

CAPITAL AND LABOR IN PLANTATIONS IN MINDANAO AND SULU, 1903 - 1913

ROLANDO CARBON ESTEBAN

This paper is an attempt at a historical survey and analysis of the relationship between private capital and labor, and the consequent social relations between such resultant social formations as the planters, merchants, and labor in plantations in the parts of Mindanao and Sulu organized under the Moro Province from 1903 until 1913.

It was during the first ten years of American rule when drastic changes which precluded the course of events in later years occurred. This was no less apparent in the fast-changing economic conditions as at once observable in the appearance of plantations as the dominant emergent feature of the Province's predominantly agricultural economy which then served as the feeder of such valuable cash products as abaca and coconut for the province's export trade. The economy of the province in general and the subject of plantations in particular were not given the attention which they deserve in the modicum body of literature on the province for the period under consideration; hence, the void on the economic aspect, even given its importance to political and cultural themes. It is because of the felt need to fill the void in the current state of historiography of the province within the ambit of the period and to spark interest in on the economic to compensate for the utter lack of attention to it that the research agenda such as formulated in this study is made

This study problemizes on the interplay of the relationship between private capital and wage labor as forces of production: with the former as the value that functions as the motivating force¹; while the latter as the labor force of production² in plantations. Consequently, it also problemizes on the social relations between the planters and the merchants at the one end, and wage labor at the other. Emphases are focused on the self-expanding character of capital as owned and wielded by the planters and merchants, aliens and Filipinos alike, which begets surplus value by the exploitation of cheap labor through low time wage: with the former through capitalization in production, and the latter through usurious practices in the retail of consumer commodities; and the exploited condition of labor compelled to work at low time wages in plantations following their settlement in areas adjacent to plantation sites regardless of age and gender issues.

To the ends of showing the interplay between the dominant role played by private capital over time wage labor in plantations, as well as the unequal social relations between the planters and the merchants, and such problems and/or issues as the respective roles of private capital and wage labor, capital appropriation/accumulation and expansion, labor shortage and the means of addressing it are tackled.

So far, no study which problemizes on similar or the same subject and/or goals in view yet exists.

It is difficult to reconstruct the entire plantation production relations because of scanty data obtainable from the sources used such as the reports of the different governors of the province, including some other government documents, because of the predominance of priority concerns other than the economic, as well as from newspapers which are generally oriented to dramatic conflicts abroad and in the islands and almost nothing more. Such scarcity of data have imposed serious limitations on the inclusion of as many enriching details as may be necessary. Oddly enough, only a negligible number of secondary sources, which are rather heavy on themes other than

the economic, are relevant to this study's research agenda. Although the paucity of sources presents formidable problems on data resourcing, they however pose new challenges, albeit difficulties. Equally difficult, if not more so, are the analysis and interpretation, especially that the sources were written from the colonial point of view about which an alternative one is tried; that is, to interpret the various problems/issues touched herein in terms of time wage labor's experiences.

The nature of this paper has determined in part the manner by which the subject is approached. Because the period covered is rather short, it has become quite easy to organize and discuss the data in their proper particular contexts and time perspectives.

Admittedly, the years covered are short for periodization purposes; however, as certain developments characteristic of the economic conditions in the plantations such as the opening of the agricultural sector to plantation production, initial and further expansion of capital materially manifested in the increase in number and size of plantations, and the labor shortage crisis clearly existed the periodization is thus adequate, especially given the expressed aims to this study.

The periodization is based on the different administrative terms, namely: Brig. Gen. Leonard Wood, 1903 - 1906; Brig. Gen. Tasker H. Bliss, (1906 - 1908) and later Col. Ralph Hoyt, 1908 - 1909; Brig. Gen. John J. Pershing, 1909 - 1913. Thus, the remainder of the paper is organized accordingly: Section II deals with the years 1903 - 1906, or the opening years; Section III deals with the years 1906 - 1909, or the years of initial expansion; Section IV deals on the years 1909 - 1913, or the year of further expansion, crisis, and reforms; and Section V consolidates the salient points discussed in earlier sections, including some concluding remarks.

Chances are a whole lot of questions would be raised about this paper, which is about just what is needed toward the further study of the problems and/or issues explored herein.

Opening, 1903 - 1906

The establishment of the Moro Province in 1903,³ under which the districts of Jolo, Zamboanga, Lanao, Cotabato and Davao were organized as a single administrative unit governed directly by the provincial governor and as assisted by a legislative council, ushered in a new phase in the history of the parts of Mindanao and Sulu so organized. Compared to the years 1899 - 1903, when affairs in the region were administered by the different military commanders and during which no definite plan for the region was immanent until 1902,⁴ the years 1903 - 1906 witnessed the start of the implementation of a general plan.⁵ Foremost in the agenda were the pacification⁶ campaign and the creation of socio-political institutions;⁷ however, the lifting of the province's economy from a general state of backwardness to progress was also in the long end of the agenda.⁸ On the matter of the economic, the plan was, in the main, to build the province's economy based on its natural and labor resources potentials for plantations as the chief production units for such exports as hemp, copra, and rubber, among the most valuable ones⁹ as clearly echoed in Brig. Gen. Wood's report in 1904:

The island of Mindanao is wonderfully fertile in soil, and especially adjusted to the growth of hemp and coconuts, and other magnificent forests of valuable timber, which with improved roads and intercommunication would profitably be brought into market.¹⁰

