 (Jenkins 1954: 42-43).

Unlike guerrilla units in other parts of the Philippines those in the Southern Luzon region were never organized into a single, unified unit. They operated as independent, isolated

groups acting on their own initiatives. In Cavite, three guerrilla units emerged under separate commands; Mariano Castaneda's consolidated Fil-American Cavite Guerilla Forces, Magno Irugin's Cavite United Free Guerilla Forces and Patricio Erni's Guerillas (Tria 1966).

By and large, Cavite was not ravaged by the war, although crop production in 1948 compared to that in 1938 had certainly declined (Appendix 1). Rice and vegeable supplies were reportedly sufficient throughout the occupation period. The decisive participation of the guerrillas in the liberation campaign also spared the province from wanton destruction of property and unknown loss of life. The guerrillas kept the province under control and prevented the retreating Japanese from wrecking havoc on the citezenry (Tria 1966: 104-130).

The Post World War II Economy

The policy of free trade initiated in the colonial period continued to assert itself as part of the United States grant of independence to the Philippines in 1946. The Philippine or Bell Trade Act of 1946 provided for eight years of free trade to 1954, followed by 20 years of gradually ascending tariffs or declining quotas paying full duty by 1974.

Overall, the provisions of the Trade Act tied the Philippine economy to that of the United States and perpetuated dependent economic development. The Trade Act encouraged the reestablishment of over specialized agricultural production and reliance on the American market. Concessions to American investors also tended to encourage the development of extractive industries, such as mining, rather than manufacturing for the domestic market. Trade preferences given to American manufactured products in the Philippine market and the privilege granted to the United States to impose additional quotas on Philippine exports also effectively discouraged economic diversification in the newly established nation (Jenkins 1954: 68).

In 1955, the Laurel-Langley Agreement replaced the Bell Trade Act and came to govern economic relations between the two countries for the next 20 years. In general, the new pact afforded Philippine manufacturers some tariff protection and

Philippine exporters better access to United States markets. The new treaty also removed the more blatant affronts to Philippine sovereignty. But it did little to alter the pattern of trade dependence (Shalom 1981: 93-98).

Banditry in Cavite in the postwar period

In the postwar period political, social and demographic factors emerging in Cavite contributed to a resurgence of banditry. Highway robbery was a common exploit of Cavite bandits in the 1950s and 1960s. The Manila-Batangas and Manila-Laguna routes passing through Cavite were particularly vulnerable to ambush attacks. Rich travelers were divested of money, jewelry, vehicles and even the clothes they wore. But the rich were not the only victims of brigandage. Bandit groups sometimes pillaged entire village communities, carrying off carabaos, crops and farm implements. In addition, bandits were commonly accused of acting on behalf of local politicians to kill political rivals, disturb election proceedings, and to carry out crimes like car thievery and the smuggling of firearms (Sobritchea 1984-86: 16, 18).

The resurgence of banditry following the Japanese occupation was related to several developments of the period. Clearly conditions for social unrest were present in the late 1940s. While Cavite's population from 1939 to 1948 had increased by 10 percent, provincial rice production and decreased by 20 percent. Tenancy, already high in 1939 at 56 percent, had risen to 64 percent by 1948.

From 1948 to 1960, Cavite's population rose by a phenomenal 44 percent. Rice production during this period also increased by 106 percent. Although tenancy dropped from 64 to 56 percent, the percentage remained high indicating that much of the agricultural harvest was turned over to landlords. Off-farm development was primarily limited to the northern towns nearer Manila.

In the postwar years, Caviteños struggled to cope with forces of change brought on by expanding population and uneven development. But they lacked well-organized peasant unions like those in Central Luzon through which to channel their concerns and grievances. Banditry in some cases provided an

alternative expression of social protest.

In the same period, deteriorating administrative control led local politicians to augment their power through extralegal means. To the extent that politicians used bandits to further their own interests, gangs were afforded a measure of legitimacy and this made it difficult for them to be prosecuted. The protection offered to bandits by local politicians may do much to explain the persistence of banditry in postwar Cavite.

The Green Revolution

Until the 1960s, agricultural production in the Philippines increased mainly by opening up frontier lands for cultivation. But with the settlement of the frontier, production began to stagnate and the country found itself both land-deficient and with a labor surplus (Tadem 1986: 5-6).

One approach to the problem of low productivity that found support from both local politicians and international lenders was the propagation of high-yielding seed varieties or the Green Revolution. This strategy was favored by the ruling elite as a way of increasing productivity and alleviating agrarian unrest without implementing a comprehensive agrarian reform program. It was also seen by World Bank officials as an opportunity to open up markets for transnational capitalists (see Feder 1983: 103-104; Salgada 1985: 87-89).

