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**Socio-economic Changes of a Hacienda Barrio
after the Marcos Land Reform:
Emergence of Commercial Elite in Central Luzon**

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1. Introduction

This paper discusses the process by which a commercial elite emerged as a result of the Marcos Land Reform in the barangay of Santa Moreno (pseudonym), Municipality of Guimba, Nueva Ecija, Central Luzon. Based on the personal histories of the three most successful persons in that village, we conduct an analysis of the factors which enabled them to earn more than half a million pesos a year. In order to understand this process, we introduce excerpts from their personal recollections that focus on the details of economic management and investment during the eighteen years since the implementation of the Land Reform until the present.¹

The three successful examples introduced here are the wealthiest inhabitants of the village. They are Mr. Jose Cruz, who has accumulated his wealth by leasing out threshers and operating a rice mill; Mr. Ben Cruz, his younger brother, who has found his success as a contract farmer-supplier of cucumbers for the CMC (a multinational food company), and Mrs. Elena Lopez, who has been engaged in private money-lending and rice brokerage.

Santa Moreno is a rice-farming village, located about 150 kilometers north of Manila, and 40 kilometers northwest of Cabanatuan City, the capitol of Nueva Ecija. It is located

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five kilometers from the national highway connecting Cabanatuan and Guimba, and it costs six pesos for three passengers to hire a three-wheeler to the village. The 216 households contain a population of about 1,000 (March, 1991). This area was one of the main targets of the Marcos Land Reform, and most of the rice fields became the objects of Certificates of Land Transfer (CLT).

When President Marcos implemented the Land Reform, almost all of the Santa Moreno villagers were share-tenants of Hacienda Triala and agricultural laborers. Thanks to the Land Reform, they were able to obtain the ownership of the two to three hectare rice fields which until that time they had cultivated for the landlord.

When they began their new lives as owner-farmers, the villagers shared similar socio-economic backgrounds. Some of them, however, have been extremely successful, becoming prosperous enough to accumulate tremendous wealth as well as land, while others have failed in their farm management, and have lost their rice fields to become tenants and laborers again. A majority of the villagers have been able to improve their livelihoods thanks to the introduction of high-yielding varieties of rice, growing two crops per year, and more recently the growing of vegetables.

The most successful farmers are those who were able to adapt themselves to the drastic changes in the production system which resulted from the mechanization and commercialization of farming.

2. The Village (Fig. Table 1)

On October 21, 1972, just one month after the imposition of martial law, President Marcos declared P.D. 27, which ordered the thorough land reform of rice and corn fields. Although the Marcos land reform was not fully implemented over the entire country, it was in Santa Moreno.

There are a number of reasons why it was a complete success there. First, it belonged to Guimba, which was one of the nine pilot towns that were given priority for immediate implementation. All necessary procedures such as surveying of the land, confirmation of the tenant-tiller names, and the completion and distribution of the CLT were handled immediately, enabling the rapid and smooth transfer of the land to the tenants. Second, the area contained only one large *hacienda* and two neighboring villages, and the *hacienda* owner could not divide the ownership among his children and relatives. And third, the owner lived in Manila and was engaged in industrial and commercial business ventures, so did not have a great interest in his agricultural land.

Santa Moreno is a splinter village of Triala, where Umehara had conducted intensive field

work in the late 1960's, and together with other neighboring villages, it used to constitute the Hacienda Triala covering more than 1,000 ha. According to Umehara, at the time of his study most of the villagers were tenants, sub-tenants, and laborers who barely managed to make ends meet. Only a few, i.e. one *encargado* (superintendent), four *katiwalas* (manager), and two firm-guards formed the upper class of the village, and were provided with a monthly salary and about ten hectares of rice fields for tenancy.

When Umehara conducted his research in 1967, Triala, the core village of the Hacienda, had 164 households, of which 84 were share tenants and 63 were *iskwater* (squatter)-laborers. The other seventeen sublet their tenanted fields and did not cultivate them themselves.

The average tenant cultivated about three hectares and harvested 120 cavans (40 per hectare), from which they were able to receive thirty-six cavans for themselves, after deducting for the cost of production, and paying the fifty percent farm rent. Due to the lack of a stable water supply during the dry season, they were able to plant only one hectare at best for the second crop and harvested about ten cavans.

Umehara explained their hard life as follows: "The average family of six members needs forty-eight cavans of rice for their yearly consumption, but the annual harvest of two crops is far below this. A share tenant of this village cultivating three hectares of rice fields cannot secure the minimum necessary for house consumption. In order to make up for this food shortage as well as for living expenses, the family cannot help but depend on rations, money borrowed from money lenders, and other means of income, including wage earnings." (pg. 295-296) The living conditions of subtenants and landless laborers was even worse than that of the share tenants.

The conditions in Santa Moreno, the splinter village of Triala, were similar to those in Triala at that time. Most of the villagers are still in agriculture at present, and other opportunities for work are limited (Table 2). While they planted rice only once a year during the Hacienda period, they are able to do two plantings now in some areas, thanks to the advent of irrigation. High-yielding varieties of the IR family are commonly used, and the average harvest today is 86 cavans per hectare (Table 5). During the dry season, however, the growing of vegetables using private pump irrigation is much more popular among the farmers.

Although the most common size for rice fields is about one hectare, three farmers own more than ten hectares. With only a few exceptions, the vegetable farmers are small-scale producers (Table 3). More than three-fourths of the farmers are engaged in both rice and vegetable production.

As Table 4 shows, more than half of the farmers were granted CLT, and their fields occupy

more than half of the total farm area. The leasing of land is common, and share tenancy is the exception (only one case). The average rent is about ten cavans per hectare, which translates to eleven or twelve percent of the total harvest, and less than half of the top limit set by the land reform law.

There are very few work opportunities outside the field of agriculture, and wages for farm labor are thirty pesos per day, about sixty percent of the standard wage in Laguna and Bulacan (Table 7).

Another feature of this village besides vegetable production is the existence of a money lender living and operating in the village. Table 8 shows the interest rate for loans by type. Three loan sources are available to the villagers. The first is the institutional system, such as banks and cooperatives. The second is the personal network, such as relatives, friends, and land owners who provide low or non-interest loans. The third is the money lenders. The interest rate of the first type is twelve to eighteen percent per one crop season, while the third type is about thirty percent per season. This rate is legal, if compared with the ones in traditional rice growing villages in Laguna and Panay[2].

The average annual income per household was 54,656 pesos, of which thirty percent came from rice production, forty percent from agricultural production besides rice, and thirty percent from non-agricultural work. The total amount is much higher than that of an ordinary rice-growing village in Guimba, thanks to vegetable (especially cucumber) production. The growing of cucumbers provides farmers with a good income, and landless laborers with opportunities for employment.

At the same time, however, the disparity in earnings is too large to disregard. Two-thirds of the households earn less than 25,000 pesos a year, while seven rich families earn more than 100,000 pesos, and the total of their earnings represents more than half of the total income of the entire village. This fact suggests that the development that resulted from the Marcos land reform generated socio-economic differentiation.

The process and direction, however, is quite different from those observed in the southern Tagalog villages reported by Hayami and Kikuchi[3]. The direction of the changes in Santa Moreno has not led to polarization. The living standard of the villagers has on the whole experienced a gradual uplifting, with only a few taking advantage of the drastic changes that resulted from the mechanization and commercialization of agriculture. The structure of the village as a whole could be compared to a pot with a long, thin neck.

3 - The Personal Histories of the Most Successful Three

3-1 Diligent Rice Farmer practicing Multi-faceted Agriculture

Jose Cruz: Born April 17, 1940, the father of three sons and six daughters (one son and two daughters already married). One of the beneficiaries of the Marcos land reform, and the first president of Samahan Nayon (Farmers Cooperative).

i. The Hacienda Period

My father was a share tenant cultivating three hectare rice fields in a hacienda owned by the couple, Paquito Domingo and Ara Tino. In 1955, when I started to help my father in the fields, our average harvest was about thirty cavans per hectare, so we got about 100-120 cavans from our three hectares. Rice planting was done by *pakyaw* (contract), and the cost was thirty pesos per hectare. The price for one cavan of unhusked rice was 6-7 pesos. We did not apply any fertilizer or chemicals. We did the harvesting by ourselves, or *suyuan* (exchange labor). We took the harvested rice to the *telyadora*, owned and operated by the hacendero for threshing. The charge was five cavans per 100 cavans.

Even though we harvested 100 cavans, we had to first deduct the production costs of *pakyaw* (fifteen cavans), *telyadora* (five cavans) and seeds (three cavans), before dividing the remaining 77 cavans between the hacendero and ourselves. In the end, we were able to receive only 38.5 cavans for ourselves.

As our family with ten children was large, that amount of rice was far from sufficient. We received one cavan of unhusked rice as a ration almost every week. Since we first had to pay off our debts after the harvest, we had only a little left, and had to rely on rations again soon after the harvest. Rations were given out every Sunday at the storage area of the *hacendero*. There was a rice mill beside the storage area, and the charge for husking was paid with rice bran. There were times when we took the unhusked rice home and pounded it with a mortar and pestle.

One cavan of unhusked rice became thirty-two or thirty-three kilograms after milling, not really enough to feed a twelve member family for a week. My mother cooked rice twice a day, and mixed it with ground corn or shredded sweet potato or cassava. We had a half-hectare garden in the backyard where we planted corn once a year and sweet potatoes and cassava twice a year. The *katiwala* came to collect half of the corn harvest, and could take sweet potatoes any time.

We supplemented our diet with fish, frogs, crabs, and snails caught in rice fields and irrigation canals. We also ate beans and okra planted around the house, as well as sweet-potato tips, *kankong*, *saluyot*, and other wild vegetables. On very special occasions, we butchered a chicken for a meat dish. My father had only two shirts and two pairs of short

trousers, which he alternated wearing. He had one pair of trousers that he wore when he attended a special event or went to town, and also would wear when he died. As he had no shoes, he was always barefooted, even when going to town.

My mother kept a pig, feeding it with ground banana trunks mixed with rice bran. When piglets were born, she sold them for six or seven pesos each, and with that money, she bought household supplies such as cooking oil, salt, matches, soap, and clothing. As she could not afford to buy coffee, my parents drank *salabat* instead. When my mother got up to feed a baby in the middle of the night, my father often prepared *salabat* or hot water with roasted rice and molasses for her.

We paid for molasses by working for an Ilocano farmer who lived outside the hacienda and grew sugarcane. We helped him harvest the cane for one whole day, and then brought some cane home by *kariton* in the evening. The next day, we would squeeze the cane into juice by pressing it in a stone mill rotated by a *carabao*, and then boil the juice from that evening until the next morning. Working continuously for two days and nights, we received one *bardi* (kerosene can) of molasses.

We moved from Trialala to Santa Moreno on June 13, 1953. There were only twenty-seven houses in the village. My grandfather had first settled in Santa Moreno from Quezon in Nueva Ecija before the war, but evacuated to Trialala during the war.

In 1954, one year after we moved to Santa Moreno, my father was operated on for kidney stones. We had to sell a *carabao* and a pig to pay the hospital expenses. Borrowing a *carabao* from our relatives, we managed to cultivate our field that year. The next year, we were able to use the calf of the *carabao* we had sold. After my father became ill, my elder brother and I had to do all of the work on the farm. Even before that time, when I was in the fourth grade of elementary school, I started planting rice on weekends, earning thirty centavos a day.

Beginning in 1955, I worked for *Encargado* Pedro de Leon in his fields as a *kasugupon* (farm helper), while my elder brother cultivated our family's three-hectare rice field. Pedro rented a thirty-six hectare field (50-50 share) from the *haciendero*, which three *kasugupon* actually cultivated for him. I think Pedro received a salary of 80 pesos a month as well as one cavan of unhusked rice a week as a ration. We *kasugupons* received only fifteen cavan of unhusked rice at harvest.