Between the province's vast resources and the available wealth created, there existed a wide gap owing mainly to the lack of private capital as a motivating factor to economic growth.¹¹ Until then it was specifically private American capital that was being sought, which was limited, few, and far between,¹² despite the presence of English, Belgian, Chinese, and other alien capital, for fear that such capital was

disadvantageous to American economic interests. Such apprehension was expressed in the alarm given by Brig. Gen. Wood: that unless Americans came and invested soon, "they will have only themselves to blame for failure to seize the opportunity when it was first offered them."¹³ It was then by attracting Americans of even just limited capital means that the provincial government hoped to bridge the gap,¹⁴ given the political and military achievements of the previous years. As Brig. Gen. Wood put it:

Political conditions in the islands are such as to make the time ripe for a period of great construction. For the next decade railroads, commerce, and steamship companies should revolutionize the interior trade of the islands, and should have a most marked effect upon the export trade.¹⁵

But bridging the gap by luring private capital from among the Americans, despite the priority given them in the granting of franchises, was difficult owing to the existence of some problems which, on the whole, discouraged business confidence. There was not only the unsettled peace and order situation because of resistance to American rule which could disrupt continued production;¹⁶ but also the restrictive clause of the Public Land Act of 1903 which limited maximum average to forty acres only for each planter and 1,024 acres only for each corporation which imposed limits on expansion and hence production;¹⁷ and most importantly, the lack of sufficient and cheap indigenous labor suited to plantation work owing to the sparse population.¹⁸ Gains along the lines of continued pacification campaign which steadily broke the resistance,¹⁹ cheap land lease which could be easily had, provided prospective planters acquired first the permission of the native chieftains and respective district governors,²⁰ and the settlement of the indigenous inhabitants as a mode of cheap and conveniently located labor procurement helped create congenial conditions for

capital. Such conditions encouraged business confidence as easily noticeable in the moderate influx of limited American capital, and others, to the western and eastern parts of the province from 1903 and onward, lured by the prospects for high returns to modest investments owing to the low production cost.²¹ However limited such capital was, it nevertheless emboldened the provincial government to provide incentives to the planters and to attract more prospectors by subsidizing ships of the China Navigation Company for coastwise shipping and foreign trade purposes to enable the planters to save on transportation costs²² and established the Moro Exchange in 1904²³ where hemp, copra, and other exports, gathered from the different trading posts in key points in the province, were sold at government-protected prices based on price quotations in Singapore and Hongkong, in order to guarantee fair prices and encourage continuous production such products. Such idea found apt expression in the following words of Brig. Gen. Wood:

The success of the province depends on the trade and development of its natural resources. It has been a constant effort of the government to encourage and assist all the inhabitants agriculturally and commercially engaged.²⁴

Private capital almost exclusively went into the opening of plantations in Zamboanga, Sulu, and Basilan in the west and Davao in the east. However, between these two parts of the province, it was in Davao where greater capital investments were made especially by American capitalists and other aliens for geographic considerations.²⁵ Between abaca, coconut, rubber, and others, it was abaca which was mostly grown because it was the cheapest, safest, fastest, and most profitable.²⁶ It was abaca, coconut, and rubber in the order of size in Davao;²⁷ coconut, abaca, rubber, cocoa, coffee, and even maguey, in Zamboanga;²⁸ and coconut and abaca in Sulu²⁹ and Basilan.³⁰

The labor forces for private capital production were obtained through the settlement of the indigenous inhabitants-- both Moro and Tribal; that is, in settling them in areas adjacent to the plantation.³¹ This mode of labor procurement was supplemented by migrant labor contracted from Misamis, Surigao, and even the Visayas.³² For the most part, it was the settlement thrust that provided the greater number of labor; in fact, even in Davao where migrant labor contracting was common, migrant labor only augmented insufficient indigenous labor drawn from among the Manobo, Tagacaolo, Mandaya, and Moro inhabitants of the district.³³ In the western parts the planters relied on the Yakans in Basilan who were eager to seek work in the plantations when experimental rubber farms were begun in 1905³⁴ and when plantations of the same were opened in 1906,³⁵ while in Zamboanga the planters relied on Moro and Subanun labor when abaca, coconut, rubber, cocoa, and coffee plantations were opened from 1903 to 1906.³⁶ In the government farm in the San Ramon Penal Colony, during which it received Moro captives as inmates, Moro and non-Moro prison labor were used, including both in the seed experimentation farms for the production of better seeds for future dispersal and in technology demonstrations for abaca and coconut processing.³⁷ The use of prison labor in national penal colonies like the San Ramon Penal Colony was a result of penal reforms, which provided that such prison institutions must be self-sufficient, and thus expedite its own expenses from its own earnings from productive activities using prison labor.³⁸ However, because lesser capital went into these parts of the province, the labor requirements were consequently lower to such effect that demands for labor had not outstripped the available labor resources to such extent as happened in Davao.