In 1967, high-yielding rice varieties were grown in the country for the first time. By 1971, hybrid seed varieties were grown on 50 percent of the total rice land under cultivation and by 1980, on 75 percent of the total. Average national yields increased from 1.3 metric tons per hectare in 1967 to 1.7 metric tons per hectares in 1971 to 2.2 metric tons per hectare in 1980 (Tadem 1986: 17).

To achieve optimal results, high-yielding rice varieties required an adequate water supply and regular use of fertilizer and pesticides. The high-yielding technology also gave impetus to a greater reliance on power machinery. With the huge profits generated from sales of petroleum-dependent farm inputs and power machinery, local commercial dealers and transnational agribusiness corporations became the primary beneficiaries of the new rice technology. Similarly, the capital intensive tech-

nology provided large returns to banks and money lenders. Rice farmers with tenuous hold over land and capital resources did not fare as well.

Crop production in Cavite in the postwar period

In the postwar period, land under cultivation in Cavite as recorded in the postwar censuses, never returned to the prewar 1938 mark of 52,914 hectares, Provincial farmland planted to rice likewise never surpassed its 1938 level and corn only in 1980. Cavite cultivation of coconut and sugar increased from 1948 to 1971 then dropped in 1980. Cash crops of coffee, fruits, beans and vegetables were cultivated extensively at least from 1960 (Appendix 1).

Between 1971 and 1980 notable increases in crop productivity were recorded in Cavite. The rise in yields was due largely to the increased use of high-yielding seed varieties, fertilizer and pesticides together with irrigation water and farm mechanization. But although yields increased, the size of farms decreased indicating a fragmentation of landholdings. From 1960 to 1980 the number of Cavite farms under two hectares rose from 43 to 60 percent of the total.

In the postwar period, the total number of Cavite farms operated by tenants dropped from 64 percent in 1948 to 56 percent in 1960, 46 percent in 1971, and 37 percent in 1980. However, the decline in tenancy suggested a move by owners to replace tenants with landless workers in order to circumvent agrarian reform legislation. From 1971 to 1980 the use of paid workers on Cavite farms rose from 17 to 55 per cent.

Postwar industrialization policies

The policy of free trade embodied in the Bell Trade Act was temporarily restrained in the late 1940s. Unrestricted imports and repatriation of profits led to a deficit in the Philippine balance of payments and a foreign exchange crisis. To check the outflow of capital, the Philippine government with the approval of the United States president imposed import and exchange controls. Under the protection of these controls and the tariff revisions of 1957, there was a growth of import-substitution

industries that challenged the near total dependence on imports.

By the 1960s, Philippine industrial growth based on import substitution had levelled off. This was due to several factors. One of the weaknesses of local industrialization as it emerged in the 1950s was that it produced only light consumer goods. The failure to develop an industrial base producing intermediate goods, capital goods and industrial raw materials forced the manufacturing sector to rely on imports from abroad for machinery and material inputs.

The failure to institute nationalist controls with protectionist measures also encouraged United States firms, particularly light manufacturers, to establish branches and joint ventures in the Philippines. Through the repatriation of profits generated locally, foreign exchange continued to flow out of the country. Another constraint encountered by import substitution was the limited size of the internal market due to the lack of potential buyers among the poor (Bello et al 1982: 129-130).

The inherent contradictions of import-substitution industrialization as developed in the 1950s suggested two alternatives. On the one hand, Filipino nationalists argued for an inward-facing, self-reliant economy with tighter controls on foreign investment, stronger protection for Filipino-owned firms, the extension of local industrialization to the intermediate and capital-goods sector, and large scale income redistribution to create a domestic market large enough for sustained industrial growth (Bello et al 1982: 130).

On the other hand, members of the American Chamber of Commerce and government technocrats called for an outward-facing, liberalized economy that would end inefficiency and corruption in industry through the dismantling of protectionist barriers to imports while granting incentives to attract foreign investment (Bello et al 1982: 130-131). By the 1960s, the divisions between supporters of agricultural and export-led growth and supporters of local industrialization had resulted in a breakdown of elite cohesion. In 1972, Marcos broke the stalemate with his declaration of martial law and promotion of export-oriented industrialization (Hawes 1987: 13-20).

Manufacturing in Cavite in the postwar period

From 1948 to 1980 the population of Cavite increased at rates higher than that of the country as a whole. But while Cavite experienced rapid population growth, employment of provincial workers in manufacturing remained low.

