

THE IDEAS OF GREGORIO SANCIANCO: A BLUEPRINT FOR ECONOMIC DEVELOPMENT IN THE 19TH CENTURY PHILIPPINES

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When we were students of Professor Teodoro Agoncillo, I was struck by what he said was the distinctive characteristic of Philippine social structure, and the unique process of Philippine social development in the late 18th to the 19th centuries. He said that the bourgeoisie propelled dramatic changes in European social and political structure. The bourgeoisie is the middle sector of society most instrumental in promoting social reforms particularly in the formation of democratic institutions and for advancing European nationalism. By contrast, changes in Philippine society were primarily in the hands not so much of the bourgeoisie but on the “*mestizoisie*.” The *mestizoisie* Agoncillo said, formed by inter-marriages between native-Spanish, Chinese-Spanish, and varying mixtures of the three, provided the vehicle for dramatic social changes in the 19th century.

Father Jesus Merino in his essay on the Chinese mestizo wrote that the Chinese mestizo “... is the most important element in the Filipino national identity, ... the Chinese mestizo has the permanence of characteristics, a strength, an influence and a dignity of his own. So much is this so, that the main ethnic stock, no matter how Spanish and Christian it may be in inspiration, in civilization and religion, no matter how American it may be in politics, trade and aspirations, has been historically and practically shaped not by the Chinese immigrant but by the Chinese mestizo.”¹

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Many historians have recognized the crucial role of the Chinese mestizo in shaping Philippine society and nationhood when the lineages of several of our national heroes were brought to light. Dr. Jose P. Rizal's paternal great grandfather was Chinese, and he had mixed Chinese ancestry from his maternal great grandparents. Many of the leaders of the propaganda movement like Pedro Paterno, Emilio Aguinaldo and the subject of this paper, Gregorio Sancianco y Goson descended from Chinese and Chinese mestizos. They were in the forefront of the nationalist propaganda movement; they wrote, published and disseminated their ideas in the Philippines and in Europe. Many joined in the armed revolution against Spain.

Father Merino was correct in singling out the Chinese mestizos' contributions to the formation of the new Filipino identity. The mestizo born from the mixture of races and cultural backgrounds were the ones who could easily transcend tribal, localized, linguistic identities or alliances which may have been the prevailing sentiment among the majority of the Philippine populations at that time. But Prof. Agoncillo and Fr. Merino may have overstated the case. By stressing the ethnicity and racial origins of the Chinese mestizo, they may have glossed over the equally important features of this group of people. For instance, their economic, educational and social status, which combined with historical circumstances, led them to play the roles they performed in the 18th and 19th century.

The Chinese mestizos that Fr. Merino referred to, whether a mixture of native Malay stock, or Spanish, were composed of the more affluent and educated middle classes of the time. Their numbers were probably very small in proportion to the total population. For we must not neglect to point out that a larger number of Chinese and Chinese mestizos in Manila and other parts of the archipelago whose names do not figure in historical documents were poor, unlettered laborers if not totally destitute. Despite their small numbers, the Chinese mestizos discussed by Fr. Merino played a crucial role in Philippine society for they had the desire and the means of obtaining the best education available in the Philippines and in Europe where they were influenced by western liberal, progressive and democratic ideas. At the same time, since they were born and bred in the Philippines, in close and constant inter-action with the different social groups, with the Spanish colonizers and other foreigners, not to speak of other Chinese, they probably possessed a relatively broader social perspective compared to other social and ethnic groups. Furthermore, since a number of them came from families who were engaged in some

form of business, they had experience in productive enterprises. This combination of features predisposed them to take advantage of social and educational opportunities. However, they were also as vulnerable as the other native peoples were to the persecutions and harassments of colonial administration.

It is understandable therefore that the Chinese mestizo together with other social groups of different ethnic backgrounds, like the Malayan Andres Bonifacio and Emilio Jacinto, articulated the people's grievances against the Spanish government and the Roman Catholic clergy. And in doing so, they were at the same time the harshest critics of their own frailties. Certainly we can say that the Chinese mestizo did play a very important role in the formation of Filipino identity and in advancing Filipino nationalism. But it was a role thrust upon them not so much by their ethnic backgrounds, but by the troubled social and historical circumstances. Their common experience of injustice, tyranny, racial prejudice, hypocrisy of the ruling elites, and the stifling social and religious regimen imposed by the conservative and reactionary segments of the Spanish government and its church. This combination of factors forced the Malay Filipino, Spanish and Chinese mestizos to unite. They shed their narrow identities of region, social status, language, even race, and forged a new national identity.