No other district received as much private capital and migrant labor as Davao.³⁹ It was here where the most number and the largest of abaca and coconut plantations owned mostly by the Americans existed,⁴⁰ toward whom the provincial government's attitude was one of tolerance of land squatting and support for labor procurement. As Capt. George T. Langhore, Secretary and Acting Governor of the province in 1905, saw it:

The planter in Davao are as a rule squatters, but they say that have... faith in the government of the islands and know that their rights will be protected. Opportunities exist for several hundred planters of the right sort of capital. Should the number increase the government must aid in bringing in labor. For planting hemp, coconut, and rubber but a small amount of land is needed, which can be had at a small cost, under the leasing clause of the Public Land Act as soon as it is extended to this province.⁴¹

The settlement thrust and migrant labor contracting as modes of labor procurement were both pursued; but it was on the former⁴² that the planters relied upon more because it was reliable in procuring cheaper, more numerous, and more conveniently located labor.⁴³ Despite the existence of these two modes of labor procurement, it was here where the problem of labor shortage brought to sharper focus the relationship between capital and labor. Owing to the infusion of greater capital in the district, the labor requirements for plantation work were considerably higher which warranted the use of migrant labor⁴⁴ and some one hundred former Japanese road construction workers from the Cordilleras were brought by one American planter to the district in 1904 to make up for insufficient indigenous labor.⁴⁵

The problem of labor shortage was simply not a mere issue of numerical sufficiency. At this early, the planters already preferred to use cheap indigenous labor which only the settlement thrust could provide.⁴⁶ Besides this thrust as a concrete form of support to the planters, the provincial government also ensured cheap labor as best served the interests of the planter when it enacted a low time wage policy in 1905

and the increase of which was left to the benevolence of the planters, but only in-so-far as their capital would allow as soon as the prices of exports increase. Because of this situation the mandated maximum wage for a nine-hour a day labor in Davao was fifty centavos only;⁴⁷ while in Basilan it was as low as twenty-five centavos only.⁴⁸ This wage policy placed plantation day wage labor at the lowest level in the entire wage structure in the province; in fact, it was lower than the lowest mandated wage for ordinary road labor at seventy-five centavos only.⁴⁹ As prices consistently remained low,⁵⁰ at no time at all was wage increased. Given the savings on transportation costs and profits as ensured by government-protected prices through the Moro Exchange, it was mainly the low production cost due to cheap time wage labor and default on necessary social services that ensured positive returns to investments. In fact, despite inauspicious prices, the planters were as a rule, prosperous; while labor was, as a rule, poor.⁵¹

Low wage and lack of social services were not the only forms of labor exploitation by the planters: there was also their pernicious practice of issuing promissory notes for future payments of services already rendered⁵² and cruel treatment.⁵³ The issuance of promissory notes as the mode of payment exposed labor to the unscrupulous merchants - Chinese, in particular. It was from these merchants, who owned and operated general merchandise stores,⁵⁴ that labor acquired its consumer goods commonly through the usurious *vale* system for lack of cash.⁵⁵ Low wage and the mode by which it was issued, together with the *vale* system, fostered labor indebtedness to the merchants.⁵⁶ Labor then was not only exposed to exploitation by the planters but also by the merchants who, like the planters, were generally prosperous.⁵⁷

Initial Expansion, 1906 - 1909

Everywhere in the province where plantations existed the trend was toward expansion. Given the profits⁵⁸ realized from

previous investments and the optimism for more, the planters pushed for the enlargement of their plantations through reinvestment. Also, as more prospectors were attracted to invest in plantations, fresh private capital⁵⁹ was applied to the opening of new ones even in the parts of the province where formerly none existed. This trend occurred at such opportune time when the province's traditional direct markets, namely, Singapore, Hongkong, and to a very limited extent Australia, were firmly established,⁶⁰ although the prices of such exports as hemp and copra consistently fluctuated and slumped.⁶¹ Besides, there was the provincial government's continued support in the forms of such assistance as subsidy for the ships of the China Navigation Company to enable planters to save more on transport costs⁶² and government protected prices of products through the Moro Exchange⁶³ to ensure profits for the planters.

In Zamboanga, the introduction of new technology enabled the planters to save on labor costs. Although there was no marked increase in the volume of production,⁶⁴ there was a large surplus of profits from hemp and copra owing to the adoption of new technology.⁶⁵ This decided improvement in production was a response to the urgent need for lesser dependence on labor because of cost considerations. In the San Ramon farm there was also increase in production, which was limited only by the "principal difficulty" of acquiring "sufficient and reliable labor force,"⁶⁶ despite labor. In Sulu there was reported increase in copra production even if there was no additional capital infusion because of economy in the use of labor, obviously through low time wage.⁶⁷

Expansion came at a time when past investments already earned for the planters returns to investments. Besides abaca and coconut plantations in Zamboanga, rubber plantations were started in 1907;⁶⁸ while experimental rubber tapping was began in Basilan in 1908, with a view to producing quality rubber products as future valuable exports.⁶⁹ In Malabang hemp was already exported.⁷⁰ In these parts of the province more capital from profits and from fresh investments was rendered productive only through the use of indigenous labor which was

either drawn from settlements formed earlier through the settlement thrust⁷¹ or from the San Ramon Penal Colony, as the case may be; in fact, even in Zamboanga where there was economy in the use of labor through the adoption of improved technology. Comparatively smaller capital, new technology, and prison labor were the significant factors that lessened the severe problem of labor shortage in the western parts of the province.