We started plowing the field in June and continued working until September when the *talahib* matured. As there were *talahib* everywhere at that time, we had to cut the first growth along the ridges between the fields in May, and then clean and repair the irrigation canals in preparation for irrigating. When water was available in July, we used *suyod* (harrows)

to break up the lumps of plowed ground into finer pieces, and then the planting followed. Although the *encargado* provided our breakfast and lunch whenever we worked for him, there were no *milienda* (snacks). I would get up early in the morning before the sun came up, let the *carabao* out to graze on the grassy land, and then go to the rice field to work. During lunch, I let the *carabao* rest and graze, and again worked until late afternoon. After finishing my work in the field, I would take the *carabao* to a stream for bathing and grazing. Being completely exhausted after a hard day of work, I could not do anything after supper, and almost immediately fell asleep. This is the way I spent each day.

Working long hours in the water of the rice fields completely saturated my legs, making them bleed and fester easily when I scratched any ant or mosquito bites. Even now, I have many scars on my legs to remind me of those days. We even had to work on Saturdays and Sundays when there was work to be done. I could not take off from work even for a fever or when my legs became badly swollen.

While we plowed continuously, we had to carefully watch and adjust the water supply to the already planted fields. From early preparations to harvest, we were always busy doing many different things at the same time. Harvesting was conducted by *suyuan* (labor exchange). After the harvest, we took the rice to the *telyadora*, and then packed the threshed rice into sacks, which we transported to the storage area. Since the storage area was gigantic, it was a very difficult job to carry the sacks of rice to the top of the stack. All of my body - my neck, my back, and my joints - ached.

In addition to this work in the rice fields, we had many other miscellaneous tasks to perform at the *encargado*'s house. We were always on call to repair the house, clean the backyard, chop wood, butcher a pig, or cook for a party. We were given meals for this work, but never any money. For all of this work, we received only fifteen cavans of unhusked rice a year! Because I received one cavan of unhusked rice as a ration every month, I had to pay back this debt, and therefore had almost nothing left for myself at the end. As my father could not work, and we were a big family, I gave all of my rations to my mother. Although the term *kasugon* (helper) sounds good, the reality of my position was nothing but an *alipin* (slave).

For the seven years from 1955 to 1961, I sacrificed myself ("*nagsacrificio ako*") as a *kasugupon*. This is probably why he rented me four hectares of rice fields in 1962. The area did not belong to his thirty-six hectare fields, but to the *haciendero*'s. The previous tenant had secretly taken a portion of his harvested rice home, which greatly angered the *encargado* causing him to kick that tenant out. I replaced that unlucky tenant. As the *haciendero* employed guards for patrolling and keeping the town mayor and police under control, he

was able to do anything he liked. Even though he was powerful, however, he must have been afraid of the tenants, because he never dared to come into the village unaccompanied. He could only observe the villages through opera glasses from the third floor tower of his mansion. The *encargado* and *katiwalas* were in charge of everything pertaining to the village and the fields.

On November 23, 1963, I was married. Even after marriage, we continued to live in my mother's house and help the family. When our first baby was born in 1964, I built a small hut beside my mother's house. With what I received from the 1964 and 1965 harvests, I was able to pay back my mother's debt to the *encargado*, twenty-six and twenty-one cavans respectively. When I had completed this, I was able to become independent, but once in a while, I still helped her when she needed me. Our baby was still small, but I began to prosper a bit. For the first time in my life, I was able to eat three times a day; I borrowed 350 pesos and bought a *carabao*.

After clearing up my mother debt, I traded my four hectare field for my mother's three hectare one, because mine was larger and more fertile than hers. I was able to take home forty or fifty cavans of rice from the three hectare field at harvest time. My younger brothers and sisters continued to grow, and their appetites continued to get bigger and bigger, so I still helped my mother's family and receiving a ration of one cavan a month. The *haciendero* did not want us tenants to become independent but rather to stay dependent on rations. Whenever a tenant moved to become independent, the *haciendero*'s eyes "became red (got angry)" with him.

Even after I became a share tenant, I always bundled the harvested rice, brought them to the *telyadora* beside the mansion for threshing, and then carried the sacks of threshed rice directly to the storage area. I could not receive my own rice until all of the tenants had brought their harvested rice there. After the bookkeeping was completed, I was given a share which was different from what I had actually harvested from my field. The *encargado* sold the good quality rice and gave the bad quality grain to the tenants for their share or rations.²

Even before Martial Law, a number of tenants formed groups to petition for the decrease of the share rate to 55-45, 60-40, and even 65-35. I, myself, did not join any of these groups, because I felt *utang no loob* (debt of gratitude) to the *encargado* for renting me the rice field. This put me in even better favor with him, and he gave me another hectare near my mother's field. That land was so thickly covered with *talahib* and shrubs that it took two years for me to clear it for cultivation. It was located a bit higher than the other fields, however, which meant there wasn't an adequate water supply to grow rice, so I grew vegetables there. I

planted corn in May or June, and then in September, I planted pumpkins, tomatoes, *ampalaya*, and other vegetables. The *encargado* got half of the corn harvest, but my wife was able to sell the other vegetables at the town market, by carrying them there by *kalesa*. We saved the profit from the sale of our vegetables to use for the next year's planting, so we did not have to borrow money for that.

In 1968, the tenants who had not joined in the petition drive were called to the house of the *haciendero*. My elder brother and I were called in together and presented with an offer to buy the lands we were working at the price of 4,000 pesos per hectare to be paid in ten one-year installments. Four thousand pesos was a lot of money for us at that time, and we could not answer immediately. Thanks to the Magsaysay land reform project in the 1950s, some tenants in Guimba and Talavera were able to acquire rice fields for 2,500 pesos per hectare. I thought the offer of 4,000 pesos ten years later, was quite a reasonable price to pay for one's own rice fields.

There were many tenants in Santa Moreno and Triala, however, who struggled in the courts with the *haciendero*. Afraid of their well-organized strength and concerned about possible effects on us, my brother and I went to the chairman of the organization for consultation. He told us that 4,000 pesos was entirely too expensive, while 2,000 pesos would be acceptable. We decided not to buy the field. At that time, tenants who petitioned in each hacienda formed tight organizations with a chairman, a secretary, and a consulting lawyer. Some cases appeared where the sharing rate came to 70-30, and we expected to be able to have our own land for tilling in the near future.

As the number of petitioners increased, the *haciendero* stopped maintaining the canals. Beginning in the mid-1960s, harvests had begun to decrease due to a shortage of water. The intake point for the main canal was at the same place as the present one, near the point where the Baliwag River and the national road cross. The dam had been built with river-bed stones and pebbles using a bulldozer, and it was easily destroyed by flooding. This meant that every time it rained hard, the dam had to be repaired. Until the new concrete dam was completed in 1984, most farmers cultivated rain-fed fields, while only a few rich ones were able to pump irrigation water.

ii. Development after Martial Law

Immediately after Martial Law was declared (September 21, 1972), an armored car came into Santa Moreno. As I watched the car leave, I sensed that a power much stronger than the *haciendero* had appeared, and that times had completely changed. Until that moment, the *haciendero* had possessed the most power and strength. He lived in a three-storied mansion,

brightly lit by electricity every evening. His garden was clean, and always full of beautiful flowers that were taken care of by professional gardeners. If there were really such a place as paradise, I believed it would be just like that.

The *haciendero* lived in Manila, and came out here on weekends by Cadillac. But after martial law came into effect, he never showed up again. The *encargado* and *katiwalas* had behaved very arrogantly before, but all of a sudden, their attitudes changed, and they became very nice and congenial.

When I heard an explanation of P.D. 27 on the radio, that was issued just a month after martial law, I jumped for joy. I was certain that President Marcos would carry through on the land reform. In 1972 and 1973, I did not have to pay rent to the *haciendero*; nor did I pay installments for land to the bank. All of the harvests were mine, and I was really happy.

During the ten months between June 1973 and March 1974, seminars were held twice a week in Guimba on the laws and regulations related to the land reform, the organization and operation of *Samahan Nayon* (farmers' cooperative), and other related topics. Five representative farmers were selected from each village to attend the seminars. I was one of those chosen, and I became the first president of the *Samahan Nayon* in Santa Moreno. When officials came to the village to explain P.D. 27, and also during the seminars, I asked questions until I was able to fully understand what was going on. Only those who benefited from the reform could become members of the *Samahan*. I stayed in this position for six years.

In June 1974, I received the CLT (Certificate of Land Transfer). The rice field and upland field were appraised at a value of 8,000 pesos per hectare. This amount was to be paid in fifteen one-year installments at an annual interest of six percent, making the total amount come to 12,500 pesos per hectare. That meant that my yearly payment came to 800 pesos per hectare. I almost completed the payment with only 5,000 pesos left.

On November 25, 1972, I obtained a second hand pump for irrigation. These were a part of the war reparations given by the Japanese government, and about twenty farmers in Santa Moreno received them. The price was 5,000 pesos per pump, but after I had paid the first installment of 600 pesos, they never demanded any further payment. I collected the first 600 pesos myself from all beneficiaries and took it to the assigned office near Pan Tranco station in Quezon City.

I set up the pump beside my rice field. It did not, however, provide sufficient water in the beginning, so the next year, I extended the pipe so that it reached the main water source. Thanks to that pump, I was able to receive sufficient water, and this made it possible for me

to plant twice a year. During the rainy season, I planted rice on all three hectares, while in the dry season, I planted rice on one hectare and vegetables on two hectares. Beginning in 1989, I planted rice three times a year. On the one hectare upland field, I planted corn during the rainy season, and vegetables as second crops. During periods of insufficient rainfall, I carried the pump to the stream running beside the field in order to pump the water up with a long hose.

In March this year (1991), for the first time I planted cantaloupe as the third crop in the rice field and made great profit. My gross income was 326,000 pesos, and my net income was 300,000 pesos, which I shared equally with the twelve planters. My own profit amounted to 150,000 pesos! Buyers came to my house every day, from late May to mid-June. When the first buyer came in May, the one *Kariton* of cantaloupes (equivalent to 220 to 230 pieces) was 1,500 pesos. The price increased almost daily, arriving finally at 2,500 pesos. Several buyers came early in the morning and bid against each other, automatically driving the price up. They paid me in cash, and I had difficulty finding a place to hide the money. I put some in with my old clothes, some in the rice mill, and also 10,000 pesos in a drawer of my desk in preparation for an attack by a robber. I purchased a rice field with this money (150,000 pesos). All in all, I have bought more than ten hectares of land.

This story goes back a long ways. In 1973, I started by planting high yielding varieties of rice like IR5 and R10, and was able to harvest 80-100 cavans per hectare from the main crop and 100-120 cavans from the second crop, if I could provide adequate water using my irrigation pump. Even after my financial conditions improved greatly, I kept my life simple and modest as before. I invested the money I made from vegetable farming and pig raising, as well as the increase in rice yield, to buy more land and machines.

I bought a thresher in October 1979 for 34,000 pesos, with money I borrowed from the land bank. I had to pay that amount back in three years with six harvests. Fortunately, I was able to make almost enough the first season to pay back the loan, but because the land bank officer said that paying back the loan too soon did not seem wise, I paid it in two years using the proceeds from four harvests. To transport my thresher around, I bought a second-hand jeep (P.10,000) and a trailer (P.3,000) with my own money.

In 1979, my machine threshed more than 7,000 cavans. The rental charge was six cavans per 100 cavans. I employed three operators and paid them one cavan per 100 cavans plus meals and snacks. The cost of gasoline was equivalent to 0.5 cavans per 100 cavans. Subtracting these expenses, my net profit was at least four cavans for threshing 100 cavans, a net income of 300 cavans per season. One cavan of unhusked rice cost 3.5 pesos.

My thresher was the first one in Santa Moreno. Triala had one machine, but it could not

handle more than the harvesting within that village. After the land reform, the *haciendero* went back to the *telyadora*, and Santa Moreno villagers had to thresh their rice by hand. A laborer could only thresh ten cavans a day, receiving one cavan for it. Before threshing, he had to harvest the rice, bundle it, and then carry it to the house. This took two or three days. The threshing machine could finish 300 cavan a day when fully operational.

