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REPORT FOR 1982 TO THE
UNITED NATIONS WORKING GROUP ON INDIGENOUS POPULATIONS

Tribal Peoples in the Republic of the Philippines

In the Philippines there are approximately 6.5 million people belonging to indigenous minority groups. They constitute approximately 15 per cent of the total population. Many have retained a high degree of cultural, political and economic independence. But the present generation of indigenous minorities faces the prospect of being the last.

The tribal peoples share with other Filipinos many of the problems that beset the peoples of any underdeveloped country. They share the legacy of more than 400 years of colonial exploitation, first by Spain (1521-1896) and then by the United States of America (1896-1946). But as minority peoples with only limited political centralization who are victims of individual and systematic discrimination, they are vulnerable in particular to dispossession from their land and abuse of their rights by international commercial interests in cooperation with the members of the local elite backed by military power.

Specifically the minorities of the Philippines are being dispossessed by colonially formulated laws and the recent law provisions of the present administration. These laws benefit particularly international fruit companies, foreign-financed and owned logging operations and international contractors and suppliers of the massive infrastructure projects being planned and financed by the World Bank, Asia Development Bank and other international financiers.

To carry out these unpopular and destructive projects in tribal lands against the wishes and interests of the local populations, the Philippine Government increasingly depends on its military-controlled minority agency PANAMIN and the military strength of the armed forces.

PHILIPPINE LAW AFFECTING MINORITIES

Philippine public land laws affecting minorities are basically colonial laws formulated to facilitate the economic exploitation of the country by the United States during the colonial period. Much of current law was first enacted immediately after the American takeover in 1901. The Land Registration of 1902 sought to determine the extent of private landholdings after the Spanish colonial era. The Act recognized three bases for registration - the Informacion Possessaria, registration under the Spanish Mortgage Law and the imperfect title and possession since 1894. These legal requirements were largely irrelevant for the Philippine minorities who successfully resisted the Spanish colonial rule and transformation.

In 1907 the Cadastral Act was passed. This made a survey mandatory before the granting of titles to land. The national minorities and small farmers were ignorant of the land registration procedures under the 1902 Act and could not afford the cost of surveys under the 1907 Act. This allowed educated natives, bureaucrats and American land speculators, who were more familiar with the bureacratic processes, to legalize claims usurped through fraudulent surveys. Almost all the titles granted by the court of Land Registration under the 1902 Act and up to 1910 were for large private landholdings.

The Public Land Act of 1905 declared as public land all unregistered land under the Land Registration Act of 1902. Under the provisions of this Act, national minorities became squatters on their own land. Most ancestral lands were redefined as public lands open for reclassification and exploitation. The subsequent Mining Law of 1905 declared 'all public land in the Philippines to be free and open for exploration, occupation and purchase by citizens of the United States and the Philippines'. Soon after, mining claims were filed by Americal prospectors over areas traditionally mined by national minorties in Itogon, Balatoc, Antamok, Suyoc and Lepanto in Benguet province. Benguet Consolidated,Inc., currently the Philippines' largest gold producer, traces its beginnings to twelve mining claims filed in 1903 by an American. The Commonwealth Act No. 137 of 1935, otherwise known as the Mining Act, further banned traditional mining practices and gold panning of the indigenous tribesmen and prohibited native use of areas covered by mining and logging concessions.

The declaration of public parks and forest reservations followed. In 1929, through Executive Order No. 217, 81.8 per cent of the entire Cordillera tribal area of the northern Philippines came under the Central Cordillera Forest Reserve. This area, which is the ancestral land of half a million indigenous minorities called Igorots, was declared 'unalienable and non-disposable'. In 1936, another national park was declared in this area. Through Executive Proclamation No. 62, the Benguet-Bontoc National Park was created covering 200 metres on each side of the Baguio-Bontoc Road spanning six towns of Benguet and Mountain Province. Although this was subsequently amended to include only the areas between kilometre 13 to kilometre 85, the national park still covered 5,513 hectares of prime land. Despite its national park status which restricts the land rights of the local Igorots, logging firms attached to the big mining companies were and are allowed to perform large-scale logging operations in the area.