In 1821, their common grievances were eloquently expressed with an ironic twist by "El Indio Agraviado," and deserves to be quoted at length:

"This is what you are saying among yourselves: If we allow the Indians to learn Spanish, some of them may turn out to be satirists and scholars who will understand what we say, dispute with us and write things against us. If we allow them to prosper they will become rich, they will mix with us freely, sit beside us, eat at the same table, aspire to high and important offices, become persons of distinction. Is it not shameful that they should be on the same level as ourselves? And so, they may never rise from their miserable condition, and that they may always be poor, that we may have them to serve us always, let us not teach them Spanish; let us leave them in their ignorance; let us not help them correct the barbarous speech and stupid ideas that among them pass for polite conversation; let us not provide them with money, that being always needy they

may learn to steal. Thus we shall be able to call them thieves and they will have nothing to say in their defense because they will be thieves. And if by a miracle they refrain from stealing, being in need they will do what work they can for whatever wage they can get. By this method or system we will always be the masters and they will always be poor, miserable and ignorant, bearing all injuries, unable to defend themselves. We will possess all, and all will have need of us. Was this not what your worships had in mind from the beginning, that you may always have the better of us, as you do? There is no doubt at all about it. What then is left for the poor Indian? If he tries to reason with you, he is impertinent; if he keeps his peace, he is a dolt.

And now let me ask you: Is this what it means to be one and the same family, one and the same nation, one and the same monarchy embracing East and West? Is this how the law is observed which enjoins 'most strictly that no one constituted in authority, whether ecclesiastical, civil or military, should under pretext whatsoever, however reasonable it may appear, commit any injury against the person of the Indian?' Or is it not rather oppression, despotism, arbitrary rule, and egoism?"²

Let us consider for the moment the character Quiroga, as an illustration of the character of the immigrant Chinese businessman and to differentiate him from a mestizo Chinese like Gregorio Sancianco whose sense of identity was already Filipino. In one of the most satirical chapters of *El Filibusterismo*, Rizal painted a vivid picture of a Chinese immigrant businessman in the late 19th century. In Chapter XVI entitled "La Tribulaciones de un Chino,"³ Rizal portrayed a character named Quiroga. Although situated in the late 19th century, the chapter has many parallels to contemporary Philippines. A wealthy businessman, he dealt with all sorts of goods and provisions much needed by the government officials and the friars. Quiroga's operations encompassed the whole gamut of trade and commerce, from the procurement of goods, their storage, distribution, transport, and most of all supplying the needs and appeasing power holders in Philippine society. Bureaucrats, friars, soldiers, pensioners, and widows whose stipends more often than not could barely keep body and soul together relied on Quiroga for their subsistence in the form of "vale," that

is to say, they obtained goods on credit more or less equivalent to drawing an advance on their salaries or stipends.

Quiroga wanted to establish a Chinese consulate in the Philippines for the obvious reason of looking after the welfare of resident Chinese in the country. For this purpose, Quiroga hosted a sumptuous banquet at his residence on the Escolta to which luminaries and other people of consequence were invited. The guests represented the network of power wielders and VIPs, not excluding Quiroga's competitors, critics, enemies and other wheeler-dealers and fixers; the friars, bureaucrats, military men, and other merchants. Quiroga's "*suki*," a Fukienese word for constant customer, his closest business associates and his "*Ninong*." The fact that he had a "*ninong*" showed that he was probably a baptized Christian. Quiroga also invited a Senor Gonzalez, a journalist whose main preoccupation was to condemn editorials on the policy allowing the entry of Chinese immigrants into the country. Senor Gonzalez could be relied upon to write about the necessity of establishing a Chinese consulate and that no one else but Quiroga could fulfill the role as Consul. Also among the guests was Senor Timoteo Pelaez, a Filipino merchant who attributed his business setbacks to Chinese competition. Other guests although unnamed included one who engaged in Mexican currency manipulation, another who kept griping about Quiroga's buying and selling of lottery tickets in the country and in China in collusion with an influential Manila lady. To demonstrate further how insidious were Quiroga's machinations, the chapter showed the Chinaman's retinue of obedient and diligent servants who were overly attentive to all the needs and whims of the guests.