Like the previous years, Davao was one that continued to receive "the largest investment of capital and labor for agricultural development."⁷² Fresh investment as well as profit reinvestment⁷³ went into the opening of new plantations and the enlargement of old ones, as happened elsewhere in the province. In 1907 alone the 34 members (Americans) of the Davao Planters Association boasted of more than 1,000,000 abaca hills, about 39,500 coconut trees, and more or less 8,000 rubber trees.⁷⁴ The expansion of plantations in Davao almost exclusively depended on indigenous labor, Moro and Tribal alike,⁷⁵ as in previous years, specifically the Bagobos,⁷⁶ supplemented only by migrant labor from the northern provinces.⁷⁷ However, despite the existence of bigger labor resources procured through the further settlement of the indigenous inhabitants and migrant labor contracting, increased labor demands required for plantation work outstripped the available labor resources as a consequence of greater capital infusion.

The problem of labor shortage in Davao was acted upon by the provincial government through the common resort to the settlement thrust. Just when the trend was toward expansion, the planters complained of the higher cost of maintaining migrant labor who already tended to abandon plantation work and seek employment in either the constabulary, public works, or government services where wages were comparatively higher. By 1909 the problem of labor shortage was further aggravated by such continuous labor turnover. It was not to the interest of the planters to retain migrant labor for obvious reasons of cost because this type of labor demanded higher pay, besides social services, and such demands were many times greater the original cost of migrant of labor contracting. Instead, the planters

requested that Hukka Chinese labor be imported to ease the problem of labor shortage. While this proposal was endorsed by the provincial government, it was disapproved by the Philippine Commission on the strength of the law on the exclusion of labor importation.

Because of increased labor demand at a time when labor resources shrank owing to migrant labor turnover, the planters all the more depended on indigenous labor which the provincial government provided through the settlement thrust. Although this solution was not without problems given the migratory character of indigenous communities, it was not without success, as could be gleaned from the report of the Assistant of Superintendent of schools in 1907 as quoted by Brig. Gen. Bliss:

The necessary conditions seemed to have been fulfilled in the agricultural settlements which have been formed amid the wild tribes around the Gulf of Davao. Here we find villages of considerable size, growing upon the hemp and coconut plantations which have been established so extensively in the Davao country since the American occupation. Labor on the plantations furnishes a never ending means of gaining a livelihood, while property which may be accumulated is perfectly protected.

The pursuance of the thrust had the effect of increasing the number of indigenous labor whose dependence on wage exposed more of them to double exploitation by the planters and merchants as happened in the past anywhere in the province.

It was almost commonplace for some planters to double as merchants, the Chinese in particular. These merchants had

penetrated already all the plantation areas either as ambulant or permanent merchants, who dealt by barter and by which they cheated on labor so easily, or sold consumer goods only at exceedingly high prices commonly through the vale system, or operated restaurants, barbershop, pool room, and such other opportunities, as in Lanao.

Further Expansion, and Reforms, 1909 - 1913

Some developments in the years 1909 - 1913 in certain parts of the province such as the malaria epidemic in Lanao which spread to the neighboring district to the southeast, though to limited extent only;⁷⁸ drought and locust attacks in the Cotabato River valley; and drought in Davao in the first half of these years adversely affected production.⁷⁹ Equally important were the diversification thrust⁸⁰ and attempts at reforms on issues such as labor contracting, retail trade, and ambulant⁸¹ trading. Following the decline of the epidemic, drought, and locust attacks, the trend was toward further expansion. This surge for further expansion threatened the balance between greater capital infusion and shrunken labor resources.⁸² Faced by such reality the provincial government discouraged further expansion until such time that the labor situation improved; but such were the expectations for profits that what occurred instead was a flash of expansion.⁸³

In 1911 there was a total of 126 plantations in the entire province owned mostly by aliens; more than half of these were in Davao, while the rest were sparsely distributed in the western and central parts of the province.

PLANTATION IN THE MORO PROVINCE, 1911 ⁸⁴

District	American	European	Chinese	Natives	Total
Zamboanga	10	3	7	10	30
Lanao	7	4	2	-	13
Sulu	4	2	3	1	10
Davao	42	12	5	4	63
Cotabato	2	3	3	2	10
TOTAL	65	24	20	17	126

By 1912 the number of these plantations increased from 126 to 166, or an increase of forty: there was a moderate increase in Cotabato owing to greater native participation, mainly non-Moro migrants; while there was a marked increase in Lanao and Sulu owing to greater Chinese participation; and only a slight increase in Zamboanga and Davao owing to the severe problem of labor shortage.

PLANTATION IN THE MORO PROVINCE, 1911 ⁸⁵

District	American	European	Chinese	Natives	Total
Zamboanga	11	4	7	10	32
Lanao	7	4	12	7	30
Sulu	4	4	10	5	21
Davao	42	12	5	7	66
Cotabato	2	2	3	10	17
TOTAL	66	26	37	29	166

Toward 1913 most of the plantations were owned by aliens, namely, the Americans, Chinese, and Europeans, and some by natives, mostly migrants. Ahead in the push for expansion were the Chinese followed by some natives, especially in areas where American presence was comparatively less, as in Lanao⁸⁶ and Cotabato.⁸⁷ In Lanao expansion occurred after the malaria epidemic.⁸⁸ In Cotabato after the agricultural distress, during which time the district became some sort of frontier for

investments,⁸⁹ there was the diversification thrust for the production of such fiber plants as sisal, kapok, and maguey as future exports.⁹⁰ Also, because the Cotabato River valley was the main rice producing part of the province,⁹¹ the district of Cotabato was opened in 1912 as the site of the first agricultural colony composed of migrants from the Visayas and Luzon,⁹² with the view to increase the labor resources of the district for rice production.⁹³ Although this thrust was pursued in order to make the province self-sufficient in rice,⁹⁴ it was also hoped that the migration thrust as pursued by the provincial government would, in the end, increase the labor resources of the district, which was a necessary factor to the expansion of plantations in the district.⁹⁵ On the whole the largest and best managed plantations in Davao were owned by the Americans,⁹⁶ while those in Zamboanga were by the Chinese.⁹⁷