The second harvest in Santa Moreno was not as large as the first because of lack of water, so I threshed only 2,000 cavans in Santa Moreno. Because of this, I took the machine to the neighboring villages of Kumitan and Santo Domingo where thanks to the Pantabangan dam, irrigation was available during the dry season. In both villages, I was able to thresh some 5,000 cavans. This meant that for the second harvest, I threshed about 7,000 cavans in all. Three years after I got my machine, another Santo Moreno villager purchased a threshing machine, so my share of the threshing work decreased, to 3,000 cavans for the first harvest and 2,000 cavans for the second harvest. The harvest from my own rice fields reached almost 1,000 cavans for the first crop, so it was easy to secure 3,000 cavans by including that from my brothers, sisters, and other relatives.

My son was slightly injured one day as he was driving home in our jeep when the transmission broke in front of our house causing it to crash into the wall. I exchanged that jeep for an old pickup jeep, which I later sold to a Chinese merchant for 13,000 pesos.

Using the profits from my threshing machine business, I bought a hand tractor and an engine with cash, at 6,500 pesos and 13,500 pesos each. I used the tractor only in my own rice fields. In June 1990, I sold the tractor (body and transmission) for 6,000 pesos, and bought a new one for 8,500 pesos. I had the engine overhauled for 3,000 pesos.

As the profits from the threshing machine decreased, I bought the Kono-type rice mill in December 1984, at 48,000 pesos, with money I borrowed from the Land Bank for nine-percent annual interest. Although the payments were set up for four years, I paid them back in two. Since I had benefited greatly from the land reform, always paying back my loans and thus becoming an affluent farmer, the bank provided me with a support program, as a show case of success. The bank always referred to me in seminars as a good example of a hard working and responsible farmer that the bank was always ready to support.

Until I began operating my rice mill, almost all of the villagers in Santa Moreno took their unhusked rice to Triala by three-wheeler. That took money and time. I was certain my business would be successful, because very few people still pounded rice in a mortar after the land reform. The charge for milling was 0.5 pesos per kilogram. I also bought the rice bran after milling for 1-1.5 pesos per kilogram. October to December (after the first harvest) and April to May (after the second harvest) were the busiest seasons for the mill. The peak

time was before Christmas, and I worked from four or five o'clock in the morning until nine or ten o'clock at night, finishing more than 100 cavans per day. The average for the lean months was about thirty cavans per day.

At that time, the charge was 0.6 pesos per kilogram. Roughly speaking, it takes twenty liters of diesel oil (160 pesos) to thresh 100 cavans, although there is some difference between the rainy and the dry season. I paid thirty percent (twenty-five percent earlier) of the net profit to the operator. My share of the net profit was between 20,000 and 30,000 pesos during the busy season, and 10,000 to 20,000 pesos during the lean months.

In November 1989, I bought another rice of the *kiskisan* type for 114,000 pesos, with money I had saved from rice harvests and the contractual growing of cucumbers. I have not yet started using it, as I have yet to purchase an engine for it. Compared with the *kono* type, the *kiskisan* type produces much more rice bran, something which is now preferred by farmers who raise pigs. It is my hope that those who go to the rice mill in Guimba to get more rice bran will come back to me when I get this machine going.

iii. Obtaining land

After the Marcos' P.D. 27, my net income began to increase, and I did my best not to waste money, but rather to save as much as possible in order to buy land. As my life conditions had improved when I acquired my own land, I knew that land was all important. I am still grateful to *Encargado Pedro*. He chose to rent his field to only me from among the four *kasugupons*. It was probably because I worked the hardest, but still the other three could not get any land, and I was really the lucky one.

Of course, I am grateful to President Marcos. Everybody around here must have strong feelings of "*utang na loob*" for him. Someone said that he stole the wealth of the nation. If this is true, I would say that he only confiscated the private holdings of rich families and distributed them among us poor people. Marcos protected farmers, making the price of rice higher and the price of fertilizer and chemicals lower. During the time of Marcos, the living standard of farmers improved greatly, making it possible for us to live as humans for the first time.

For farmers, there is nothing more important than land. Even if our children study hard and graduate from a university, they cannot find good jobs unless we have a connection with somebody. The price of land continues to go up every year. You can invest in jeepneys and three-wheelers, but these machines will get old and fall apart someday. Land never gets old nor is it destroyed. The population may increase rapidly, but nobody can produce land. This is why land becomes more and more valuable. Selling land is a farmer's last resort when he

badly needs money. When buying land from a farmer, you must pay in cash. This is why I always try to save my money, so that I can take advantage of a rare chance to buy land.

<Details of his history of land purchases follows>

1) June, 1975: one hectare, in Santa Moreno, P.25,000 + P.800 / year payment, from Maximilo Castro.

His house was destroyed by a typhoon on May 28. In order to rebuild the house and prepare for his son's marriage ceremony, he sold one hectare of his three hectare fields. He still cultivates the remaining two hectares. I gave this one hectare to my daughter Rodes Abobo when she married. Whenever I recall my hard life as an *alipin (kasugpon)*, I always promise never to allow my children to taste that kind of suffering. This is one reason why I buy land. Her husband was landless before their marriage, and appreciates my consideration. He is always willing to help me in my fields, whenever I need help. He makes the payments on the field and receives all of the harvest. Because I set up a pipe for pumping water beside that field, he is able to plant rice even during the dry season.

2) June, 1976: 0.5 hectare, in Santa Moreno, P.15,000 + P.400 / year payment from Forcapio Domalanta.

When his son got sick and was hospitalized in Cabanatuan City, he sold land to pay the hospital charges. This field is located beside the Castro field and can share the pump. I gave this to Rodes, too.

3) June, 1997: 0.5 hectare, in Santa Moreno, P.15,000 + P.400 / year payment, again from Forcapio Domalanta.

His debts built up after his son was hospitalized, and in order to pay them off and prepare for planting rice, he had no choice but to sell his land. He was a CLT farmer. After selling one hectare to me, he divided his remaining two hectares among his children. I cultivate this 0.5 hectare myself using the pump located beside the Castro field. Most farmers decide to sell their land in June at the last minute, when they have to prepare for planting but cannot find the money to cover expenses.

4) June 1978: 1.5 hectares in Santa Moreno, P.45,000 + P.1,200 / year payment, from Dominador de Leon of Triala.

He sold the land in order to build a new house, but the amount he received was not enough to complete the building, so his windows are still temporary. He was a CLT farmer of a 1.5 hectare field located in the center of the village near the basketball court. For a long time, I had been watching his field, noticing that he had little interest in farming and spent very little

time in his fields. He enjoyed drinking much more than working, and now his children are taking care of him. I manage this field myself. It is located beside the Imperio field which I bought the following year, and I can get water from the pump set for that land.

5) June, 1979: 0.5 hectare in Santa Moreno, P.20,000 + P.400 / year payment, from Pedro Imperio of Triala.

He was a CLT farmer with three hectares of rice land, but due to advancing age, he was not able to do hard work. He sold a part of his fields to pay medical expenses. He has one married daughter, but her husband is a drunkard and does not work.

6) June, 1980: 0.5 hectare in Santa Moreno, P.20,000 + P.400 / year payment also from Pedro Imperio.

His granddaughter planned to go abroad to work, so he sold another piece of land to pay her placement fee. Unfortunately for her, however, the agent cheated her and she did not get a passport or a job. He spent a large amount of money for nothing.

Even after I had accumulated this land, I used my two *carabaos* to cultivate the fields myself with the help of my eldest son until I bought a hand tractor in June, 1980. I worked very hard in the fields from early morning until late afternoon, and rarely rented a hand tractor.

7) June, 1981: one hectare in Santa Moreno, P.50,000 + P.800 / year payment also from Pedro Imperio.

He suffered a relapse and had to sell his last piece of land to pay the medical bills. Before I bought the first 0.5 hectare of his land in 1979, he had already sold one hectare to a *balik bayan* who lived in Cuyapo and let his relative in Triala cultivate it.

The main reason he had to dispose of all of his fields was that his only son-in-law was a drunkard and very lazy. When Pedro got too old to work, his son-in-law should have worked in his place, but he never showed any intention of doing this. If I put myself in his place, I think I can understand his attitude, however. Without a *carabao* or a pump, it would be very difficult to get excited about working in the field.

Pedro was largely responsible for the situation, I think. He had had a good relationship with the *Encargado* and was given the most fertile land with good irrigation available. When his net income increased after the land reform, he spent his money on drinking, cock fights, and other gambling. He had many friends and companions, and he often drank with them. He did not save any money for the future.

After he had sold all of his fields, his wife earned a small amount of money by working in a laundry, while his daughter and son-in-law worked as laborers planting and harvesting

rice. Once in a while, Pedro's wife is forced to go around visiting relatives and friends to beg for money or rice. When I saw Pedro the other day, he told me that he would be dying soon because of his illness, and asked me to purchase a coffin for him. Of course, I agreed to do this.

8) June 1982: 1.5 hectare in Santa Moreno, P.75,000 + P.1,200 / year payment, from his own brother Ramon Cruz.

My younger brother, Ramon, inherited one hectare of land from our mother, and was able to make a good profit by growing vegetables there. He bought this 1.5 hectares piece of land in 1980 with his own money. Then he moved to Bogabong, his wife's hometown, where he bought one hectare and got two hectares of land by *sanla* (mortgage). He built a house intending to settle there. He sold the 1.5 hectare piece to me, using the money to start his new life. The one hectare field he inherited was rented to his sister as a *kasama* (share tenant). He planted onions in Bogabong, a specialty in the area, but was not able to make good money on them, because the Chinese merchants control the price. Not only that, but the NPA also came to him and demanded a revolutionary tax. For these reasons, he gave up living in Bogabong and moved back to Santa Moreno this April.

I bought his old house, located next door to mine, at 80,000 pesos. With that money plus what he made by selling his house and land in Bogabong, he bought two hectares of land in this village from Dominador Layos and built a house there. Dominador was originally from Talabera and had always been an outsider here, so he returned to his old home.

Although I registered all of my purchases of land under the names of my children, I did not change the name on the title of this land, because it is my brother's, and I intend to sell it back to him if he ever wants it. I will sell it to him for the same price I paid, because I have already made a profit.

9) June 1991: two hectares, in Santa Moreno, P.150,000 + P.1,600 / year payment, from Dominador Layos.

After Dominador Layos sold the 1.5 hectares of land to my brother and moved back to Talabera, his son's family stayed behind and cultivated two hectare fields which Dominador had bought in 1976 at 9,000 pesos. It was located in a slightly higher part of the village and was covered by *talahib* at the time, hence the cheap price. Dominador made good money from growing vegetables there, and bought the 1.5 hectares which my brother later bought for 30,000 pesos. When Dominador's son returned to Talabera ten years later, I bought that land. Irrigation pipes were already set up in the field, and I brought an engine in there for pumping water. Whenever I bought fields, the first thing I did was to set up pipes for pumping water. I have three engines for pumping.

I did not buy any land during the 1980s because very few farmers sold land during that period, and when they did, someone else got ahead of me. Instead of buying land, I tried lending the money I had saved instead. Since I was lending at thirty percent interest (maximum of six months), it should have yielded a good profit, but it was actually very hard and painful to collect debts from people I knew personally, and there were many cases where borrowers evaded payment. I stopped money lending after three or four years because of the stress and non-profitability.

One case I remember was where my wife's brother borrowed 20,000 pesos for the placement fee for his son to work abroad. He got married immediately after returning home, and did not pay back his debts to me. I could understand that once you have your own family and relatives, your priorities go to them, and it becomes difficult to pay back debts your parents incurred for you. There were other cases like this. If my relatives borrowed money and could not pay it back, they would naturally avoid seeing me because of shame. As I could not distinguish between the relatives I never loaned money to and the non-relatives to whom I lent money, I quit this business.