A series of public land laws passed in 1913,1919 and 1929 encouraging Filipino settlers to acquire as public land what were in fact ancestral tribal lands in Mindanao and the mountain areas in the north paved the way for large-scale acquisition of lands by Filipino landlords, bureaucrats and American citizens and companies, particularly agri-business corporations. These laws gave rise to what is now among the biggest problems in Mindanao today.

TRANSNATIONAL CORPORATIONS AND PHILIPPINE MINORITIES

1. AGRI-BUSINESS

The exploitation of cheap land and labor resources by transnational fruit corporations, specifically Del Monte, Castle and Cooke and United Fruit counts among the serious problems of Philippine minorities in Mindanao.

Del Monte is the largest of these companies, it operates in the Philippines through its wholly-owned subsidiary Philippine Packing Corporation (Philpak). Del Monte arrived in Bukidnon in 1926, shortly after the first Christian settlers. They planted pineapples to 10,000 hectares of the lands of the Bukidnon Manobo. In 1935, the Philippine Commonwealth passed legislation limiting the landholdings of any corporation to 1,024 hectares. If implemented, this regulation would have seriously limited Philpak's operations. The National Development Corporation (NDC) was established to ensure that this did not happen. The NDC was empowered to own land in excess of the limit of 1,024 hectares and to lease it to other corporations, including Philpak. For this service, Philpak paid a rental to the NDC of ₱1.00 per annum per hectare. The native Bukidnon and Manobo tribes received no compensation for their lost lands. Even today, the rental is fixed at ₱10.00 (present U.S. $1.33) per hectare per annum, plus ₱0.25 ($0.033 for each ton of raw pineapple. These favorable conditions have helped Philpak to achieve profit levels averaging more than 30 per cent per annum. Philpak's net income in 1977 was ₱40,000, 000. This makes Philpak one of the most profitbale of all foreign investments in the Philippines.

The company has further expansion plans for fourteen thousand hectares of the Pontian plains in Bukidnon. Native Bukidnons are again to be the victims of this expansion. With the help of Philippine Constabulary (PC) and PANAMIN troops, Philpak, today, has acquired more than half this land.

Castle and Cooke, through their Philippine subsidiary Dolefil (80% foreign equity) has been in operation in South Cotabato since 1963. Like Del Monte, their 6,818 hectares are leased from the NDC over the heads of the traditional owners. The NDC agreement includes a provision, ominous for the Bilaan and Muslim minorities of the area, that:

> NDC shall, from time to time, when as required by Dole, buy, acquire and obtain title to such additional parcels of land as may be needed by Dole in its operations...

This provision has been taken up the company. New lands have been acquired to replace those that have suffered exhaustion and erosion as a result of the company's monoculture. These tracts of damaged lands remain under lease to the company, but are now converted to cattle-grazing.

United Fruits, the third transnational, has a reputation for economic and political interferance in Central American republics where it operates. Land and labor costs in the Philippines have drawn United Fruits east and it is the most rapidly expanding of the three companies. In the Philippines, it has concentrated on the fresh banana trade.

The banana industry in the Philippines is a product of the Marcos administration. In 1960, Philippine bananas supplied 0.05% of the Japanese market; by 1976, firms operating from the Philippines had cornered 85% of a much expanded market. Such expansion requires land. At present, more than 27,000 hectares are planted to bananas in the Philippines.

The companies may offer some farmers immediate cash payments of $130 - $200 per hectare but where no title exists, as among the tribal peoples, payments are rare. Other farmers, witnessing the after-effects of lease and sale in other areas, are increasingly reticent to sell. Where resistance to corporate expansion has been met, security guards, PC, and PANAMIN forces have resulted to violent intimidation, including 'salvaging' (torture and murder), in order to support company interests. A series of such actions perpetrated against the Ata Manobo tribe culminated in the salvaging of one tribal member by elements of the PC in 1979. His body, showing signs of torture, was subsequently found by his wife in a shallow grave in the forest. The Ata have launched a war of vengeance against all intruders into their lands.

Despite the outcry over the conditions and pay scales on the fruit plantations, prospects for future expansion of these corporations seem good. The low levels of pay, government control over unions and prohibition of the right to strike are all advertised abroad as inducements for foreign investment in the Philippines. A Filipino worker for Castle and Cooke in Mindanao, for example, receives approximately one-thirtieth of the salary of his Hawaiian counterpart. This control of labor and further cooperation of the government through the NDC, tax incentives and free profit remittance have enabled the companies to realize much higher rates of profit in the Philippines than from their operations in the United States.