Expansion and diversification happened at a time when the prices of exports fluctuated and were constantly low.⁹⁸ This, however, did not deter the planters from infusing more capital⁹⁹ because despite less propitious prices they continued to reap profits owing to the low production cost chiefly by the use of cheap indigenous labor,¹⁰⁰ besides other cost-saving assistance from the provincial government as in the years past.¹⁰¹ It was cheap indigenous labor which proved crucial to expansion, as articulated in the planters' complaint of the lack of the "right sort" of labor as precisely the decisive factor "that imposed serious limitations" to expansion.¹⁰²

The labor situation was by no means similar in the entire province, with the difference, however, being rather one of degree of severity. In the western and central parts where greater private capital flowed, as witnessed by a general increase in the number of plantations, the labor shortage was less severe because of the existence of readily available Moro labor even at such a low time wage.¹⁰³ Although there was no significant increase in the number of plantations in Davao so as to exert added strain to the already precarious balance between capital and labor,¹⁰⁴ it was precisely insufficient cheap indigenous labor which inhibited expansion.¹⁰⁵ This occurred at the time when migrant

labor contracting was abandoned in 1910 because continued use of it only at higher costs was counterproductive.¹⁰⁶ The rapid turnover of migrant laborer and the abandonment of migrant labor contracting resulted to reduced labor resources.¹⁰⁷ With the settlement thrusts as the only remaining mode of labor procurement, 'it was all the more given greater impetus, as lucidly put by Brig. Gen. Pershing:

The hill man is superstitious and timid, and must be treated with great kindness. Personal necessities for himself and his family must be provided, and he must have shelter and a small patch of land for his own use. He must be paid cash for his labor and must get a square deal in all business relations. Successful planters in the gulf of Davao and elsewhere have found that by following out these principles wild labor is not difficult to manage.¹⁰⁸

The aggressiveness with which the thrust was pursued, however, was never met with any improvement on the condition of labor. Still, the low time wage of 1905, whose increase was left to the benevolence of the planters, remained enforced,¹⁰⁹ while the abject social environment deprived of even a school and hospital remained the same.¹¹⁰ About these the provincial government appealed to the kindness of the planters to address these issues in order to inspire confidence among labor,¹¹¹ while it continued to espouse the belief that only the private entitlement of land to the inhabitants would finally settle them permanently.¹¹² By 1911 there was a perceived improvement¹¹³ in the relationship between the planters and labor which, however, only proved temporary.¹¹⁴ No sooner were they settled that indigenous labor started to abandon plantation work: the Moros started fishing again,¹¹⁵ while the Tribals reverted to their traditional mode of livelihood in the hills.¹¹⁶ This tendency was

rampant by 1911 owing to poverty in the settlements which, as Brig. Gen. Pershing put it, simply "scared" them.¹¹⁷

By then the problem of labor shortage had ceased to be a mere issue of numerical sufficiency; it had already become one of the costs. The abandonment of migrant labor contracting for reasons of counterproductivity was essentially a production cost issue as easily manifested in the planters reluctance to retain migrant labor only at higher costs through wage increase and improvements on the social environment. In the case of indigenous labor, the planters also exhibited the same reluctance on the issues of wage increase and social services. Such reluctance revealed only so much of the planters preference for the right sort of labor suited to plantation work as none other than cheap and conveniently located indigenous labor.¹¹⁸ However, unless indigenous labor was paid and treated justly, the problem of labor shortage would remain, as Brig. Gen. Pershing observed:

The solution to the problem lies in paying the laborer wages sufficient to support himself and his family, and in enabling him to purchase the necessities of life at a reasonable price whenever he pleases. The use of checks, or credit slips or other such means of payments should be prohibited. If the laborer is paid his wages in money at the end of the day or week, and given the liberty of making his purchases whenever he can do so most advantageously, he at once becomes a free man with an incentive to industry. Until this question is regulated by law, abuses here and there will continue.¹¹⁹

In the face of indigenous labor reversion, the provincial government attempted certain reforms deemed necessary to induce indigenous labor to remain in the settlements. For one, there was the Contract Law¹²⁰ which provided for the punishment of either party for any breach of contract: the planter for paying in promissory notes¹²¹ and labor for work abandonment¹²² in order to promote fair dealing.¹²³ This reform which had the effect of binding labor all the more to wage labor glossed over the fundamental issue of time wage increase. Even granted the fact that the payment of wage in cash was better than the other, it came rather late - many long years after the practice by the planters of issuing promissory notes had already mired labor in chronic indebtedness to the merchants.¹²⁴ If at all, it only implied more cash for the merchants to reinvest. For another, there was the abolishment of the Moro Exchange in whose stead was established the industrial centers which, unlike its predecessor, sold consumer goods at government protected prices.¹²⁵ There were too few¹²⁶ of these centers, and unless labor defaulted on their debts to the merchants they had little effect on the labor from 1912 to 1913. Also, there was the law on itinerant merchants which provided that merchants could only operate stores upon the issuance of permits.¹²⁷ While this reform meant more revenues for the provincial government, it also legalized their operations regardless of their nationalities.¹²⁸ This reform particularly missed the practice of the vale system¹²⁹ by ambulant and permanent merchants, and their predatory practice of selling goods at such unreasonable price: a can of sardines costs a day's wage in Zamboanga;¹³⁰ while anywhere in the province - from Sulu to Cotabato to Davao - rice was sold at least one hundred times more than the original price.¹³¹ Most exploited were indigenous labor because of their dependence on low time wage for survival in the settlements.