It was also very difficult to ask friends and co-villagers to pay their debts with interest. You have to be firm and never take pity on them. Because I had once been a poor laborer, I understood where they were coming from, and why they could not pay.

Besides, compared with the money lending business, land yields good harvests if you work hard. As long as you are diligent, you will never lose. The price of land, also, continues to go up every year. I bought a total of nine hectares of land in addition to my original four hectares. This four hectares was actually five hectares in size, because the three hectare section was actually 3.5 hectares and the one hectare upland field was actually 1.5 hectares. I gave 1.5 hectares each to my daughter Rodes and my son Dante, leaving me now with eleven hectares for myself. These are scattered in five different places. I cultivate these fields myself with the help of four *porcienthans*.³ The harvests of 1990-1991 are shown in Table 2.

Table 11 Agricultural Income of Jose Cruz 1990-1991

(1) From 1984 until 1991, I employed Mario Santiago as a helper. He was a *kasugupon* through 1987, and I gave him twenty-five cavans of unhusked rice per harvest, thus fifty cavans a year. Compared to what I had received as a *kasugupon* (only fifteen cavans a year), this was good money. After that, he became a *porcienthan*, with a ten percent share for the first two years, and then a twelve percent share from the third year (1990). Since my sons and I helped him when he was extremely busy, the burden was not too heavy. He was able to build a house and buy a stereo while he worked for me. In spite of this good treatment the

fact that he had a wife and four children, he raped my brother's daughter and ran away. What a shameless and ungrateful fellow!

(2) I rented this land for my youngest brother to plant cucumbers on. He gave me 3,500 pesos for 3.5 hectares.

(3) Raddin and Jerry Brandy planted tomatoes as share tenants, with a gross income of P.60,000 and a net income of P.30,000. I received P.15,000, half of the net.

(4) Four share tenants planted hot chilies. During the dry season, they harvested many crops. They employed laborers to pick the chilies and paid two pesos per kilogram. They sold the chilies for 20-30 pesos per kilogram. They cleared P.100,000 in gross income, and P.80,000 net income. I received P.40,000.

(5) For the first time, I planted cantaloupe using twelve planters. I was fortunate to harvest them while the price was very high, and made a big profit. The gross income was P.326,000 and net income was P.300,000, of which I received half.

(6) My youngest brother Ben has used this land since 1990 as a *sanla* (mortgage).

iv. Growing Vegetables and Raising Pigs as Side Businesses

During the dry season of 1967-8, I planted cucumbers as the contract planter of a Purchase Order holder (P.O. - contract supplier) of the California Marketing Company (CMC). I only did this once, because I had a very poor harvest for lack of an irrigation pump. In November 1972, I obtained an old Japanese pump and once again began growing cucumbers the following January. I became a soft agent for a P.O. holder in Bulacan. While the P.O. holder provided me with seed, fertilizer, and chemicals, I secured a contract planter and managed the production. After harvesting and selling the cucumbers to CMC, we subtracted expenses and the planters' purchase price, and then divided the net profit between us.

For the first two or three years, I had a quota of fifty tons. The CMC selling price depended on size, i.e. 6.5 pesos per kilogram for small ones, 4.2 pesos per kilogram for four-inch ones, and 3.5 pesos per kilogram for five-inch ones. Roughly speaking, our average profit was about one peso per kilogram, which meant we made 40,000-50,000 pesos on fifty tons, and this we divided between us. My quota increased to 100 tons, because my supply was stable and the quality good. I could not grow that much on my fields, however, so I borrowed land from other farmers to meet my quota.

Because other farmers were not interested in growing vegetables in the 1970s, it was easy to rent their land at a very low price during the dry season, if they were not planting anything else. I took my pump to these fields to irrigate them. By the 1980s, they became aware that growing cucumbers made money, and began to demand more rent for their land. Whereas I

first rented land for 2,000 pesos per hectare, the price increased to 5,000 pesos per hectare. I stopped being a soft agent in 1985, as the P.O. holder raised the prices on fertilizer and chemicals much higher than ordinary prices. In 1986, I planted onions in my 2.5 hectare field, and lost 60,000 pesos because of a very low market price that year. The following year I began to plant tomatoes and pumpkins.

In 1989, I became a P.O. holder for Del Monte and received a seventy-ton quota. That year, I cleared about P.100,000 in net income and P.110,000 in 1990 from a ninety-ton quota. After deducting payments to the planters (purchasing prices) and expenses such for seed, fertilizer, chemicals, and gasoline for the irrigation pump, my gross income was 160,000 pesos. In addition, I had to pay transportation expenses. From March 28 to April 26, I chartered a truck to carry the produce to Manila almost every day, making exactly twenty-five trips in all. This cost me 1,700 pesos per trip including gasoline, and the wages for the three laborers for loading and unloading was fifty pesos each.

—Pig Raising— (The following was narrated by Mrs. Cruz, who was in charge of this)

I started raising pigs in 1971 with twenty-two piglets. I bought ten myself and got twelve from the Triala village captain on the condition that I share profits equally. I raised pigs to utilize the corn we harvested from our one hectare upland field. I thought it would be more profitable to use the corn for pigs than to sell corn at the market. They grew to 80-100 kilograms in eight months. I sold all but four female pigs that I kept for breeding at 150-160 pesos. I quit this business after raising two litters of piglets, because the work was too hard for the amount of profit I received.

When my husband bought a rice mill in 1984, I started raising pigs again in September, because I could get the rice bran to feed them easily and cheaply. I bought three mother pigs (P.10,000) and two other female pigs (P.3,000). The three mother pigs gave birth to thirty-five piglets five months later, and then in six months, they had another thirty-three piglets. The other two pigs had fourteen piglets. In 1986, I sold sixty-eight little pigs at 70,000 pesos. Expenses for mixed feed and medicine totalled about 20,000 pesos, giving me a net profit of 50,000 pesos. In 1987, I had gross profits of P.25,000 in addition to thirty cavans of unhusked rice, which was obtained through *palayan* (pork and rice exchange). I butchered three pigs for other farmers and was paid thirty cavans after the harvest. In 1988, I sold three mother pigs at 15,000 pesos, piglets at 40,000 pesos, and received twenty cavans of unhusked rice from *palayan*. I kept female pigs for breeding, and had a gross profit of P.30,000 in 1989 from selling the piglets.

Last year, I received 30,000 pesos for selling seventeen head plus ten cavans of unhusked

rice from *palayan*. I sold twelve head for cash and butchered five head selling the meat to cucumber planters at sixty pesos per kilogram, receiving the payment after harvest. Because I use rice bran produced at the rice mill, I do not know the exact cost for feed, except for the medicine and commercial food that I use when the piglets are little. So far this year, I have sold two mother pigs at P.14,500 and four pigs at P.7,500.

I bought a television set in 1979, but it broke down three years ago, and I have not replaced it. I do not have a refrigerator, either. Even if I had one, I would not be able to find anything to put in it. My husband, Jose, had a heart attack in March 1983, and stopped drinking on his doctor's advice. He went cock-fighting when he was young, but soon stopped. He does not like to gamble; his only pleasure is drinking coffee and smoking. For many years, we have worked very hard from morning to night, and have stayed away from any form of luxury.

Since we bought the rice mill, we have a constant cash income, which covers our daily expenses and our children's school tuition. I save the income we receive from the land, and use it to buy more land and machines. Only last month, I bought some new furniture, because our children are now grown, and we are old enough to enjoy ourselves. (A dining table with eight chairs for P.16,000, a cupboard for P.20,600, sofas and side table for P.14,500, and a desk with a chair for P.4,500)

3-2 Successful Vegetable Growing Farmer

Ben Cruz: Born November 9, 1957. The youngest brother of Jose Cruz. Has two sons and a daughter. The village captain of Santa Moreno, and P.O. holder of cucumbers. Owns a passenger jeep.

i. Memories of a Difficult Time

I started to cultivate a one hectare rice field in 1977 that my mother gave me. At that time, I was only able to harvest one time per year, and that first year, I received eighty-two cavans, which I sold to raise enough money to pay the charges for my mother's operation. I had harvested only three cavans in 1976 because of damage caused by *tungro* disease, which had spread in Santa Moreno and neighboring communities causing a crop failure, with the harvest falling to less than half of the average.

When I was married on January 2, 1977, I was so poor we had a hard time finding rice to cook each day. I was nineteen years old, and my wife was sixteen. Sometimes I received rice from my older brothers, but basically I took care of us by myself. As I was the youngest, we stayed with my mother for the first three years of our marriage. When we had our second child, my brother Jose and I exchanged houses, and we moved into his house. A big typhoon

had damaged the roof of our mother's house, so we moved into Jose's house. After repairing the roof, Jose moved into our mother's house. It was actually bigger than Jose's house.

In 1977, some farmers planted rice during the dry season, and many frogs appeared in the scattered rice fields. Every night at eight or nine o'clock, after supper, my brother-in-law and I went out to catch frogs. In the evening, the frogs slept on a foot path between the rice fields. Walking along the path carrying carbide lights, we could catch them by hand. In the three or four hours until one or two o'clock in the morning, we were able to get three or four kilograms of frogs, which my wife took to the town market to sell. She would then buy rice, dried fish, carbide, and other necessities. The number of farmers who grew second crops was limited, so I was only able to get about two or three cavans for work at that time.

In my first crop in 1977, I harvested ninety cavans. My wife gave birth to our first child Liwayway prematurely in August that year, and I had to borrow money to pay for taking her to the town hospital every other day. Thus, my income from that harvest disappeared almost immediately after paying back my debt. My mother owned a pump engine, so I installed pipes beside my rice field, making it possible to plant a second harvest and get 105 cavans which also helped to pay our remaining hospital bills.

In 1978, although I harvested eighty-nine cavans in the first (main) crop and 117 cavans in the second crop, our life was still hard because our second child, Mario, was born in November and was also sickly like Liwayway. I worked for two months after the second harvest (April and May, 1979) at a rice mill in Santa Rosa as a *pahinante*. I would carry sacks of unhusked rice to the mouth of the mill and load them in it, and then put finished rice and bran into separate sacks which I carried to a storage area and piled there. It was the peak of the summer, and everything was terribly hot and dusty inside the mill. I perspired heavily and my body itched all over. It was really heavy and painful work. One group of eight laborers would work for twenty-four hours straight and then have a whole day off, while the other group worked the following day. We were paid one peso per cavan, so that by finishing an average of 600 cavans in a twenty-four hour period, we earned 600 pesos in a day, which was divided among the eight of us. Rice was free, but we had to buy and cook our own side dishes. I used all the money obtained through this heavy labor to pay the hospital expenses and medicines for our two children. As I did not have my own *carabao* or hand-tractor, I borrowed a *carabao* from my father-in-law and helped him in his field whenever he had work.

In 1979, I harvested ninety cavans in the first crop, and 120 cavans in the second crop, but debts continued to make my life hard.

In 1980, for the first time, I planted tomatoes in my 1/4 hectare backyard garden after

completing rice planting. The entire garden was covered with water when a big typhoon hit before the November-December harvest. Many tomatoes were destroyed, but because of the serious damage to produce in the whole area, the price jumped. Fortunately a portion of my garden had been saved, and it produced a good harvest, reaping me 12,000 in net profit. Thanks to my tomato fortune, our life became a bit more comfortable. I had planted these tomatoes in August at the same time our third child, Roy, was born. He was a very healthy baby, and with his birth, both Liwayway and Mario became healthy, too, so things began to look up.

Thanks to the money from our tomato harvest, I did not have to borrow to prepare for the next rice planting. Until that time, I had borrowed money from Elena (See section 3) for every crop, to buy seed, fertilizer, and chemicals, and to pay for laborers at planting time. When she did not have any money in her house, she would write a short letter that I took to a shop in town to get the necessities. I had to pay that debt with thirty-percent interest as soon as the harvest was over, regardless of its actual length. If you borrowed money just before the harvest, you were charged only ten percent monthly. If you were not able to pay your debt after the harvest, you had to pay it after the next harvest with an additional thirty-percent compounded interest being added to the total. If you got caught in this borrowing system, your debts became larger and larger.

