

Green Risings in the Philippines

BY WILL LISSNER

PLANS for a "new attack" on the ancient problem of tenancy in the Philippines were described by President Manuel Quezon of the Philippine Commonwealth on his recent extended visit to the United States. As an earnest of his intentions, President Quezon announced the engagement, as an adviser on the land problem, of Dr. Frederic C. Howe, special adviser to the United States Secretary of Agriculture and former Consumer's Counsel of the Agricultural Adjustment Administration.

Dr. Howe is a follower of Henry George, and as a member of the "socialist"—as distinguished from the "individualist"—wing of the Georgeist movement has been one of the foremost exponents of the American social philosopher's doctrines. Throughout his career, and particularly as Commissioner of Immigration and as Consumers' Counsel, he has given evidence of his integrity, sacrificing position and power rather than sacrifice principle. Of the soundness and the thoroughness of the advice which he will give to the infant Commonwealth there can be no doubt. What prospect is there that this advice will be accepted?

The problem of tenancy is, of course, merely the most spectacular aspect of the land question in the Philippines. But it is a situation which is fast coming to a head, according to the objective Associated Press correspondent in Manila. Land riots are becoming more numerous, and several killings have occurred in them. Despite the spotty character of the disorders, they have been serious, and the wonder is only that violence has not been more general. For this, as always, the soldiery is entitled to the credit, although the part it plays can hardly be called creditable. In many cases tenants have been restrained by soldiers when they attempted to mob land owners or lessors who have been particularly flagrant in "squeezing" them out of their share of the crops. Tenants have been ousted from their lands as the sugar market dwindled; the constabulary, in repeated clashes, noted for the brutality displayed, has seen to it that they did not get back.

The demands of the tenants, in virtually all cases, is meagre to the point of futility. There is general awareness that the background of the whole trouble is the lack of social justice. But they protest most over the devices that have been erected to obscure the fundamental injustice of the landlord-tenant relation. On most large plantations, they point out, land owners put up post exchanges or canteens where tenants say they are required to buy necessary articles on credit at high prices. They complain most loudly also that they are held down by loans of money or goods at usurious rates of interest.

It is grievances like these on which their spokesmen focus attention. The pity of it is that these grievances can readily be remedied—without fundamental improvement in the position of the tenants,

But Filipino leaders do not delude themselves that superficial remedial measures can halt the progress of the social revolution which is imminent in the islands. President Quezon said last year, truthfully, that the widespread unrest in the islands is against the whole social order. Spearhead of the unrest is the seven-year-old Sakdalista movement, whose leader, Benigno Ramos, is self-exiled in Japan. Much is made, and probably not without justice, of his present position. He enjoys the protection—and some say the financial support—of the majority political party in Japan, a nation whose concern for the plight of the peasants has not been noteworthy at home, where the growth of the land monopoly illustrates again the telescoping of social development, and whose interest in imperial expansion has aroused the appetite of its privileged classes for the soon-to-be independent Philippines. On its part, in the usual fashion of States on trial, the Philippine Commonwealth has attempted to bring him back to be tried on charges that he took part in various revolts, bombings and fires, a list of which is a tribute to his extraordinary industry or the prosecutor's flair for imaginative detail.

The nationalistic programme of the Sakdalista party offers much to the indoctrinated prejudices of the underprivileged Filipinos, little to the intellect of the few who understand the fundamental necessities of sound social policy. It advocates such a hodge-podge as immediate independence, smaller payments to landowners by tenants, abolition of the poll tax imposed on every man from 18 to 60 years old, downward revision of land taxes, reduction of State salaries and the teaching of native dialects in the schools. The left wing of the extremists is occupied by the Communist party, another growing group. It was said to have had an attendance of 1,000 wildly-enthusiastic peasant delegates at its Manila convention in 1936.

What is the nature of the social disease of which this bitter unrest and desperate extremism is symptomatic? The story is an old one. Philippine land trouble dates back before the American occupation in 1898, and was one of the island's heritages from western civilization. When Governor General Taft came to the islands he found some 60,000 peasants on the verge of revolt against the friars, who had control of more than 400,000 acres of the most desirable farm land. Similar, if lesser, concentrations of ownership were held by the classes which ruled with the aid of the church.

The problem was one of the first tackled by the United States authorities, in characteristically inept manner. The government bought the land for re-sale to the tenants. The lands were sold on what was said to be an easy payment plan. How successful the programme was is shown by the fact that the problem once again has been dumped into the lap of the government.