At the end of the period in 1913, the fundamental issues of time wage increase, vale system, lack of social services, cruelty in the hands of the planters, and high cost of living still prevail despite efforts at reforms. Besides, what these reforms intended to change were only the peripheral aspects of some of these problems, which until 1913 had no perceptible effects.¹³²

The prevalence of poverty and lack of concrete reforms to root out their causes continued to engender the ungainly balance between the higher labor requirements of greater private capitalization and the shrunken labor resources. At such a critical time, indigenous labor reversion from wage labor to independent production - which was about the only way possible for them to escape from exploitation, both in the hands of the planters and merchants - proved to be the decisive factor to expansion.

Conclusion

The emergence of plantations as the dominant feature of the agricultural sector and of the economy which served as the chief feeder of such valuable exports as hemp and copra in the parts of Mindanao and Sulu organized and administered under the Moro Province from 1903 until 1913 was a result of the interplay between private capital and time wage labor as immediately evident in the following developments:

1. It was by the steady flow of fresh modest private capital as the motivating force of production through capitalization in plantations as production units; but only as made productive through the employment of cheap indigenous labor through the settlement thrusts, which was supplemented only by migrant labor through contracting from the northern provinces which opened the agricultural sector and the economy for the emergence of plantations as the dominant units of production in the western and eastern parts from around 1903 until 1906;

2. It was by the additional fresh private capital and accumulated capital from profits from previous investments; but only at the expense of the same cheap labor resources in particularly the same parts of the province as in the previous years, including initial expansion in the central parts, that stimulated expansion from around 1906 until 1909;

3. It was by the self-expanding character of private capital (reinvestment) that further expansion particularly in the eastern parts of the province where there was a severe problem of lack of sufficient cheap wage labor that such problems retarded expansion from around 1909 until 1913; except in the western and central parts where there existed a less severe problem of labor shortage because of the availability of Moro labor.

The unequal social relations between the planters and labor was the function of the private ownership of capital, the manner that it was wielded, and labor's dependence on low time wage. Thus, the planters by virtue of their capitalization in production at low costs owing mainly to cheap time wage labor, the mode it was paid, and the denial of social services realized and appropriated profits regardless of the prices of exports; while labor's dependence on low wage, which was a result of their transformation from independent producers into day wage earners, consigned them to a condition of dependence on low time wage from the planters. But labor was also exposed to exploitation by the merchants, many of whom doubled as planters, by virtue of their capitalization on the highly lucrative retail of consumer goods and by virtual control of which enabled them to prey on the dependence of labor on the vale system. Thus, the vale system was a factor which reduced the condition of labor to one of chronic state of indebtedness, made worse by the planters' practice of issuing wages in the form of promissory notes.

Just as plantations were results of the interplay between private capital and time wage labor, so also were the unequal social relations between the planters and merchants, and labor: the planters and merchants, being prosperous owners and wielders of private capital, were located at the dominant end, while labor, being dependent on low time wage from the planters and preyed upon by the merchants through the vale system, were located at the subordinate end.

It was the unequal social relations dominated by the planters that engendered the already unstable balance between private capital and time wage labor as quite evident in the planters' exploitation of cheap indigenous wage labor following their abandonment of migrant labor to save on wage costs, particularly at the time when the problem of labor shortage ceased to be a mere numerical issue and which in fact singly became one of costs instead.

It was because of the self-expanding character of private capital through profit extraction, appropriation, and reinvestment that wage labor were deprived of their fair share of the fruits of labor chiefly through wage increase and social services. As the social relations operated to their detriment and as their condition remained unimproved, labor's easy and practicable escape was either through turnover or reversion, which attempts at cosmetic reforms glossed over and thus failed to arrest, much more resolve.

NOTES

Abbreviations: RGMP (Report of the Governor of the Moro Province; RPC (Report of the Philippine Commission); RWD (Report of the War Department) and MC (Manila Cablenews).

1. Karl Marx, *Capital: A Critique of Political Economy*, vol III, (Moscow: Progress, 1968), p. 814; M.I. Volkov, Ed. *Dictionary of Political Economy* (Moscow: Progress, 1985), p. A31; Dan Nabudere, *The Political Economy of Imperialism* (London: Zed Press Ltd., 1977), pp. 58, 62, 94, 101, 139; L. Leontyev, *Political Economy: A Condensed Course* (New York: International Publishers, 1981), p. 41.