Rather noteworthy, Cavite workers involved in agriculture, forestry, fishing, and hunting declined from 52.7 percent in 1948 to 32.1 percent in 1970. However, this decrease was not accompanied by a comparable increase in manufacturing employment. Workers involved in manufacturing rose only from 7.3 percent in 1948 to 13.5 percent in 1970. By 1980, these trends had levelled off with 31.2 percent of all provincial workers involved in agriculture, forestry, fishing, and hunting and 11 percent of all workers involved in manufacturing. Comparatively, the percentage of workers involved in services rose steadily from 20.9 percent in 1948 to 23.7 percent in 1970, and 25.8 percent in 1980 (Appendix 2).

If large numbers of Cavite's population were not absorbed into the manufacturing sector neither was there a shift in the types of products they produced. As in the American colonial period, Cavite workers in the postwar era manufactured mostly light consumer goods such as clothing and processed food. Only in 1980 were large numbers of workers engaged in the manufacture of basic metals, fabricated metal products, machinery and equipment.

Before the early 1960s, there were no large industrial complexes in the province. Then several large plants, including the Filoil refinery, were opened in Rosario. Other medium and large industries subsequently established operations in Cavite.

In the late 1970s and early 1980s, large tracts of farmland in the province were acquired and converted into industrial estates in an attempt to disperse export-oriented industrialization to the countryside. The state and corporate takeover of local land resources displaced hundreds of farm families and forced those dislocated to look elsewhere for subsistence and security. By and large, the conversion of provincial farmland never led to industrialization. Rather, it left behind, in the 1980s, large tracts of idle and unproductive property that in some instances ended up as the assets of a foreclosed company.

Recent efforts to promote the NDC-Marubeni industrial estate in Dasmariñas indicate that the processing of modernization in Cavite is still guided by policies instituted under the last regime (McAndrew 1990).

Summary and conclusion

The social history of Cavite in the Spanish colonial period reveals close ties to the rise of Manila as a primate city and its changing role in the world economy. The entrepot economy gave rise to Cavite as a galleon port and the opening of Manila to world trade enlarged the scope of the province as an agricultural producer. While the Spaniards dominated the Cavite hinterland through the control of mission towns and the large friar estates, local resistance persisted throughout much of the era. The agrarian revolt of 1745 marked the awareness of land as a valuable commodity and source of conflict in itself. In Cavite, the revolt of 1896 had roots in agrarian unrest on the friar estates.

If the Spaniards introduced the notions of private land ownership and tenancy on their estates, an emerging local class of *principales* and Chinese mestizos, acting during the rise of export agriculture in the 19th century, restructured the shape of these relationships to promote their own interests. By the end of the 19th century, this group had acquired most of the leaseholds on the estates and the two-tiered tenure pattern of friar estate owners and subsistence tenants had given way to a three-tiered pattern of estate owners, noncultivating tenants and sharecroppers.

The emergence of a landholding elite in the 19th century and the agricultural export economy which sustained it gained further ascendancy in the American colonial economy. The breakup and sale of the friar estates benefitted to a large extent big buyers and lessees. Tariff policy favored the interests of

agricultural producers and limited the development of local industry. In Cavite, crop production expanded considerably under American colonialism while manufacturing was confined mostly to light consumer goods. Increasing rates of tenancy contributed to social unrest and participation in popular movements. The Japanese occupation of Cavite also met with resistance.

In the immediate postwar economy the country's landholding elite were able to resume their positions of dominance on the basis of tariff policy which extended free trade with the United States. However, the imposition of import and exchange controls in the late 1940s stimulated the growth of import-substitution industrialization and led to a diversification of elite interests away from agriculture and into industry. By the 1960s, the divisions between advocates of export-led growth and local industrialization resulted in a breakdown of elite cohesion. The stalemate was broken with the promulgation of martial law and the Marcos administration's support for export-oriented industrialization.

In Cavite, land under cultivation never returned to prewar levels although increases in productivity from 1971 to 1980 were notable. While Cavite experienced rapid population growth, employment of workers in manufacturing remained low. In the late 1970s and early 1980s, the policy of export-oriented industrialization took concrete form in Cavite with the conversion of farmland into industrial estates. For the most part, efforts to establish enclave industrialization in the province were counterproductive.

In retrospect, the modernization of Cavite was directly tied to its incorporation into the national and world economy. Still, Caviteños were not passive recipients in this political economic process but actively participated through accommodations and resistances to reconcile microlevel concerns with macrolevel constraints.

