

spent in a prudent manner for purposes which are either productive or necessary.

FACTORS OF SUCCESS AND FAILURE IN COOPERATIVES

When the Reverend Allen R. Huber, an outstanding authority in the Philippines on credit unions, made a study of the ten most successful Philippine credit unions in 1948, he found—not too surprisingly—that they had followed sound business practices. For example, their leaders were found to be well versed in credit union history, bookkeeping and services. Standardized forms were used, there were regular reports of all officers, and close follow ups of delinquent loans were made. Significantly, he noted that the chances of success were maximized due to close bonds of relationships and a limited area of coverage.

In a similar study of the failure of 10 credit unions, the Reverend Huber found the failures to be characterized by too loose bonds of association and too wide an area of coverage. The defunct credit union had failed to maintain contact with other credit unions in their area. The *niñas kogon* spirit had claimed its usual share. Naturally the war and just plain bad business practices had also taken their toll.

Finally, it may be observed that the perennial failure of credit unions and other types of cooperatives results from an inability or a reluctance on the part of interested groups to avail themselves of indigenous institutions linked to the Philippine family system—the *bayani* and *pasinaya sa pamukutan* systems. All too often there is a tendency, almost an enthusiasm, to graft on to Philippine society inappropriate foreign institutional patterns. Philippine society is family oriented. Rather than ignoring that obvious truth or indeed attempting a radical change, those interested in rural reconstruction should link their efforts to the basic pillars of Philippine society. It would appear that cooperatives would have more of a dynamic appeal if they were oriented around the traditional rural family system.

BOOK REVIEW

ALVIN H. SCAFF—*The Philippine Answer to Communism*.
Stanford University Press, 1955, pp. 1-165, \$4.00

This book is concerned with the post-war revolutionary movement in the Philippines, the Hukbalahap, and especially with the government's program to combat it. The author was a teacher at Silliman University from 1940 to the Japanese occupation in early 1942. After some time in hiding he was captured and imprisoned with other American nationals until the liberation in 1945. He spent the school year of 1953-54 in the Philippines on a Fulbright research grant. His findings are reported in this book.

The book opens with a history of the Communist movement in the Philippines. The author, while recognizing widespread and long-standing discontent on the part of the peasants and workers based on genuine economic distress, adopts the official view that virtually every movement among the oppressed people since the middle 1920's was communist inspired or dominated. Communists are also said to have organized and controlled the Hukbalahap, the largest of a number of resistance movements during the Japanese occupation.

After liberation, the American authorities refused to recognize the Hukbalahap as a resistance movement. The organization was to be disbanded and its members were asked to surrender their arms, but were denied back pay and other benefits enjoyed by other guerrilla forces. One of its leaders elected to Congress in 1946 was denied a seat. In the face of these rebuffs, the movement became openly revolutionary. It reached its height in about 1950 when it came dangerously near to success.

The greater part of the book is devoted to a description of the vigorous campaign of the Philippine government under the able leadership of Ramon Magsaysay, Secretary of National Defense, and later President, to defeat the movement. This campaign took the dual form of an all-out military campaign by a reformed and enlarged army, and a coordinate program of agrarian reform which included small, but significant projects for resettlement of needy peasants and rehabilitation of captured and surrendered Huks. There is an interesting description of the propaganda campaign to undermine the morale of the dissidents and restore confidence in the government.

The author leaves no doubt as to where his sympathies lie. He has nothing but unstinting praise for the army, the government, and Magsaysay, and holds their program and performance up as an ideal example for other Asian countries confronted with similar problems. In this reviewer's judgment the greatest defect of the book stems from the author's enthusiasm which appears to have blunted his objectivity as a social scientist. Promises are at times confused with performance, and token reforms for solutions to underlying problems.

Mr. Scaff's research methods appear to have been rather casual. Examples are often cited to illustrate his points, but quantitative data is extremely limited. There are no tables showing numbers of families resettled, num-

bers of ex-Huks on rehabilitation projects, or numbers interviewed. Quantitative data on interview findings are invariably given in percentages of unstated numbers of respondents. The impression is thus often created that the basis for his generalizations is much sounder than it actually is.

From a careful reading of the text and assembling of scattered references to the numbers involved one may glean the information that there were about 190 classed as ex-Huks settled on the three EDCOR projects set up by the army for their rehabilitation; that of these, 19% turned out not to have been Huks at all, but merely suspects. Of the 190 Mr. Scaff interviewed 50%. We are told nothing of the nature of his interviewing methods. The significance of his sample must be judged by the fact that the 190 classed as ex-Huks were all volunteers from 15,866 who surrendered or were captured by government forces up to 1954. At its height the Hukbalahap was estimated to have 100,000 members and 12,000 men under arms. A selective factor certainly operated in the surrender, if not in the capture, and again in volunteering for resettlement. It would seem to be impossible to generalize about the Huks from this small and selected sample.

From this highly optimistic treatment one is likely to gain a number of impressions that are of doubtful validity:

(1) The author's interpretation of the Hukbalahap, as well as many earlier movements as communist inspired, continually suggests that without this conspiratorial group all would have been well in the Philippines. This reviewer is willing to grant that such an interpretation is the fashion of the time, but it is certainly an over-simplification. Sociological studies have repeatedly shown that such a movement is a symptom of underlying social discontents without which no conspiracy could make a revolution. Discontent has existed in the Philippines ever since the Spanish imposed upon the country their system of landholding and peonage, and revolts against this system occurred long before communism was heard of. To account for recent movements by reference to a communist conspiracy is to fall into the error which Charles A. Beard called the devil theory of history.

(2) It is apparent from the figures cited above that Magsaysay's program of "all-out force and all-out friendship" was operative chiefly on the side of force. The rehabilitation program which Mr. Scaff emphasizes so strongly involved only about 1% of the captured and surrendered Huks, and, thus, was little more than a token program. If only one percent volunteered for resettlement, how can one say the other 99% were so impressed by it? If a large proportion volunteered but provision was made for only 190, it is hard to see how this would have impressed them so favorably.

(3) One gets the impression also that the agrarian problem on which the revolutionary movement fed is well on the way to a fundamental solution through settlement on new lands, redistribution of landed estates, and tenancy laws. This is dangerous over-optimism. The facts which Mr. Scaff does not state are that the needy tenants number in the hundreds of thousands, if not millions, of families while those who have been resettled either through colonization or division of landed estates number in the hundreds. Laws regulating tenancy and interest rates are admittedly unenforced. The problem is a difficult one. The vested interests are well entrenched behind established custom and law. They have money to defend their privileges, and they still hold the balance of political power. Given enough time, and

political and financial support there is reason to believe that the present administration would, indeed, carry out the needed reforms, but there is no assurance that these conditions will prevail.

(4) Finally, Mr. Scaff is too quick in celebrating the death of the resistance movement. Estimates place the present armed strength of the Hukbalahap at between 2,000 and 4,000 men. This, after a vigorous military campaign of over 5 years. The army is still in the field and clashes are reported every few days in the local press.

It is not intended to belittle the achievements of the present administration, or the insights to be gained from Mr. Scaff's account. The immediate threat of revolution has been dissipated and time has been gained for basic reforms. Fundamental changes cannot be made in a day. This reviewer shares with Mr. Scaff his admiration for what is in principle an ideal plan, and for the sincerity and vigor with which the administration has undertaken its immense task. Some solid achievements have been made. These things are glowingly described in this book. But a caution against complacency is called for. The Hukbalahap movement has not been destroyed, and the conditions which gave rise to it and its many antecedent movements have not yet been greatly altered.

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