2. Karl Marx, *Capital: A Critique of Political Economy*, vol I, (Moscow: Progress, 1968), p. 701; M.I. Volkov, Ed. *Dictionary of Political Economy* (Moscow: Progress, 1985), p. 385-387; Dan Nabudere, *The Political Economy of Imperialism* (London: Zed Press Ltd., 1977), pp. 56-71, 139; L. Leontyev, *Political Economy: A Condensed Course* (New York: International Publishers, 1981), p. 51-60.
3. RGMP (1904), pp. 4, 113-131; RPC (1914), p. 325.
4. RPC (1914).
5. RWD (1902), p. 15; RPC (1914), p. 325; Charles B. Elliot, *The Philippines to the End of the Commission Government* (Indianapolis: Bobbs-Merrill Co., 1917), p. 92.
6. RGMP (1904), pp. 12, 14-15, 17-18, 21-23; RGMP (1906), pp. 9-10.
7. RWD (1903), pp. 37, 56-57; RGMP (1904), pp. 5-6, 9, 23.
8. RGMP (1906), p. 36.
9. RWD (1903), pp. 54-57; RGMP (1904), pp. 70, 629-630, 706; RGMP (1905), p. 4.
10. RWD (1902), p. 269; RWD (1903), pp. 56-57; RGMP (1905), p. 33; Joseph R. Hayden, *Philippines: A Study in National Development* (New York: The McMillan Co., 1942), p. 7 (henceforth as cited as Hayden, Philippines).
11. RWD (1903), pp. 34, 56-57.
12. Ibid., pp. 56-57.
13. RWD (1902), p. 304; RWD (1903), pp. 34, 56-57; RGMP (1905), pp. 6-7; "Conditions in Mindanao," M I, 6 June 1904, p. 2.
14. GMGP (1903), p. 57.

15. RWD (1902), pp. 481-484, 492-495; H.P. Hobbs, *Kris and Krag: Adventure Among the Moros of the Philippines* (Privately printed, 1962).RWD (1900), pp.
16. RWD (1902), p. 696; RGMP (1904), pp. 23-24; RGMP (1905), p. 61; "Land Act Becomes a Law," *M C*, 15, September 1903, p. 3.
17. RWD (1903), p. 54; RGMP (1905), p. 36; Census (1904), vol.2, p. 3.
18. RWD (1902), pp. 259-260; William Cameron Forbes, *The Philippines Islands*, Rev. Ed. (Manila: Cacho Hermanos Inc., 1985), pp. 279-294.
19. RWD (1902), p. 696; RGMP (1905), pp. 17, 33-34.
20. RWD (1902), pp. 259-260; "District of Davao," *M H*, 3, February 1909, pp. 58-59.
21. RWD 1903), p. 685; "District of Davao," *M H*, 3, February 1909, pp. 58-59.
22. RGMP (1904), p. 5.
23. RGMP (1905), pp. 26-27; RGMP (1905), p. 4.
24. RGMP (1905), p. 4.
25. RGMP (1905), pp. 6-7, 33-34.
26. *Ibid.*; Philippine Islands, Moro Province, *The Moro Province and a Few of Its Resources*, (Zamboanga: Zamboanga Chamber of Commerce, 1912), pp. 9-37.
27. RGMP (1905), pp. 6-7, 33-34; "District of Davao," *M H*, 3, February 1909, p. 53.

28. RGMP (1904), pp. 23, 70; "The Industrial and Commercial Outlook," *M H*, 3, February 1909, p. 39; "District of Zamboanga," *M H*, 3, February 1909, p. 62.
29. RGMP (1910), pp. 6-7.
30. RWD (1900), pp. 259-260; "District of Davao," *M H*, 3, February 1909, p. 76.
31. RWD (1900), pp. 259-260; "District of Davao," *M H*, 3, February 1909, p. 76.
32. RWD (1903), pp. 54-55; "District of Davao," *M H*, 3, February 1909, p. 76.
33. *Ibid.*
34. "The Cultivation of Rubber," *M H*, 3, February 1909, p. 50.
35. *Ibid.*, p. 53.
36. RGMP (1905), p. 26.
37. RGMP (1904), p. 70.
38. RGMP (1906), p. 36.
39. RGMP (1907), p. 31; "District of Davao," *M H*, 3, February 1909, p. 76.
40. *Ibid.*; "Conditions in Mindanao," *M T*, 6, June 1904, p. 2.
41. RGMP (1905), p. 34.
42. *Ibid.* 1907), p. 31; "Condition in Mindanao," *M T*, 6, June 1904, p. 2.
43. *Ibid.*; RWD (1903), pp. 55, 685; RGMP (1905), pp. 6-7, 17, 34, 54; "District of Davao," *M H*, 3, February 1909, p. 76.

44. *Ibid.*
45. Hayden, *Philippines*, p. 617.
46. RGMP (1905), pp. 7, 17, 54; "District of Davao," *M H*, 3, February 1909, p. 76.
47. RGMP (1905), p. 17.
48. *Ibid.*
49. *Ibid.*, p. 7.
50. *Ibid.*, p. 7.
51. *Ibid.*, p. 33.
52. RWD (1903), pp. 54-55; RGMP (1912), pp. 12-13, 56-57; Victor Hurley, *Men in Sun Helmets* (New York: E. P. Dutton Co., Inc., 1936), pp. 175-178.
53. *Ibid.*
54. RGMP (1905), p. 26.; Hayden, *Philippines*, pp. 669-670, 692, 699.
55. *Ibid.*; RGMP (1904), p. 9.
56. *Ibid.*
57. *Ibid.*
58. RGMP (1907), pp. 17, 13, 31; "The Industrial and Commercial Outlook," *M H*, 3, February 1909, p. 39; "District of Davao," *M H*, 3, February 1909, pp. 58-59
59. RGMP (1909), p. 17; "The Cultivation of Rubber," *M H*, 3, February 1909, p. 50; "The San Ramon Farm," *M H*, 3, February 1909, p. 39.