The Making of a Hinterland 69

Appendic 1. Crop Distribution, Cavite, 1902-1980
(Areas in hectares)

1902	---	15,306	240	203	1,085	330	---	---
1918	31,572	19,827	652	2,042	1,861	21	---	---

Year	Total (net) ^a cultivated land	Rice	Corn	Coconut	Sugar	Coffee	Fruits (banana pineapple papaya mango)	Beans and vegetables (peanut, gabi cassava, camote stringbeans)
1902	---	15,306	240	203	1,085	330	---	---
1918	31,572	19,827	652	2,042	1,861	21	---	---
1938	52,914	40,168	3,477	7,109	1,424	b	---	---
1948	50,767	25,791	1,489	3,492	112	b	---	---
1960	51,768	34,557	3,367	6,125	313	4,083	4,867	3,957
1971	49,830	25,727	3,137	9,878	1,987	5,632	13,899	3,864
1980	49,821	28,415	3,821	6,971	1,475	11,693	11,101	3,353

^aThe net area for cultivated land does not include double-cropping, whereas individual crop areas (specifically rice and corn) do.

^bIn 1938 there were 213,361 coffee bearing trees reported in Cavite and in 1948; 137,466.

Sources: Agricultural Censuses 1918 through 1980.

70 AGHAMTAO

Appendix 2. Workers By Gainful Occupation, Cavite,
1948, 1970, 1980^a
1948, 1970, 1980^a

Occupation	1948	1970	1980
Total all occupations	69,569	140,836	231,239
% of total	100%	100%	100%
Agriculture, forestry, fishing, and hunting	36,635	45,220	72,163
% of total	52.7%	32.1%	31.2%
Manufacturing	5,047	19,024	25,374
% of total	7.3%	13.5%	11%
Mining and quarrying	72	844	1,271
% of total	.1%	.6%	.5%
Construction	1,988	10,376	22,656
% of total	2.9%	7.4%	9.8%
Transportation, commu- nication, storage and public utilities	2,491	12,563	26,269
% of total	3.6%	8.9%	11.4%
Services (Community, social, personal, business, government recreational, professional)	14,517	33,448	59,640
% of total	20.9%	23.7%	25.8%
Commerce, wholesale and retail trade	6,383	15,907	22,082
% of total	9.2%	11.3%	9.5%
Activities not adequately defined	2,436	43,454	1,784
% of total	3.5%	2.5%	.8%

^aFigures for 1948 and 1970 represent workers 10 years old and above. Figures for 1980 represent workers 15 years old and above.

Sources: Censuses of 1948, 1970, and 1980.

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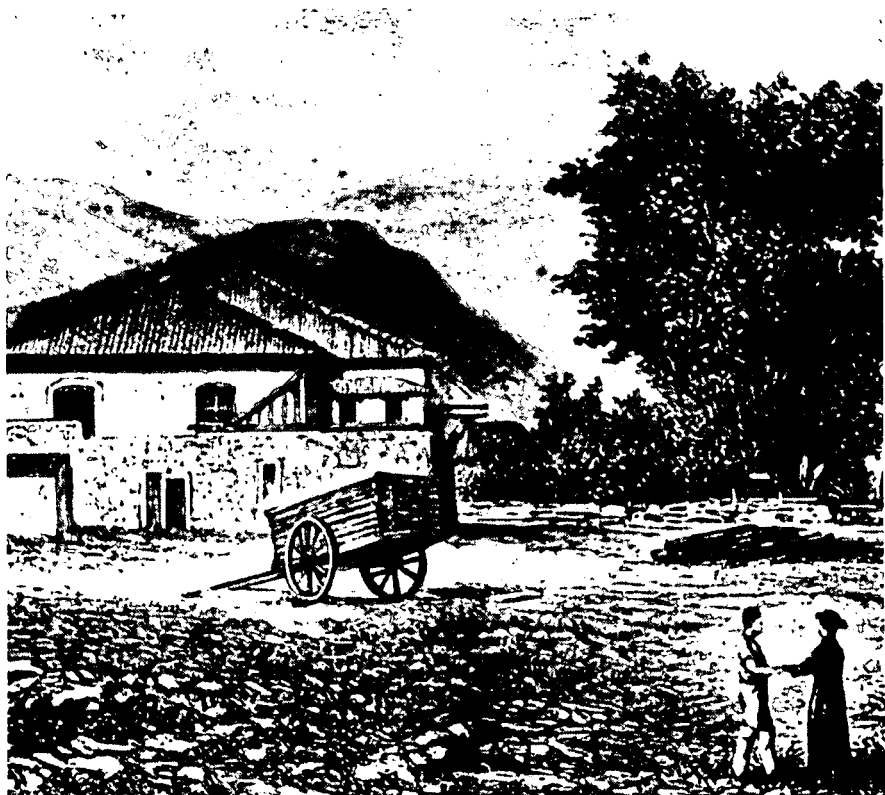
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The Hacienda de Jala-Jala is depicted by this 19th century illustration but the scene could be of any vast landholding managed by landlords and friars under a system that eventually marginalized the native tillers into becoming landless peasants.