My brother, Jose, would not lend me money even when he had it. As he had many children, he made every effort to buy land with the money he saved. If he did not have quite enough money to pay cash for the land, he would borrow it from a lender. This is why I never borrowed from him. After I married, I did everything by myself. I borrowed money from Elena to pay for medical treatments for my children. Instead of paying back this debt with cash, I paid it back with unhusked rice after the harvest. Elena calculated it at the market price, which was rather low after the harvest.

My second harvest in 1980 garnered me 135 cavans. Thanks to the money I earned on the tomato harvest, I was able to buy and use chemicals and fertilizer whenever I needed them. While I had managed to grow rice on borrowed money before, I often missed the chance to use things I needed, because I hated to borrow additional funds. Elena was a good person, but I was ashamed to ask her for more money. I was able to buy enough oil to operate my irrigation pump. As the water pressure was rather weak during the day because many farmers used pumps, I operated it even during the night to get adequate water. I worked very hard night and day.

ii. Improvement of Living Standard and Development

In 1981, I harvested 118 cavans from the first crop and 128 cavans from the second crop. In August, I planted tomatoes in half of a one hectare upland field belonging to my mother (which was inherited by my elder brother when she died in 1985) instead of my own backyard garden which my brother was using, and made P.15,000 in net profit. I bought a *carabao* for 7,000 pesos. Until that time, I had borrowed a *carabao* from either my father-in-law or one of my brothers.

In 1982, our first harvest amounted to 105 cavans while the second was 110 cavans. After planting rice in August, I planted one hectare in pumpkins and 0.3 hectare in eggplant, netting P.25,000 profit from the pumpkin harvest and P.15,000 profit from the eggplant. The one hectare piece of land was Dominador de Leon's, and I obtained the right to use it in exchange for lending him 5,000 pesos. I cultivated it for three years until he returned the debt. The 0.3 hectare piece was Bonifacio Montanes', and I had rented it at 500 pesos to grow only one crop. Although I had a hard time clearing and cultivating land that had never been cultivated before, I was able to make a good profit, considering the labor input and other expenses. As my work increased in both my rice field and my upland field, I hired a nephew as a farm helper, providing him with free meals and lodging in my house. Though I did not provide him with a fixed wage or commission, I gave him allowances and occasionally bought him clothes, while also giving rice and side dishes to his parents who lived near my house.

In June 1983, I bought a thresher (P.35,000), an engine for it (P.7,500) and a jeep to transport them (P.5000) with the money I had saved. The machine threshed 3-4,000 cavans at the first harvest. Charging six-percent, I made about 200 cavans in gross income. After subtracting the expenses for gasoline and operators' wages and meals, I netted about 60-80 cavans profit. The areas where I planted my second crop were rather small, the yield per hectare was much higher, and the amount of gasoline used in operation was lower during the dry season. This meant that my net profit was almost the same as that for the first crop. While the threshing machine always made a profit, I decided to sell it with the engine and jeep at P.35,000 to pay my debt. In the 1985-86 dry season, I planted onions together with my two other brothers, and lost more than 100,000 pesos in all.

In 1983, I harvested 120 cavans in the first crop and 164 cavans in the second crop. As my second crop was much better than I had expected, I gave my nephew-helper ten cavans. I planted tomatoes on Dominador's hectare of upland. Although I had a good harvest with good big tomatoes, I only made P.25,000 gross and P.15,000 net profit because of a low market price. The cost of fertilizer, chemicals, picking wages, and transportation added up to P.10,000.

In 1984, my first crop amounted to 116 cavans and the second crop was 154 cavans. I planted rice on Dominador's land instead of vegetables, and harvested 98 cavans before I returned it to him. Then I rented 3/4 hectare of Florentino Romualdo's land at 600 pesos. As he did not have pipes installed in that field, he could not cultivate during the dry season, but it was located near my own field, so I built a water canal from the irrigation pump to his field, to obtain water. The construction work was very hard, but I was well rewarded. I planted pumpkins between February 16 and 23, and harvested them from April 28 until the end of May, making P.42,000 in gross and P.35,000 in net profits.

I remembered every detail of the vegetable production (what and when I planted, what kind of insects and diseases appeared and when, when I harvested and what the market price was), to assist me when I planted the next time. If I sent my produce to market at the same time as the other farmers, the buyers would surely beat down the price. It seemed important to avoid the peak season when the price hit bottom, in order to make a profit. Even though your plants are seriously damaged by wind or floods caused by a typhoon, you should never give up. If you do not become desperate and continue to take care of your plants, you will usually have some harvest, which will make a good profit, because of a high market price due to the shortage of supply. People give up easily, but what is crucial in vegetable production is perseverance. My tomato harvest in 1980 was a good example. Although it takes much more time and effort to grow vegetables than rice, because you have to control weeds, insects, disease, and water supply, you make much better profits if you succeed.

In June 1985, I obtained two hectares of rice fields in Trialala as a mortgage for lending 24,000 pesos to Romio Salvador, but returned it to him after one season. My wife suggested I do this because it was rather difficult to commute to the fields. In September of that year, I bought a three-wheeler at 25,000 pesos for the family to use. My wife was managing a *sarisari* store at that time, and she had to go to the town market to buy needed commodities and transport them back by three-wheeler.

She had started the store in 1983 and kept it until 1988 when her sister, who helped in the store, got married, and my wife became busy helping me with my work. We had a good business then. Almost everyday, my wife went to the town market to buy goods, and made more than 100 pesos profit from the sale of 1,000-1,500 pesos' worth that day. When she stopped operating the store, I sold the three-wheeler to my wife's brother for 19,000 pesos in February 1988. I needed money for the house I had begun to build in 1987, but which didn't yet have a floor, windows or doors finished. It cost 130,000 pesos in all, and another 50,000 to complete the shower room and kitchen we added in May 1990.

In spite of previous expectations, the first rice crop in 1985 turned out to be only 182

cavans from the three hectares (my one hectare and Salvador's two hectares), because a typhoon hit just before harvest time. During the next dry season, I planted onions between January 27 and February 8, for the first time. We planted them too late, however, and they were destroyed by rain in May before they were ready to be harvested. In addition to this, Chinese merchants in Bogabong control onion prices, and they pushed the purchase price extremely low. In the end, I lost more than 350,000 pesos, because I had to pay for forty sacks of fertilizer, chemicals, and wages for labors who worked in planting and harvesting. As I mentioned earlier, I sold my threshing machine (P.25,000) and the jeep (P.10,000) to pay back that debt.

In 1986, I again planted one hectare in rice for the first crop and harvested 138 cavans, which was a record. For the second crop, I planted two hectares of pumpkins (one hectare was mine and the other belonged to my brother Raymond). He let me use his land for nothing because he had another field for himself. The harvest netted P.115,000 profit. I paid an allowance of P.3,000 to my farm helper. This big profit made it possible for me to begin building a new house.

In 1987, I harvested 106 cavans from my one hectare field in my first crop, a lower than average crop because of rain during the flowering period. I became a soft agent for Victor Reyes, who was a P.O. holder for Del Monte, and planted cucumbers between February 8 and 13. In addition to my own one hectare of land, I rented 2.5 hectares of land from other farmers for a fee of 3,000 pesos per hectare. I hired eight planters for each hectare, so I had twenty-eight planters in all. I had to cultivate the land and provide seed, fertilizer, chemicals, and irrigation for the planters, but I collected for these costs after the harvest. Other expenses included the grading and selecting of produce, boxing it, and transporting it to the Del Monte factory.

Del Monte predetermined the purchase prices by size of cucumber. The difference between Del Monte's purchase price and mine from the planters became my gross profit. It was risky for me to buy the cucumbers from the planters at a high grade price, when Del Monte might rank them at a lower grade. My profit amounted to whatever was left after subtracting the actual cost of production and 0.5 pesos per kilogram that had to be paid as commission to the P.O. holder. I ended up making P.48,000 net profit from a forty-five ton harvest. I used that money to buy new furniture when I built my new house.

In 1988, my first crop amounted to 128 cavans from my one hectare rice field. A friend of mine was a P.O. holder for CMC, and he strongly recommended me to CMC. I became a P.O. holder for CMC, too. I had met this man at a bar in Bulacan, and we became good friends. I was given an eighty ton Purchase Order, and I planted cucumbers on a total of

eight hectares, renting seven hectares at P.3,000 per hectare. Pipes were already installed in each field, so there was no problem with water supply. I used four machines to pump the water, two of which were already installed at the rented fields. I already had one, and bought a second-hand one for P.10,000. I planted cucumbers between November 24 and 30, and harvested them after 35-40 days, making a profit of P.100,000.

The first crop in 1989 produced only 89 cavans, because my farm helper had used too much fertilizer while I was sick in bed. He should have used six sacks per hectare, but he used that much on less than a half hectare. This over usage of chemicals produced a reverse effect on the rice plants.

I planted cucumbers twice during the dry season of 1989-90. The first contract with CMC was for eighty tons, and I planted cucumbers on eight hectares (seven hectares were rented at P.3,000 per hectare) between November 2 and 10, and harvested them in December and January. I made a net profit of P.112,000. For the second contract I had a thirty ton contract with CMC and a sixty ton contract with Del Monte. Using 6.5 hectares (5.5 hectares were rented at P.3,000 per hectare), I planted between February 18 and 21, and harvested them in April. I cleared P.180,000 in all. Because the purchase price of size no.3 was higher at Del Monte than at CMC, I supplied most of my size no. 3 to Del Monte. There was no quota on that size for Del Monte.

With the money I made from my cucumber crop, I bought a passenger jeep. It was almost new, and cost 184,000 pesos. I paid P.34,000 in cash, and P.150,000 with a check from CMC on May 11. I operate this jeep back and forth to Guimba. The net income is 300 pesos per day during the present rainy season, and I receive seventy percent of this, while paying the driver twenty percent, and the conductor ten percent. During the dry season from harvest time in October to May, many people and goods are on the move, and our net income reaches 800-1,000 pesos per day. Because the vehicle is almost new, it rarely breaks down and costs very little to maintain.

In 1990, I harvested 345 cavans on the first crop, and 470 cavans on the second, each from 3.5 hectares. My wife's father asked me to manage his two hectare rice fields, and I got 0.5 hectare from my brother as a mortgage for lending him 15,000 pesos. He needed that amount in cash to supplement his own money when he bought a house in 1989. I hired another young relative as a *kasugupon* (farm helper) to help cultivate my many fields.

I borrowed more land to grow vegetables during the dry season. I received a contract for sixty tons of cucumbers for CMC, and rented 6.5 hectares (P.4,500 per hectare for three hectares, and P.3,000 per hectare for 3.5 hectares). The planting was done by forty-nine planters between December 5 and 12, and they were harvested beginning January 25. My

net income was 75,000 pesos. For the second crop, I planted pumpkin in 2.5 hectares, which I had rented at P.3,000 per hectare. I hired a father and son to plant the one hectare field, and shared the net profit equally with them, while I managed the other 1.5 hectare myself with the assistance of my two helpers. I earned about 50,000 pesos from the two fields.

When I plant cucumbers, my role is to supervise the production, that is to go around each day checking each field for disease, insects, and water supply, while the planters do the actual farm work. If I discover disease or insects, I provide the planters with chemicals and tell them to apply them immediately. For vegetables other than cucumbers, I do the work myself. In either case, I rent a tractor to cultivate the land and then use a *carabao* to make furrows. After using a *carabao* for the preparation of the fields of vegetables, I sell it, because it is difficult to find enough grass land for the *carabao* to graze during the rainy season when the area is covered with wet rice fields. Besides, it costs a lot to employ someone to do nothing but take care of a *carabao*. This is why I sell it after planting vegetables, and then buy one again before planting.