60. "Industrial and Commercial Outlook," *M H*, 3, February 1909, p. 39; "Commerce and Shipping," *M H*, 3, February 1909, p. 382.
61. RGMP (1907), p. 20; "District of Zamboanga," *M H*, 3, February 1909, p. 63.
62. "Commerce and Shipping," *M H*, 3, February 1909, pp. 381, 383-384.
63. RGMP (1907), p. 20; "District of Zamboanga," *M H*, 3, February 1909, p. 63.
64. RGMP (1907), p. 20.
65. *Ibid.*
66. *Ibid.*; "The Government Farm at San Ramon," *M H*, 3, February 1909, p. 38.
67. RGMP (1907), p. 21.
68. *Ibid.*, pp. 23-24; "The Cultivation of Rubber," 3, February 1909, p. 50.
69. "The Cultivation of Rubber," *M H*, 3, February 1909, p. 53.
70. RGMP (1907), p. 27.
71. RWD (1900), pp. 260, 264; "The Industrial and Commercial Outlook," *M H*, 3, February 1909, p. 69.
72. RGMP (1907), p. 31; "The Industrial and Commercial Outlook," *M H*, 3, February 1909, p. 39.

73. *Ibid.*, p. 31; Peter G. Gowing, *Mandate in Moroland* (Quezon City: New Day Publishers, 1983), p. 36 (Henceforth cited as Gowing, *Mandate*); "The Trouble in Davao," *M H*, 18, July 1909, p. 14.
74. RGMP (1907), pp. 17, 31, 35; "District of Davao," *M H*, 3, February 1909, p. 76.
75. *Ibid.*
76. *Ibid.*
77. *Ibid.*; RGMP (1910), pp. 8-9.
78. RGMP (1911), pp. 11, 21, 37, 40; RGMP (1912), p. 41.
79. *Ibid.*; "Zamboanga News," *M O*, 26, April 1912, p.2.
80. RGMP (1911), pp. 3-9; RPC (1915), p. 361.
81. RGMP (1912), pp. 17-18, 56-57.
82. RGMP (1910), p. 4.
83. *Ibid.*, p. 5.
84. RGMP (1911), p. 11.
85. RGMP (1912), p.5.
86. *Ibid.*
87. *Ibid.*
88. *Ibid.*; RGMP (1911), pp. 11, 21, 37, 40; RGMP (1912), p. 41.
89. *Ibid.*

90. RGMP (1910), pp. _____; RGMP (1911), p. 4; RGMP (1912), pp. 4, 11.
91. *Ibid.*
92. *Ibid.*, p. 4.
93. RGMP (1912), pp. 3-4; RGMP (1913), p. 11.
94. RGMP (1912), p. 5.
95. RGMP (1911), pp. 8-9; RGMP (1912), p. 13; RGMP (1913), p. 18; RGMP (1914), pp. 375-378.
96. RGMP (1911), p. 11; RGMP (1912), p. 5.
97. RGMP (1911), pp. 3, 4, 8; RGMP (1912), p. 5.
98. RPC (1915), pp. 360, 375.
99. RGMP (1910), pp. 3-9; RGMP (1911), pp. 5-8.
100. RGMP (1910), p. 39; RGMP (1911), pp. 5-8, 11.
101. RGMP (1911), p. 3; RGMP (1912), p. 8; RPC (1915), pp. 17-18.
102. RGMP (1910), pp. 3-9; RGMP (1911), p. 5.
103. RGMP (1910), p. 5; RGMP (1911), p. 5.
104. RGMP (1910), pp. 4-9; RGMP (1911), p. 11; RGMP (1912), p. 3.
105. RGMP (1910), pp. 4-9.
106. *Ibid.*, pp. 8-9; RGMP (1911), p. 11.
107. *Ibid.*

108. RGMP (1910), pp. 3, 4, 9.
109. RGMP (1905), p. 7; RGMP (1911), p. 11; RGMP (1912), p. 2.
110. RGMP (1911), p. 11; RGMP (1912), p. ____.
111. RGMP (1911), p. 3; RGMP (1912), pp. 5, 11.
112. RGMP (1910), p. 9.
113. RGMP (1912), pp. 3-4; RGMP (1913), p. 11.
114. *Ibid.*
115. RGMP (1910), p. 11; RGMP (1911), p. 11; RGMP (1912), pp. 2, 4.
116. *Ibid.*
117. RGMP (1910), pp. 8-9; RGMP (1911), p. 11.
118. RGMP (1910), pp. 3-7; RGMP (1911), pp. 8, 11; RGMP (1912), p. 2.
119. RGMP (1912), p. 12.
120. RGMP (1912), pp. 12, 56-57.
121. *Ibid.*
122. RGMP (1911), p. 11; RGMP (1912), pp. 2-4.
123. RGMP (1912), pp. 12-13, 56-57.
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125. *Ibid.*, pp. 12, 17-18.

126. *Ibid.*
127. RGMP (1910), pp. 9-10; RGMP (1912), pp. 13, 58.
128. RGMP (1912), p. 58.
129. RGMP (1911), pp. 9-10; RGMP (1920), pp. 12, 13, 58.
130. RGMP (1911), pp. 9-11; RGMP (1912), pp. 12-13, 17-18
131. *Ibid.*
132. RGMP (1911), pp. 9-11; RGMP (1912), pp. 12-13, 17-18, 56-57.

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