In 1970, Del Monte achieved a return on equity in the Philippines of 33.4% as against 8.35% in the United States; and Castle and Cooke achieved a staggering 174.3% return in the Philippines as against 11.21% in the United States. Such profit levels are encouraging the companies to transfer a large proportion of their production to the Philippines.

An increasing number of minorities may find themselves alongside those Tagakaolo, Mandaya, Bukidnon and Manobo who have already exhausted all possible areas for retreat into the forest of their former tribal lands and have settled for impoverished lives as plantation workers or tenant farmers on that same land.

2. LOGGING

More than half (17.03 million hectares) of the total land area of the Philippines is classified by the government as forest land within the public domain. The vast majority of the country's minority peoples live within this forest land. The economy of the minorities is bound to the wealth of the forest. They farm there and use its raw materials for their houses and crafts.

There is, however, a conflict of interests between the minorities who believe they have the right to live and share in the wealth of their forests and the logging companies who wish to exploit this wealth for their own benefit. Logging in the Philippines has proved to be extremely profitable. In 1979, exports of forest products were valued at $468 million; one of the top export earners for the Philippines.

The former U/S/ colonial administration and present government have, through their legislation, repeatedly shown themselves with the logging companies in this conflict. Under the present Marcos regime, new laws have been enacted to deprive the minorities of their land and its wealth in order to expand logging operations.

The government's Five-Year Philippine Development Plan, 1978-1982 has ambitious targets for the exploitation of forest resources. These plans seek to expand logging operations from 9 million to 14 million cubic meters per annum. They seem to take little account of the average loss of forest cover of more than 170,000 hectares a year during the 1970's. The plans ension the 'logging off' of all remaining unlogged forest within the next fifteen years.

The government plans do contain a conservation policy. By this policy, the companies are to be encouraged to reafforest their concessions but, more significantly, the activities of minorities and other forest dwellers are to be controlled. The National Economic Development Authority (NEDA) plans an Agro-Forestation Complementation Project which will finally dispossess kaingineros (forest occupants farming shifting swidden plots who are mainly tribal peoples) and give their land to agricultural corporations. NEDA explains:

> The project invloves the transfer of kaingineros to resettlement areas which shall be cultivated by agrocultural corporations for forest and agricultural crops. Kaingineros shall be employed on a wage basis and shall be allotted 1,000 sq. meter homeslots to enable them to do backyard gardening to supplement their wages.

This project is being appied to 400,000 families (approximately 2.4 million people) during the 1978-1983 period.

This NEDA plan in conjunction with recent forest regulations promulgated by the Bureau of Forest Development (BFD) and the National Power Corporation (NPC), constitutes the final step in the process of dispossessing the forest dwellers of the land that began with the 1905 Public Land Act.

The government's commitment to uphold the corporate interests of the logging industry has led it to make the minorities and other forest dwellers scapegoats for the denudation. Companies cutting up to 3,000 trees per day are tolerated and encouraged but whole communities that cut less than this amount in one year are to be restrained and even forcibly removed.

The Cellophil Resources Corporation

The classic example of the type of logging development that has taken place under the conditions of martial law can be seen in the operations of the Cellophil Resources Corporation (CRC). CRC was established in 1973 as an integrated operation with three major objectives: first, to operate a vast logging concession in northern Luzon; second, to establish a pulp mill; and third, to operate in the adjacent lowlands a rayon staple fiber plant.

Government regulations restrict logging concessions to a maximum area of 100,000 hectares but CRC has been granted license to 197,346.26 hectares. This vast concession threatens the lands of five minority groups: the Tinggian, Bontoc, Isneg, Kalinga and Kankanai.

Those most seriously affected at present are the Tinggians of Abra province because CRC has established its first center of operations and its mill in this area. Most of the lands of the upland Tinggians are within the concession and it is these people who have led the campaign to have CRC's license revoked.