Cucumber production is extremely profitable for both the planters and me. It is much better than rice, though it takes a great deal of time and attention. I become so busy during the harvest season that I get almost no sleep. I have to take the produce to a factory in Manila every other day. I rent a truck when there are more boxes than my own passenger jeep can handle.

This is what the procedure involves. The planters harvest the cucumbers, divide them according to size, and bring them to my house. I check each box to see that their selection is proper before I write it down on the record. My wife manages the records early in the evening, but I work later at night, usually until midnight. I leave for Manila in the early morning hours. I am able to sleep for a while on the way to Manila and back. I return home from Manila late in the afternoon or evening of the same day, and rest at home that night. During the busiest part of the season, I am not able to sleep every other night, however.

The purchasing price for cucumbers is decided through negotiations between CMC and the P.O. holders when their contracts are drawn up. There is little chance for a P.O. holder to lose money, but if he is lazy and does not check on the condition of his vegetables daily, he could discover insects or disease too late to prevent serious problems and might lose much of his harvest.

I started raising pigs in 1985. I keep one or two mother pigs and sell the piglets before fattening them. A mother will bear two litters a year, and produces about 20,000 in net profit. The income from raising pigs is not as large as that for growing vegetables, but it is better than doing nothing. And I like to care for animals.

I did not become a captain because I wanted to. I do not like politics, because it takes money and time to be involved in politics. I enjoy doing business much more. One day, however, some friends of mine who work in the town government came to talk me into running for the position. Some villagers also urged me to run, because they wanted to vote for someone they liked and trusted. I finally decided to turn in my candidacy at the last minute, becoming the last of eleven candidates.

3-3 Village Money Lender

Elena Lopez: Born April 23, 1952, the mother of a son and a daughter. Became the richest person in the village by lending money and working as a rice broker.

After graduating from high school, I really wanted to go on to college. My family, however, was poor, and there was no money for me to fulfill my dream. My father was a CLT farmer with three hectares of rice fields. He kindly suggested that I go to a vocational school, so I went to a dressmaking school from 1968 to 1969. After finishing at this school, I started doing dressmaking in Santa Moreno. I charged one peso per dress. By cutting cloth in the evening and sewing during the day, I could finish four or five dresses a day.

As I remember, a bottle of Pepsi Cola cost ten centavos and a piece of bread was five centavos. I snacked on Pepsi and bread during our rest time. If I worked hard, I could finish five dresses, and made five pesos. If I did not spend money for snacks, I could save more than four pesos a day. I firmly made up my mind to become economically independent and to use that money only in case of emergency such as an illness.

When I was small, my father had an ulcer, and could hardly eat any rice for nearly two years. Instead, he ate biscuits with milk. When he came home from working in the fields, he was often sad, saying "Why is my life like this?!" At that time, I decided to become able to help my parents someday. That is why I saved all the money I made from dressmaking, making sure not to waste any of it.

In two months, I had saved 100 pesos, with which I bought two piglets at thirty-five pesos each. After fattening them, I butchered them and sold the meat to villagers. They paid for it in unhusked rice after the harvest, which came to a total of ten cavans.

I became an evangelist in the Jehovah's Witnesses on June 22, 1968. Though my parents were Catholic, I was converted to Jehovah's Witnesses of my own volition after I graduated from high school. Another woman and I went together and took charge of preaching the gospel in half of the sixty-four villages that make up the municipality of Guimba. Three or four days a week I did missionary work, visiting each house in a village. After six years of this life, my partner got married and left the work. I asked my parents to let me leave home

to do missionary work in another area, but they would not allow me to do this. I had no choice but to give up being a missionary.

I opened a small sari-sari store with 200 pesos capital in 1975. The price for three cans of sardines was one peso, while one kilogram of sugar cost only fifty centavos. With 200 pesos, I could buy enough goods to fill all the shelves in the store. A year later, I started buying rice, because no one was engaged in that business in this village. One kilogram of unhusked rice cost fifty centavos, and one cavan of unhusked rice was fifty kilograms, so it cost twenty-five pesos. I was first able to buy five cavans with what I had saved. I transported it to town by Jose Cruz's son-in-law's three-wheeler. I was his customer at that time.

To start with, I had a very small scale that would weigh of only ten kilograms. I did not have a big one. I bought unhusked rice in small quantities, like one kilogram, two kilograms, etc. The important thing was to make a profit even a little bit at a time. I secretly saved the profit from my rice business.

Three years after that first purchase of five cavan of rice, I was able to buy 300 cavans in all, and the following year, I bought 600 cavans. In my second year of business, I employed a helper, but as I was strong and healthy, I carried sacks, dried the grain on the ground, and then sacked it again. My upper arms became very strong. I bought a car which I drove myself. If the convenient time for a farmer was evening, I did not mind going to his place even late in the evening.

In 1977, my savings from dressmaking, the sari-sari store, and the rice business had accumulated to a total of 20,000 pesos. I borrowed an additional 20,000 to have 40,000 pesos capital for my rice brokerage. I paid back the debt with P.5,000 interest. The following year, I had 50,000 pesos of my own, and again borrowed 50,000 pesos from my elder brother. I used these funds for a year and a half before I returned 75,000 pesos. As the buying and selling of rice was finished in two months, I then lent the money to farmers for planting rice. (Her elder brother was/is engaged in a fish brokerage in Navotas.)

I started to lend money to farmers in 1978. In the beginning, farmers approached me to borrow money. Although the ordinary interest rate at that time was forty percent for one season, I loaned money for thirty percent, ten percent lower, to help my fellow villagers. If you lent 1,000 pesos before planting, you could receive 1,300 pesos after harvest, three or four months later.

In 1980, I had a suki (customer) who was a rice dealer in Lucena City. This was the first step in my rapidly growing business. That story follows.

In 1980, I had accumulated enough capital to buy 1,500 cavans. One day a dealer in Lucena City sent three trucks to buy rice. Each truck held 320 cavans. After loading, they

found that they were 10,000 pesos short for the payment. I allowed them to leave for Lucena City without unloading the cavans that were not paid for, saying "The most important thing in business is confidence. I trust you, so you can go now, and come back later to pay your debt."

They probably told their manager about this. Since that time, the manager sends me payment for the rice in advance. He gave me 200,000 pesos to begin with, with which I could buy enough rice to load three ten-wheel trucks. Today I can buy enough rice to fill one ten-wheel truck and one six-wheel truck. When I first hesitated in receiving this, saying that I could not offer any mortgage for that large amount of money, the driver conveyed the manager's message that it was now his turn to trust and help me.

I distributed that money among my friends buying stations in the neighboring villages, asking them to buy unhusked rice for me. Thanks to their cooperation, I was able to supply enough rice to fill the trucks coming from Lucena City. The Lucena dealer paid one peso per kilogram, while I paid 90-95 centavos to the buying stations, and they bought it from the farmers for 85-90 centavos. I made five centavos profit per kilogram of unhusked rice, which meant 700 pesos profit from one fourteen ton truck load.

Four trucks came every other day, and I made 2,800 pesos each time. The rice harvest lasted nearly two months. I received an advance payment of P.200,000 from the Lucena dealer each week, eight times during the harvest season. We maintained this relationship from 1980 to 1984, and I was able to accumulate great wealth.

In 1981, I bought a passenger jeep for 50,000 pesos, for which I actually paid 70,000 pesos in twenty-four monthly installments. At that time, I did not have enough money to buy rice, and I avoided spending so much at one time. The Lucena dealer wondered why I did not buy any electrical appliances. My reason was that I didn't want to waste any money on luxury items that I could better use in my business. After my business finally got on track in 1982, I bought my first appliances, including a refrigerator, a television set, a fan, and a radio/cassette tape recorder. Then, in 1983, I built a house for my father. His old one was damaged and the roof had been destroyed by a typhoon. The construction began in February and took one year to complete, at a cost of 700,000 pesos.

I was married on February 14, 1984 at the age of thirty-one, being four years older than my husband. (Her husband was a truck driver, and became her private driver, taking her anywhere she needed to go after marriage.) The *suki* (customer) relationship with the Lucena dealer came to an end when I bought my own truck to expand my rice business. It was my policy to use double the capital I had by borrowing an amount equal to it.

In 1984, I put one million pesos into my business. I had half that amount myself. In 1986,

it went to two million, and in 1987, to five million. (Her business was to lend money to farmers in Santa Moreno and neighboring villages, and to buy and sell rice. Except for the simple buying and selling of rice, she got unhusked rice at harvest time as payment of debts and kept it until the price went up enough to sell.)

After the farmers cooperative was organized in 1988,⁴ more than half of the farmers never paid back their debts. They had to put their priority not on me, but on the coop when paying their debts. Whenever they were in need of money, when they had a baby, or got married, or got sick, or when family members died, or when they sent their child to borrow money, I was always willing to lend the necessary amount without securing a mortgage or a bond. It was probably my fault to trust them so much. Because I did not have a bond, I could not legally force them to pay me back. There were so many shameless and ungrateful people here.

At that time, the amount owed to me was 2,700,000 pesos in seven villages. This amount did not include the interest. I lent more than five million pesos in 1988, half of which I had borrowed myself from another lending institution. Even when the farmers did not pay me back, I paid my debts. Whatever happened to me, I had to keep my contract. If I could not keep it, I would easily lose face and confidence that was so important in business.

The situation was totally different before the coop was organized. More than eighty percent of the villagers borrowed money from me. Mr. Jose Cruz, for example, still owes me 80,000 pesos. He was supposed to pay me back by the previous harvest, but he bought land with the money he made from his cantaloupe harvest, and seemed to have no money left to pay me. His wife came to me the other day to ask that the payment be postponed until the next harvest. I have no difficulty with this, because he is a good borrower. It makes me happy when the borrowers appreciate that my money has enabled them to experience development and a good life.

I started lending money to ten farmers in the beginning, and had 400 farmers as customers before the cooperative was organized. I now have only 100 customers, to whom I have lent 1.2 million pesos. The other 300 farmers did not pay back the 2.7 million pesos they owed me, and have cut their relationship with me.

(After this, she criticized the life style of the poor farmers and then explained her strong beliefs in Jehovah's Witnesses and its doctrines, and her life style. Here is a summary of what she said. "Most poor farmers have no concrete plan for a stable life in the future, and spend the money they receive at harvest time on momentary pleasures like drinking and gambling. They do not plan for tomorrow, but rather enjoy today at the expense of tomorrow. That is why they are not able to remove themselves from the vicious cycle of poverty. I try to lead a righteous life avoiding any kind of vice, because if I do anything wrong, people

might criticize my God Jehovah, as people sometimes criticize parents when they observe the actions of their children. What is most important for me is the family and God.”)

Concerning my real assets, I have purchased a total of twelve hectares of rice fields, and received the cultivating rights for ten hectares by *sanla* (mortgage). Besides this house in Santa Moreno, I bought a 5,000 square house lot in the poblacion of Guimba for 500,000 pesos in 1989. The large storage area accommodating 15,000 cavans was completed last October. Because, I was somewhat short of capital, something different from earlier years, I was able to buy only 6,000 cavans from the last harvest (1990-91 dry season). I bought this rice immediately after harvest, when it was at its lowest price, and kept it waiting for the price to go up. I bought it at 4.3-4.5 pesos per kilogram from late March to late April, and then sold it to rice millers and dealers at 5.5-5.7 pesos per kilogram. My gross profit was 1-1.2 pesos, because the selling price included the expense of transporting it by my own truck to their shops or storage areas. My Chinese friends in Guimba kindly lent me enough money to build my storage area and buy the rice. They trust me, because I have always returned anything I have borrowed on time.

Last year, I contracted my truck to transport rice for dealers. It will hold 700 cavans, and I charged 25-30 centavos per kilometer per cavan. I also started a financial business in Cabanatuan City with nine other friends each contributing 100,000 pesos to the business. Our fund now totals five million pesos, which we lend to merchants and businessmen at three percent interest per month.