Part of the lands have never been sold. Some of the lands have been re-acquired by the government, the

former tenants to whom they were sold either cancelling the sales contracts or forfeiting their holdings because of non-payment of installments and interest. Apparently the price the friars received has left them better off than if they still held title to the lands.

Faced in infancy with the problem of regulating the administration and disposition of the former church holdings, the Commonwealth government is about to repeat the mistake of the older republic to the east. The lands undisposed of as of Sept. 15, 1937, are to be subdivided and sold under the terms of a new law. The price of the subdivisions is to be the same as the original price fixed when the government first offered the lands to the tenants by act of the old legislature. It may be paid in ten equal installments at an interest rate of 4 per cent. Since this method of disposition has already proved a failure in practice, the most that can be said for it is that it is likely to spare the Philippines of the more serious curse, the creation by land settlement of a class of peasant-owners who would serve as a bulwark for the prevailing system of monopoly capitalism.

Other aspects of the land question further menace the progress of the Philippine economy. Attention has been directed to the heavy taxes imposed in the Philippines by the many new tax laws which have been enacted, designed to give the government another 10,000,000 pesos a year. In addition, independence, which was helped through the United States Congress by the desire of American sugar producers to be rid of Philippine competition, has raised equally serious problems. Under the terms of the Tydings-McDuffie Act, duties must be paid on all Philippine exports to the United States after certain quotas are filled. After 1949, export taxes are to be collected on all duty-free shipments, the amount of the tax increasing each year until the date of independence.

It must be remembered that one of the reasons for American "prosperity" is the relative freedom of trade existing in great part between all sections of the vast American empire. The Philippines have benefited by commercial relations with the rest of the United States—a benefit that was mutual—and consequently its economy has developed, especially in recent years when insurmountable barriers to foreign trade have been erected by United States administrations, to a condition of integration with the North American economy.

Manila business men calculate that under Congress's plan the islands are doomed to lose their American markets for sugar, cigars, coconut oil and cordage. However, the islands hope to mitigate this loss by threat of reprisal. Vast deposits of gold and chromium have been discovered in the Philippines in the last few years. By levying export taxes on these commodities, the islands could restrict their flow to the United States, which has need of the chromium, at least, and some day may have greater need for the gold. Trade concessions, at best a paltry crumb,

will be asked in return for an agreement not to do this. An American commission of experts will report in the Fall on how large a crumb can be dropped from the table without threatening the paunches of the pampered parasitic home industries.

All in all, this brief review of the economic situation of the islands discloses vast social forces acting as drives for radical reform. But the socio-political situation discloses also that the land-hungry landless of the islands are still burdened with the ignorance which fetters the landless almost everywhere. It would be utopian to expect that fundamental social reconstruction, the dire necessity of the situation, will come in the form of concessions obtained by intelligently-directed mass pressure from the privileged classes.

If social reform is to be undertaken, it must come, apparently, in the form of concessions wrung from the privileged classes by the more far-sighted members of those classes, as the result of pressure from the blind social forces that poverty, unrest, extremism and general depression represent. But of this the promise is dubious. President Quezon, who might be expected to lead such an effort, is both in hope and despair of reform from this quarter.

In the face of the unrest, President Quezon has assumed the role of a virtual dictator. In his presentation of his defense plans for the islands before the Foreign Policy Association in April, Mr. Quezon delivered himself of some contemptuous remarks on the ideal of liberty that is traditional in the United States. Holding it in error, he saw liberty as the duty of the citizen to the State, not as constituting freedom of the individual. Having won a constitution which gives the Chief Executive authority to set aside disciplinary courts and bills of rights in "emergencies," he frankly avowed his determination to use the power.

Mr. Quezon now has the backing of a strong army, thanks to the aid of an act of Congress which permitted United States Army officers to be sent to the islands to create it. These officers were headed by Major General Douglas MacArthur, former chief of staff, who gave ample evidence of his courage and stamina when, under a gas barrage that became a stench in the nostrils of the nation, he drove the impoverished veterans of the peaceable Bonus Army from Washington under the Hoover regime.

The Philippine president, however, wishes to be pictured as a benevolent dictator, and talks of beating "the radicals at their own game." In asking for full freedom for the islands quickly on his visit in Washington in March, he disclosed he was planning for them "a programme of wide scope for industrial and agricultural socialization." The government, he said, intends to develop water power, to operate bus lines, to build and operate rail systems, to buy and exploit mines—including coal, chromite,

and other minerals, though excepting gold, at least at present—and to establish a steamship company.