Legally, the Tinggians have a good case. CRC is operating a concession in excess of that allowed by BFD regulations. The BFD itself failed to give prior notice of the awarding of the concession. The company failed to comply with government regulations by not excluding the lands of the local minority groups from their concession; and the CRC concession sprawls across four 'critical watersheds' (Abulog, Chico,Pasil and Abra) on which the NPC has plans to build at least nine major dams. The Tinggian appeal, has, however, been consistently ignored and the company continues to press ahead with its plans.

Cellophil was established as a subsidiary of the Herdis Group of Companies headed by Herminio Disini, a friend of President Marcos and a relative of his wife, Imelda, Cellophil was later divested from the Herdis Group and taken over by the Philippine government. Herdis, however, continues to act as contracted managers.

Cellophil is now a major joint venture between the Philippine government and foreign transnational corporations.

Shareholders of Cellophil Resources Corporation

	Subscribed Capital (in million pesos)	Equity Share
Philippine Government through National Development Corporation and the Government Service Insurance System	59.5	70%
Mitsubishi Rayon (Japan)	5.2	6%
Daicel (Japan)	2.6	3%
Marubeni Corporation (Japan)	2.6	3%
Bauminter Corporation (Switzerland)	15.2	18%

Source: Business Day Special Report: The Sogo-Shosha, 31 May 1978, p.11

Eighty per cent of the capital outlay for the project was raised from a syndicate of European banks consisting of Union Bank of Switzerland, Banque de l'Indochine et de Suez of France, Banque de Benelux of Belgium, and Krediet Bank NV of Netherlands.

A European industrial consortium undertook the planning and and construction of both the pulp and rayon mills. The foreign contractors involved include: Spie Batignolles (France), Summa Kumagai (Japan), and the Atlantic Gulf and Pacific Company (USA). The mill's annual output is predicted to be 66,000 tonnes of pulp and will be distributed as follows: 27,720 tonnes will be exported to Western Europe and Japan; 5,280 tonnes will be sold to Philippine Tobacco Filters Corporation, a Herdis company; and 33,000 tonnes will be channeled into the company's rayon plant. From here, the Japanese corporations as part owners, will in turn, extract raw materials for their garment industry.

The demands of the pulp mill for the next twenty-five years can be met from the concession even without reafforestation. Afterwards, round logs will be supplied from a farming project adjacent to the mill. The tree-farming project funded by the World Bank, will also be developed on Tinggian lands. The proposal in accordance with the government's Agro-Forest Complementation Project stipulates that the local people will be relocated (i.e. dispossessed) and some will be employed to work for the Tree Farming Corporation. As workers, they will be allowed to farm a 1,000 square meter garden for their domestic needs for as long as they remain with the corporation.

The people affected by Cellophil's operations have, as the basis of their present economy, irrigated terraced rice farms. Supplementary to these are mountain swiddens, pastures for their cattle, the rivers which are a major source of protein and forests for timber, fuel, honey and game. The prospect of a major logging operation cutting three thousand trees a day makes the Tinggians fear for their livelihood. Their investigations revealed that Cellophil had Tinggian lands included in its concession and that the company was determined to deny the people access to communal forests and pastures.

Since 1977, popular opposition to Cellophil has mounted throughout the Abra province. In March 1977, the Marcos government launched a military campaign against the protesters. One act was to name a Constabulary Captain as mayor of one tribal town, and by replacing the governor of the province with the son of the Deputy Defense Minister. In 1978, the Tinggians held a peace pact (bodong) in Bangilo, Malibcong, to protest Cellophil and government repression. A second peace pact ceremony was held at Tiempo, Tubo in January,1979, wit more than 1,000 people in attendance.

Military harassment of the Abra people has since intensified Local leaders of the Catholic church have been prosecuted and even hunted down for their advocacy of the people's cause. Some have joined the guerilla forces of the New People's Army (NPA).

There has been a string of arbitrary arrests and detention without trial for members of the tribal community. Some are in detention even now, while the communities are harassed by military patrols and impoverished by the effects of logging.

3. ENERGY PROGRAMME

The government of the Philippines, as part of its electrical power generation schemem has plans to build at least forty major dams during the next twenty years. Thirty;one of them (fifteen in Mindanao, five in Visayas and eleven in Luzon) are scheduled for construction within the Ten-Year Energy Programme 1979-1988. Almost all the dams to be builtare in lands at present occupied by minorities and, as they will be built in wide valleys in otherwise mountainous regions, they threaten to submerge the best farm land and settlements of the affected communities.