4. Concluding Remarks

— Socio-Economic Changes in the Village —

The Marcos Land Reform, accompanied by the introduction of high-yielding varieties of rice and double cropping made possible by pump irrigation, brought a rapid increase in annual rice production. Moreover, the cost of redeeming disposed of land was very small when compared to the rent paid for share tenancy before the Reform. The net income for CLT farmers has increased greatly. Jose Cruz is a good example of the changes that took place for some farmers. Implementation of the Land Reform was crucial to the improving of his standard of living, and he owes what he has today to Marcos. He says he has *utang na loob* (deep gratitude) for Marcos, and that he will never forget what Marcos did for him.

Being completely dependent on only the one crop of rice, however, farmers' standards of living soon stopped improving. The average harvest of rice for the first and second harvests in 1990 was 86 cavans (one cavan equals forty-six kilograms) per hectare. If a farmer sold

all the rice he harvested at the standard price, he received 20,040 pesos in gross income. His expenses included daily wages for farm laborers (P.3,293), fixed asset expenses (P.2,349), rental fees for machines and *carabaos*, depreciation, gasoline and oil, fertilizers, and chemicals (P.3,643).⁵

Compared with the average income for those who plant cucumbers, they receive a net income of P.6,000 for working 0.2 hectares of land, the net profit per hectare for rice farmers is very low, the rice farmer's being only about one-third of the cucumber farmer's. In the case of an average P.O. holder, he manages 6.4 hectares of land and makes a net profit of P.88,000, which means P.13,700 net profit per hectare. In addition to his own land, he rents four hectares of land at 3,500 pesos per hectare. Reducing the price of ten cavans on an average from the rice farmer's income, for the sake of comparison, his actual net profit amounts to only 8,425 pesos per hectare, about sixty percent of a P.O. holder's net profit.[7]

Among the seven wealthiest villagers whose annual net income was over 100,000 pesos, only one was a farmer whose main income came from the production of rice. He owns three hectares of rice fields, and plants twice a year, making only a little more than P.100,000. The other six all had grown cucumbers, and three were P.O. holders for cucumbers.

Even if farmers received three hectares of land from the Land Reform, their lives did not necessarily become affluent. Some of them divided their land among their children when they married, and others sold it in order to pay the medical expenses of family members, which may mean that they are again living in poverty. Each family has an average of one hectare of rice land at the present time.

In short, those who succeeded in expanding their economic situations turned to sources other than rice production for their main source of income. In the case of Jose Cruz, he turned to the production of vegetables, raising pigs, and the lease of agricultural machines. In Ben Cruz' case, he engaged in the production of vegetables, and in Elena Lopez' case, she became involved in money lending and the rice business.

Santa Moreno is one of the richest of the sixty-four villages in Guimba. The biggest reason is its sandy loam soil, which is well drained and suitable for the production of vegetables. Villagers have reaped huge profits as a result of vegetable production. Ben Cruz is the best example of this, as he first cultivated only one hectare, but in 1980, he was able to make big enough profits from his tomato harvests, that he became able to extricate himself from poverty.

There are nine P.O. holders for cucumbers in Santa Moreno, seven of whom made an average of P.120,000 in net profit, while two earned slightly less. Their average net income from the production of rice totaled 50,000 pesos, less than half that of the cucumbers [7; 94].

A P.O. holder usually divides a one hectare field into ten pieces, each of which he entrusts to a single planter. This means that cucumber production creates jobs for landless laborers, something which raises the standard of the poorest villagers, too.⁶

— **Conditions for Success** —

Those in Santa Moreno who succeeded after the Marcos Land Reform were the ones who adapted themselves to the changing system of agricultural production caused by the coming of a commercial economy, and took the maximum advantage of it. Ben Cruz, the champion of the successful, and other P.O. holders for cucumbers were transformed from rice farmers into the commercial elite, who engaged not in farming but in the borrowing of capital and moving of produce.

In a similar way to those P.O. holders with special relations to multinational agribusiness companies that enabled them to accumulate wealth, Elena Lopez and Jose Cruz also had special connections with persons or institutions outside the village who offered funding and other benefits to help them get started. Thus, in one sense, they were more fortunate than the ordinary villagers.

Elena Lopez worked diligently to save a small amount of capital in the beginning, and then she was able to borrow the same amount of capital from her brother in Manila. She also had good dealings with a rice dealer in Lucena City, which really was the turning point in her success.

Having a special connection with funding agencies or persons, however, does not necessarily lead to automatic success. More important than luck and chance are a personal disposition for diligence, ambition, foresight, and an enterprising spirit of the person when he or she gets a beginning boost, and then whether they employ these for further growth.

For example, the reason Jose Cruz was chosen the first president of *Samahang Nayon* (farmers cooperative) was that he had always been active and eager to attend meetings and seminars to learn about the Land Reform, new technology, the new credit system, etc. The land bank appreciated his eagerness for agricultural development, and provided him with the necessary funds for his endeavors.

Even now, he gets up at dawn, and after drinking a cup of coffee and smoking, he goes out to inspect his rice fields and other upland fields. He returns home to eat breakfast but soon goes back into the fields again. As long as there is work, he does not mind going out to his fields regardless of the weather. He is a very hard worker. He succeeded in a number of different types of farming - rice production, pig raising, vegetable growing, and the leasing of machines - but failed in money lending. The ability to adjust to the commercialization

and mechanization of agriculture is different from a talent for the financial business.

Ben Cruz's success story began when he made a big profit from growing tomatoes in his backyard garden, and his success is tied to his efforts to maximize profits from the growth of vegetables. He did not have a personal connection with a financial institution or person, but relied on hard work and being alert to the trends in market prices. Compared to the production of rice which is rather routine, the growing of vegetables is much more vulnerable to outer influences, and demands more flexible and cautious care. It is not easy, therefore, for just anyone to make a profit raising vegetables. To prevent diseases and insects, a farmer must exercise careful management of the growth, going to his fields often to check growth, control the water supply, and add chemicals and fertilizer at the proper time. Moreover, as market prices fluctuate sharply, thoughtful speculation, careful monitoring, and rapid response is indispensable for the planting and harvesting of vegetables. These are not so crucial in rice production.

Elena Lopez is unique because she became a follower of the Jehovah's Witnesses after graduating from high school and then engaged in missionary work for several years. She was the first and only follower in the village at that time where the majority were Catholics. Even now, only a few people in the village, mainly she and her husband are related to the Jehovah's Witnesses. She and her husband still attend mass in another village every Sunday. She says that her family and her belief in God support her all the time.

She is critical of the villagers' attitudes toward spending money on drinking, gambling, and feasting at fiestas and marriage ceremonies, and says that this type of lifestyle is the reason they are always poor. She emphasizes that they could easily improve their standard of living by abandoning such vices and sources of instant pleasure and spending their energies on hard work and being honest. Elena is a good, honest, and approachable person, but her religious beliefs are extremely strong, and her principles involve individualism, self-discipline, and high motivation, all of which combined to create economic success. She is very different from the ordinary villagers who are Catholic and follow the common value of *pakikisama* (getting along with others). Her strong disposition enabled her to succeed in the rice and money-lending business while living in the village.

All three figures I have introduced here had vivid memories of their past lives and activities, and they were able to articulate and explain clearly these experiences and ideas during my interviews. I interviewed about twenty villagers, including landless laborers and rice farmers, but only these three persons could logically and systematically tell their stories. They are also good at calculations and enthusiastic about the cost / benefit ratio, leading simple lives with strong motivation to save money for investment purposes. Another thing they have in

common is that they do their best not to forget the hardships of their earlier lives. Their fear and repulsion to poverty appears to be the source of their strong motivation to work hard.

According to the Cruz brothers, they owe their success to hard work (*sipag*), diligence (*sikap*), patience (*tiyaga*), thoughtfulness (*pagisip*), and methods (*pamaraan*). According to Elena Lopez, her improved standard of living was due to hard work, diligence, thriftiness (*tipid*), faith in God (*tiwala sa Diyos*), and the avoidance of vices (*magbawas ng bisyo*).

In short, the key to success in Santa Moreno seems to be a personal disposition enabling the people to adapt to the drastic changes in agriculture, i.e. mechanization and commercialism. Speaking more concretely, a strong will and desire to put poverty behind in order to become wealthy were the driving forces for their success, something that involved being diligent, patient, and leading a simple life to save capital. Another important factor was the ability to look ahead and plan for the future.

J. Eder, who conducted research on the origin of social inequality in San Jose village in Palawan, pointed out similar conditions for personal success.⁷ He insists that “the origins of San Jose’s inequality lay not in time of arrival, amount of starting capital, or other such factors, but rather were personal in nature. They lay, for the most part, in a level of motivation and in a kind of ‘on-the-job competence’ that some men and women brought to the frontier and others did not. . . . there were differences among men in competence, personality, and motivation of such magnitude that, upon exposure to opportunities for economic growth, these differences rapidly gave rise to pronounced social inequality [1:4 & 5].”

He continues to argue that such personal qualities as “competence” and “motivation” are not necessarily “innate,” nor are they readily explained by such conventional parameters as education or parental social standing, but that “idiosyncratic life experiences . . . more directly account for the variation in question (*ibid*: 5).” He suggests that ultimately fortuitous learning experiences during childhood, adolescence, and early adulthood, especially travel experiences and marriage partner, “may equip them with the ability and desire to participate in economic growth more than their peers (*ibid*. 96).

As for the three most successful persons in Santa Moreno village, however, only Elena Lopez went to high school and vocational school outside the village, and then she also traveled around the neighboring villages as a missionary. The Cruz brothers had little experience traveling outside the village, though Ben did live in a neighboring town for two months when he worked at the rice mill there. In contrast to them, many other men and women had the experience of moving around as laborers or living in different places before they came to settle in the village after marrying villagers. Most of these people are still laborers and lead rather poor lives. It seems that their experiences did not help them to acquire the cognitive

and noncognitive qualities that contribute to success, as Eder proposes.

Even if we accept Eder's hypothesis that both geographical mobility (experiences of traveling) and marriage partner (marriage chemistry conspired) have a correlation with the success and failure of farmers at the unique time in history when a closed society opens, it depends on such personal qualities as curiosity and aggressiveness as to whether they go out of their home village or not, and also by chance whether or not they are able to have a congenial and cooperative marriage partner. Some other explanation about how they acquired these qualities are necessary. It is also difficult to determine what kind of travel experience plays an important role in the achievement of success in the future.

Although it might be true that the key factors for success are those personal qualities emphasized by Eder, Jose, Ben, and Elena themselves insist that it is almost impossible to explain how they each acquired these qualities in their personal history. The limited amount of information we have obtained makes it impossible for us to delve into an explanation of this type.

Notes

¹ Shimizu (Kyushu University) and Fukui (Osaka Gakuin University) stayed in the home of Mr. Ben Cruz in Santa Moreno with Nishimura from March 6 to March 19, 1991 to conduct research on the household economy of the villagers. Using three research assistants and questionnaires, we obtained ninety-four samples (random sampling except for those belonging to the upper social stratum). Fukui analyzed the data.

Shimizu went back to the village on August 10, and stayed in Mr. Ben Cruz's home again to conduct research on the socio-economic changes after the Marcos Land Reform, collecting personal histories mostly from some twenty villagers. After obtaining permission and making appointments for the interviews, Shimizu visited their homes and asked them to freely share their personal histories and the socio-economic changes in the village. The interviewees became nervous and stressed when asked to talk into a cassette tape-recorder, so that they could not tell their stories smoothly. He immediately decided against using the tape-recorder, and asked them to relate their economic activity and income as well as impressive events in their lives in chronological order. Shimizu took brief notes, and asked questions here and there, completing the notes after going back to his home base.