But the socialization, apparently, is not to be the socialization of privilege, which would get at the root of the islands' troubles. It is to be the socialization of the losses of the privileged. This was indicated when he described how the agricultural socialization was going to work. This, he said, was illustrated by the Commonwealth's experiments in rice control. The newly-created National Rice Corporation is stabilizing prices for "poverty-stricken farmers" by buying heavily during the harvest and holding its stocks for disposal as market conditions dictate.

Similar "radical" experiments in "socialization" have been carried on in the United States under the regimes of arch-conservative presidents, elected to maintain and entrench the status quo. The real poverty-stricken farmers, the peasants, watching the product of their labor drained away as the kiting of prices boosts the rent they must pay and the living costs they must meet, will have the meagre consolation of knowing that prices "stabilized" in a market with surpluses overhanging it will dislocate other markets and then will toboggan as surely in the Philippines as they have in the United States and in Europe.

Schemes for the socialization of losses under monopolistic competition have proved to be the most dangerous of all crisis policies; they augment the destruction wrought by the crisis they are intended to prevent. If Mr. Quezon accepts no better advice, the day undoubtedly will dawn when he will be thankful for the support of a strong army, a ruthless constabulary and a centralized State apparatus, and when he will point, as evidence of benevolence, to claims that the government's trains and busses now are running on time.

But it is far too early to predict this outcome for the Philippines. President Quezon, after telling of his forthcoming "new attack" on tenancy, spent a month in Denmark and Ireland. He said he had studied Mexico's land difficulties on a trip there in April, and expected that some of the methods employed in Denmark and Ireland for the fight of tenancy might be capable of being transplanted to the islands. Certainly, any competent study of land reform in Denmark, Ireland and Mexico should disclose to the thorough observer what one should do and what he should not do.

Dr. Howe said Mr. Quezon also was interested in the method in the Farm Tenancy Bill, now awaiting a doubtful fate in Congress. Secretary Wallace's special adviser has been credited with helping draft that measure. As it stands, it amounts to an effort to reduce the friction between landlord and tenant without abolishing the relation. But powerful quarters in Washington sought vainly to put teeth into the measure so that it would be a first step toward abolishing tenancy. In the compromise

that resulted enough was saved of the programme so that the measure remains one that would prepare the way for thorough land reform legislation.

President Quezon is facing a history-making situation. It is one that will leave him famous or notorious.

Significance of the Components of Rent

BY ROYAL E. S. HAYES

IN current discussions of the Single Tax an accounting of the components of rent in their relations to wages and community income appears to have been seldom mentioned. I refer, of course, to the components economic, monopoly and speculative rent as itemized by Henry George in the section entitled "The Principles of Land Value Taxation" in his "The Condition of Labor," and inferred of necessity in Book VII, Chapter II, in "Progress and Poverty." As to the latter reference it is unfortunate that George did not give specific terms to the components of rent until he had arrived at writing "The Condition of Labor" ten years or so after the advent of "Progress and Poverty." There distinctions were described and illustrated by diagrams in an article by C. LeBaron Goeller in LAND AND FREEDOM of November-December, 1927, and now furnished by him as a tract; and made a telling factual argument in the brochure "Economics of Democracy" by Dr. F. Mason Padelford of Fall River.

An accounting of these three elements of rent seems to be of first importance in three respects; first, for immediate exhibition to the student of the desecration of labor; second, for its great potency for popular understanding; and third, for envisioning the application—if ever.

As to teaching, notation of these three elements of rent facilitates the student's conception of rent in general because it directs attention to the practices which exploit rent as an addition to the natural or pure economic rent. As we know, community association, monopoly and speculation in land, all add their quota to private rent and to the economic and social conditions which result. To nominate these influences in specific terms transfixes the enormity of the private land owning practice and illuminates the normal and just avenues in the same breath. Through these terms the heart of George's philosophy is revealed. The student sees at once that monopoly and speculative values must be restored to wages, whereas true economic rent belongs to the community. He is at once prepared to see the logic of George's remedy, that is, to make land common property, and of the equitable method, the concrete assessment of land values. And if he is puzzled as to how the element of pure economic rent can be separated in practice he can be told that as vicarious taxes and impositions are cut out and the selling