There is, in addition, a wider threat to all those living within the affected watersheds above the proposed dams. Under new government legislation, the NPC has wide-ranging powers which include the powers to restrict or prohibit farming within the watershed of a proposed dam and the power to enforce relocation of residents to areas outside the watershed as and when they deem it necessary. There is, in the scale of the over-all program, a danger that most of the watersheds of the major rivers of the country will be redefined as 'critical watersheds'. This would threaten the mountain homes of many minorities and a total of more than one and a half million people.

International loans are arranged with banks and governments to cover more than 50% of the costs of these programs. The major development banks i.e. World Bank, Asia Development and the Export and Import Banks of America and Japan lead this international investment.

There seems to be some division of spheres of operation for the major banks. In Mindanao, where penetration of the local economy by Japanese companies is particularly marked, the ADB is most active. In Luzon, the World Bank is the senior partner in several major projects including the Magat River Dam. The World Bank also provided the original guarantee of funding for the Chico Dam Project. However, the Bank's response to the widespread protests against this project has been a partial withdrawal coupled with a redistribution of funds to lesser known but equally destructive projects.

It is often suggested by the government that the Philippine minorities should sacrifice their interests for the good of the majority. This argument hides the fact that the primary beneficiaries of the energy programme are the transnational corporations, the international banks and the Philippine economic elite while the poor shoulder the costs.

USAID, a major funder of the Philippine rural electrification programme, argues that:

> The AID-financed assistance to the National Electrification Administration has encouraged US private trade and investment. A large portion of AID-financed commodities have been contracted by private US companies. In addition, a US consulting firm, Stanley Consultants, and the National Rural Electrification Corporation Associates have provided technican assistance to the NEA since the beginning of the Rural Electrification Programme.

Indeed, 70% of an estimated $ 9 billion to be channeled into electrification investment in the Philippines will be spent on equipment imported from the developed countries.

The scale and complexity of the major energy projects being sponsored by international loans puts them effectively beyond the capacity of the local industrial sector. There are no firms in the Philippines with the capital, equipment or expertise to compete successfully with companies from the industrialized countries for contracts on these sophisticated projects. In addition, international loans are often contract-linked, ensuring the participation of foreign firms. In a period such as the present, when there is limited opportunity for power-related heavy engineering projects in the developed countries, international investment and projects in the Third World becomes increasingly attractive. A Luzon survey contract was granted to Lahmeyers International of Frankfurt,Germany and this same company is also directly involved in the Chico Project. Multi-million dollar contracts on the Magat Dam have gone to the European-based firms Voest Alpine and Brown Boveri, while ADB loans on the Agus project in Mindanao have opened the way for a Mitsubishi contract. The majority of the international loans for the Philippine energy programme will ironically end up being paid directly to major companies in the developed world.

The World Bank has argued for the energy programme to guarantee the supply of cheap electricity as an incentive to attract foreign investors and transnational corporations. The energy programme is conceived as an additional service to the urban industrialized enclaves dominated by foreign firms. There is a striking bias to urban consumption. In 1974, 15.5% of Philippine electricity was consumed for household use. Even within the city areas, consumption is dominated by industrial consumers led by foreign-controlled companies, including Proctor and Gamble, Marinduque Mining and Industrial Corporation and others. In Mindanao, the single major user is the Kawasaki Sintering Plant which was transferred from Japan in order to avoid strict pollution controls in that country.

The massive energy programme of the government has been pushed without any meaningful consultation or consideration for local communities from the Kalingas, Ifugaos, and Illongots in the north to the Maranaos and T'bolis of Mindanao in the south. The methods of implementation and lack of consultation have maximized suspicions and fears wherever local people have discovered the activities of surveyors and construction teams.

Denied participation and consultation, the reaction of the potential victims increasingly has been to protest and resist. The T'bolis of Lake Sebu gathered in their thousands to impress upon dam consultants their determination to oppose dam building on their land. Petitions and legal protests have been tried in Kalinga and in Lanao, but more recently there has been fighting and armed resistance in both areas. The full extent of the problem is yet to emerge. The complete energy programme, if implemented, would adversely affect as many as one and a half million national minority Filipinos. Under the present regime and policy orientation, further military intervention and growing resistance by the affected communities seem inevitable.