As Santa Moreno is located in the eastern part of the municipality of Guimba, most of the villagers speak Tagalog as their first language, so Shimizu was able to interview them directly without the use of an interpreter or research assistant. Ms. Elena Lopez was able to dictate her story into the tape-recorder smoothly, and her words in this paper are taken almost exactly from the transcription.

² According to Umehara, harvested rice was divided between the *hacendero* and the tenant

immediately after threshing. The farmer had to pay his debts to the *haciendero* and the merchants, before he could take any rice home with him [9;268].

- ³ A tenant who cultivates rice fields on a commission system. He receives about ten percent of the total harvest for his pay.
- ⁴ Two farmers cooperatives were established in May 1988. One was *Bagong Silang* multipurpose farmers cooperative, and the other was *Damayan Silang* multipurpose farmers cooperative, with sixty-five and fifty-four members respectively. At the time of this research, the former had 104 members (twenty-five live in Santa Moreno), while the latter had 350 members (thirty-one live in Santa Moreno). In the beginning, both cooperatives lent P.3,500 per hectare with nine percent interest for six months. The Land Bank financed the coop for six percent interest, and the difference (three percent) became the commission for the coop. In 1990, loans were raised to P.5,000 per hectare, but almost half of this amount was given out in actual goods such as chemicals and fertilizer.
- ⁵ According to Umehara, farmers' real income decreased during the 1970s, when the land reform and green revolution went forward, due to a hike in the price of fertilizer and chemicals and also the stagnation of the price of rice. In San Andres village, Guimba, for example, where Umehara conducted his research, the total amount of annual rice production increased from 8,358 cavans in 1970 (one crop) to 2,611 cavans in 1978-9 (two crops, 10,619 cavans in the first, and 1,962 in the second). The farmer's net income, however, decreased sharply from thirty-five percent of the harvest to eleven percent, that is from 2,925 cavans to 1,387 cavans in actual rice (Umehara 1992:343-346). Kerkvliet also reported that the net income of rice farmers in San Ricardo, Talvera, increased slightly from twenty-five cavans per hectare in 1961 to twenty-eight cavans per hectare in 1978-79 [5:43-48].

In the late 1970 when Umehara and Kerkvliet conducted their research, the farmers had not yet fully learned how to grow the high-yield variety of rice. The average yield of the rice harvest per hectare in San Andres was only forty-eight cavans, which was a twenty percent increase over the forty cavans in 1970. In San Ricardo, it went up to seventy-one cavans, but this was only fifteen percent up from the sixty-two cavans in 1962. In contrast to these two villages, farmers in Santa Moreno received eighty-six cavans per hectare in 1990, clearly showing that the new technology had taken root in the village.

- ⁶ According to Nishimura [7] who conducted research on cucumber production in Santa Moreno, there were nine P.O. holders in the village. Each P.O. holder used 6.4 hectares of land (4.5 hectares being rented) on the average, and making P.195,600 in gross profit and P.88,000 in net profit within the three months it took from planting to harvesting. Two P.O. holders, however, showed a deficit. Interest payments on borrowed capital and expenses for the transporting of harvested cucumbers to the factory took up seventy percent of the total production costs.

These P.O. holders employed 352 planters (154 were Santa Moreno villagers), therefore contributing to the creation of job opportunities for landless laborers and petty farmers. We

examined the work of twelve landless laborers (chosen by random sampling) and found that they each cared for an average of 0.2 hectares and earned P.6,125 in net profit. This made up fifty percent of their annual income (P.10,794 + 7.3 cavans). On the other hand, the petty farmers cared for an average of 0.24 hectare and made P.6,572 in net profit, which made up twenty-five percent of their annual income (P.26,303).

Payment to planters took up only 7.6 percent of the total production cost. The P.O. holder's profit is fourteen times as high as that of the planter, one reason for the socio-economic differentiation in the village.

- ⁷ San Jose was built in the 1940-50s by immigrants from Cuyo Island where the population was extremely high. At that time, Cuyo Island was a rather egalitarian society, made up of a homogeneous population engaged in cultivation and fishing. Most of the immigrants were neither rich nor poor. They shared similar backgrounds and well as possibilities for the future, with respect to education, occupation, and starting capital. After settling in San Jose, however, some succeeded while others failed. The reason for success was found in the personal qualities of individual persons, as was mentioned earlier in the text. In contrast, the reason for failure was the lack of capital, a strong attachment to a subsistence economy, and a preference for direct (or short term) cash income which led them to less profitable work and the vicious cycle of poverty [1:121].

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Figure 1
Seasonal Sequence of Farming Operation (Rice & Vegetables)

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Rice	Fert.	Ha.				PL. LE Sed.	Tr.	Fert.		Ha.	PL. LE Sed.	Tr.
Vegetable	Pr.	Pla	Ha.							Pr.	Pla	Ha.

- Fert. : Fertilizer Application
- Ha. : Harvesting
- PL. LE : Ploughing and Leveling
- Pr. : Land Preparation
- Sed. : Seedling
- Tr. : Transplanting

Figure 2
The Map of Brgy. Santa Moreno
(Made by Village Secretary Mr. Alejandro Pangan)

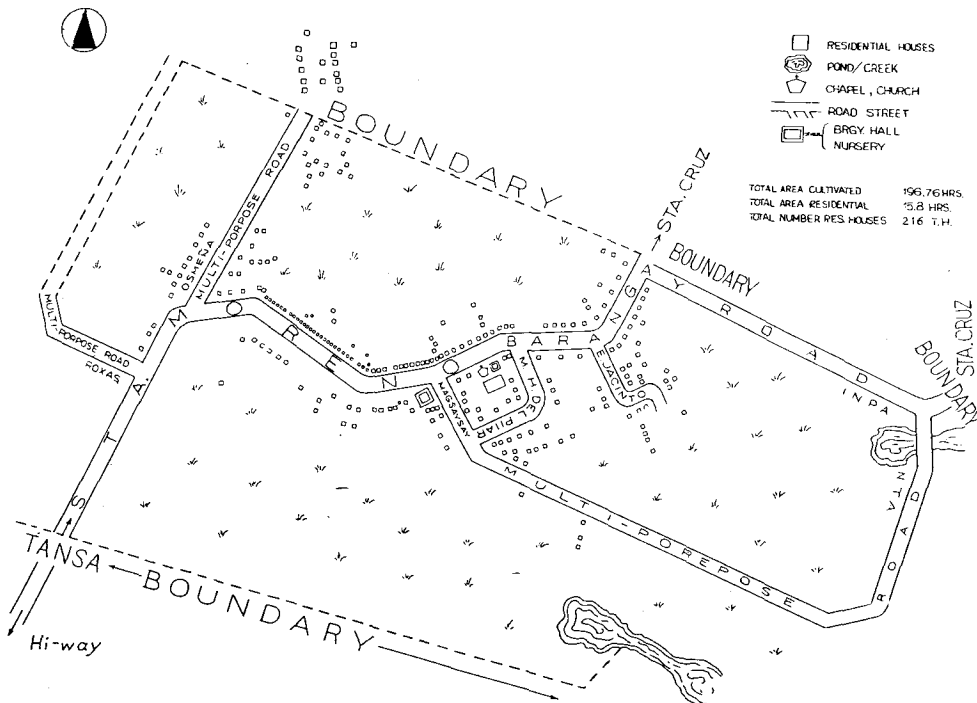


Table 1
Basic Indicator in Study Area

Location (Village)	150km from Manila
Population (Village) 1991. 3	around 1,000
No. of Household (Village) 1991. 3	216
No. of Sample (Village)	94
Municiparity	Guimba
Operation Land Transfer (Guimba)	
Area under O. L. T (ha)	9,386
No. of Land Owner	139
1990. 9	
Operation Leasedhold (Guimba)	
Area under O. L. (ha)	1,349
No. of Land Owner	652
1990. 9	

Table 2
Major Occupation of Household Head & Wife

	H. H.	Wife
1. Farmer		
Rice	43	
Others	20	
2. Agr. Wage Laborer		
Permanent	2	
Casual	14	3
3. Trading	3	7
(Rice Dealer, Vender, Agent, Sari Sari Store)		
4. Driver	1	
5. Non-agr. Wage Laborer	7	
(Mechanics, Carpenter, etc.)		
6. Gov. Employee	1	
7. Others	2	3
8. House Keeper		73
9. No Job	1	
Total	94	86

Table 3
Farm Size Distribution by Tenancy (Rice & Vegetable)

Farm Size (ha)	Rice				Vegetable			
	Owner Cultivator	Owner Tenant	Pure Tenant	Total	Owner Cultivator	Owner Tenant	Pure Tenant	Total
Below 0.5	3		2	5	7		25	32
0.5-0.99	2	1	12	15	2	2	5	9
1.0-1.49	10		5	15		1	4	5
1.5-1.99	6		2	8	2			2
2.0-2.49	6	1	1	8	1			1
2.5-2.99	2			2				
3.0-3.49	4			4				
3.5-3.99		2		2				
4.0-4.49								
4.5-4.99								
5.0 and above	3			3	1		6	7
Total	36	4	22	62	13	3	40	56

Table 4
Distribution of Farm Land Plot by Tenure Status

Tenure Status	No. of Farm Plots		Area of Farm Land Plots	
	No.	%	Area (ha)	%
C. L. T.	29	52.7	53	61.4
Leasehold	20 (17)	36.4	19.75	22.9
Share Tenancy	1	1.8	1	1.2
Pawned	5 (3)	9.1	12.5	14.5
Total	55 (20)	100	86.25	100

Table 5
Yield per Hectare

Yield (cavan /ha)	No.
Below 40	1
40-59	7
60-79	17
80-99	19
100-119	14
120-139	4
140-159	1
160 and above	0
Total	63

average: 86.1 cavan/ha

Table 6
Land Rent by Type of Land Tenancy Contract

Land Rent (cavan /ha)	Type of Tenancy Contract	
	Leasehold	Share Tenancy
0	4	0
Below 4.9	4	0
5-9.9	6	0
10-14.9	6	0
15-19.9	0	1
20-24.9	1	0
25 and above	0	0
Total	21	1

Table 7
Wage Rate

(Number of Case)

Kind of Job	Wage Rate (Pesos per Day)						
	Below 30	30-49	50-69	70-89	90-109	110-129	130 and above
Agr. Wage Labor							
Casual							
Harvest	3	4	5	1	6	1	0
Others	17	20	2	0	0	0	0
Permanent							
	1	2	1	0	0	0	0
Non. Agr. Wage Labor							
Daily Skilled	1	0	4	6	3	0	2
Daily Unskilled	1	1	1	0	0	0	0
Salaried	0	1	0	0	1	1	0
Total	23	28	13	7	10	2	2

Table 8
Interest Rate of Loan by Type of Creditor

(Number of Case)

Type of Creditor	Interest Rate (%/crop season)					Total
	Zero	1-18	19-50	50-100	100 and above	
Financial Institution						
Bank	0	14	0	0	0	14
Cooperative	0	14	0	0	0	14
Others	0	0	0	0	0	0
Private Person						
Relative	5	1	2	0	0	8
Friend	2	0	0	0	0	2
No-Relation	5	1	39	0	0	45
Land Owner	3	1	1	0	0	5
Total	15	31	42	0	0	88

Table 9
Household Income by Type of Socio-Economic Status

Annual Income (Pesos)	Owner Cultivator	Owner Tenant	Tenant	Agr. Wage Labor	Non. Agr. Wage Labor	Salaried Worker	Trading & Self- employed	Others	Total
Below 5,000	1		1	8	2			1	13
5,000- 14,999	1	2	13	10	2	1	1		30
15,000- 24,999	6	2	5	1	1		1		16
25,000- 34,999	5		2		1	2	1		11
35,000- 44,999	3	1	1				1		6
45,000- 54,999	2	1							3
55,000- 64,999	1	2							3
65,000- 74,999		1					1		2
75,000- 84,999									0
85,000- 99,999	2								2
100,000 and above	2	4					1		7
Total	23	13	22	19	6	3	6	1	93