THE PRESIDENTIAL ASSISTANT ON NATIONAL MINORITIES (PANAMIN)

PANAMIN is the government agency charged with the responsibility for the national minorities of the Philippines. In its thirteen years of existence, it has grown to great strength politically and militarily. It is PANAMIN that brought the full force of the martial law regime down upon the minority areas.

PANAMIN was initially established as a private foundation in 1968, under the chairmanship of Manuel Elizalde,Jr. This followed his personal appointment by President Marcos in 1967, to the Cabinet position of Presidential Adviser on National Minorities. Members of the original Board of Trustees of PANAMIN were drawn from the political and business elite of Philippine society. No member of the national minorities was included on the Board. The board members of PANAMIN clearly have the wealth to sponsor a paternalistic charity for national minorities; but their complicity through the companies they control in the exploitation of minority Filipinos raises the question of conflict of interests. The problems of poverty and landlessness that PANAMIN has nominally addressed itself to solving are in numerous instances caused directly by encroachment and land seizure by companies with PANAMIN board members as directors.

There were and are no votes allotted to tribal peoples within the PANAMIN structure. Tribal peoples have no say in the formulation of PANAMIN policy. It is unreasonable to expect leading members of an urban-based elite to represent the interests of the tribal poor.

Soon after its establishment, PANAMIN centered its activities on well publicized charity programs. Mercy missions for the 'starving tribes' received much attention from the national press. With the advent of martial law in 1972, the pouplarity winning hand-outs became less common. The agency, following the lead of central government increasingly focused on security and counter-insurgency measures in support of outside developers penetrating tribal lands. Several key positions in the organization have since been filled by high ranking military personnel.

In a document entitled Report and Recommendations on the Non-Muslim Hill Tribes, Elizalde asked for a special security unit to be provided for a PANAMIN-led counter-insurgency drive. Shortly after the submission of this report, PANAMIN became a full government agency and by 1977, 'security' had expanded to account for the largest single expenditure in the PANAMIN budget.

> A leading army officer within PANAMIN is quoted as saying: The pupose of PANAMIN is to check on the loyalty of national minorities ... If they pass, we submit their names to the Constabulary for integration into para-military units. Those minorities who pass our loyalty check are permitted to participate in the government's fight against subversive elements.

Relocation into strategic settlements is a central part of the PANAMIN programme. Manobos and Bukidnons have been resettled on eight PANAMIN reservations in Bukidnon province. It is not PANAMIN's practice, however, to encourage the relocated minorities to acquire title to these lands. PANAMIN and not the people holds the title to lands within its reservations, as this ownership gives it the means to assert control over reservation populations

These reservations have come to be military outposts of PANAMIN. Local militia are armed and trained. They patrol the nearby mountains and guard the settlements against outsiders. Security is so tight that no one is allowed to enter the area without a PANAMIN-authorized pass.

Each reservation is administered through a PANAMIN administrator and a council of elders, all of whom are selected and employed by PANAMIN. Effective power in the community lies with PANAMIN and its coordinators, who control both the land and the salary disbursements to the council. Council members are paid inordinately high salaries of up to ₱3,000 ($450) per month for attending occasional community meetings. Leaders are paid for their capacity to draw and keep their followers within the reservation. A PANAMIN official is quoted as saying:

> We resettle the natives on reservation lands which we manage for them. From then on, any company that is interested in the land deals with us.

The reservations are minority settlements that are uncharacteristically large and densely populated. The land within the reservation is often poor and after years of repeated cultivation crop yields diminish. Fertilizers and high-yield crop varities are being recommended by PANAMIN but the purchase of these from the coordinators pushes the farmers into debt. They are thereby bound more effectively to the reservation, PANAMIN and the government.

Minority groups who disagree with the reservation policy run the risk of being defined as rebels or subversives. For those already committed to PANAMIN settlements, the situation is worse. They can only reassert their independence by abandoning their lands and homes within the reservations.

PANAMIN proudly claims that it has already confined two and a half million Filipinos to reservations and expects soon to include all the minority peoples of the country. This then, is the prospect facing Philippine national minorities under PANAMIN and the Marcos regime.