Among Quiroga's guests, the friars were said to be the ones most accustomed to relax and pass the time in Quiroga's store right before the view of the public, and even stayed in the latter's luxurious private quarters. By contrast, Simoun the wealthy jeweler and close adviser of the Captain General arrived late, and did not partake of the feast or any of the refreshments. Although Quiroga appeared congenial to Simoun, he suspected him of inciting animosities between the natives and the foreigners, between Peninsulars and those born in the Philippines, between mestizos and full blooded Chinese, and that these animosities led to complaints and litigations to the delight of the friars and the Spanish officials who enriched themselves as mediators among the quarreling Chinese factions. Nonetheless, Quiroga fawned on Simoun since it was

through him that Quiroga gained access and favors from high officials usually by giving valuable gifts of jewelry to the latter's wives and women.

The guests already inebriated by the free flow of champagne engaged in spirited discussions. Topics of discussion revolved around the proposed Chinese consulate, Quiroga's possible appointment to the post and other social and political issues like equality and citizens' rights, the general deterioration of social and economic conditions in the country, its backwardness compared to other countries. But the refrain centered on their anxiety about the difficulties of doing business or "making a killing" from government contracts. Government legislation requiring houses to replace flammable materials like bamboo, wood and nipa roofs with adobe stones, and galvanized iron. Provisioning shoes and other supplies for the troops were other possible sources of profits, and making deals to obtain contracts were contested by the guests. Tight-lipped Simoun was the only one among the guests whose schemes guaranteed him and him alone, large profits. His latest plot was smuggling of arms supposedly for an edifying political cause. Actually, Simoun planted arms in the homes of prominent and wealthy people who had to seek his help to rescue them from certain persecution by the government. Simoun wanted to involve the frightened Quiroga in his plot by exacting immediate payment of a sizable loan.

The conversation shifted to other topics of a lighter vein from magnetism to spiritism, and to the enigmatic talking sphinx exhibited in a Quiapo feria (circus show) by an American named Mr. Leeds. The sphinx caused a lot of arguments and speculations among the guests although no one else except Juanito Pelaez, (son of the Filipino businessman Timoteo Pelaez) had seen the show. The young Pelaez tried but failed to provide a convincing explanation for the phenomenon.

To put an end to the arguments, Ben-Zayb another journalist suggested that the friars should see the show for themselves with the intent of unmasking the trickery of the show, and to prove the friars' intellectual superiority to the credulous *Indios* who trooped in great numbers to watch the sphinx. The chapter ends with Simoun's plot safely put in place while everyone else was distracted by the circus quirk show.

To this day, Rizal's portrayal of the Chinese Quiroga served as the stereotype of the whole Chinese population in the Philippines. Quiroga was the epitome of the opportunist, totally committed to personal profit and gain. Unscrupulous and unprincipled, Quiroga was constantly engaged

in intrigues and manipulations. And yet he never failed to present himself as the helpless victim of harassments from all quarters while his business was always on the brink of bankruptcy.

On the surface, the characterization of Quiroga appeared similar to the way Father Damaso was depicted in the *Noli me Tangere*. Intent on identifying the main culprits in Philippine society, Rizal portrayed the friars and the Chinese as despicable evil doers; the friars for their contempt for, and abusive treatment of the *Indio*; and the Chinese as manipulators and profiteers. And yet, if we reflect on the meaning of Chapter XVI and look at Quiroga with the rest of the characters, we see him as a creation of the conflicting interests of the other characters as well as the historical circumstances they found themselves in as much as his own volition. Everyone, even the powerful and sinister Simoun relied on Quiroga's help. The impoverished widow on a small pension, who thought it was demeaning to work, the soldiers, government bureaucrats, the friars dependent on the small stipend from the *patronato royal*, all turn to Quiroga for their daily needs and the accoutrements that befit their self esteem. The businessmen intent on cornering government contracts needed Quiroga's help to obtain the necessary goods and money to bribe officials. Even Simoun had to make use of Quiroga's resources and his network of high officials, confidantes, and informants to realize his stratagems.

In real life, Rizal's relations with the clergy and the Chinese were not as antagonistic as portrayed in the two novels. Up to the eve of his execution, Rizal kept his friar friends among the Jesuits. And in the case of the Chinese, some of his friends and closest associates were Chinese mestizos. Rizal distinguished between the recent immigrant Chinese who were not assimilated, and the mestizo Chinese among whom were his close friends. One of them was Doroteo Ongjunco at whose house on Raja Matanda Street in Tondo, the La Liga Filipina was organized on July 3, 1892. The disparaging depiction of the Chinese, and the absence of Chinese mestizo characters in his two novels showed that from Rizal's point of view mestizos whether part Chinese, or part European having dropped their former lineage as did Rizal, who assimilated into Philippine society, and espoused common cause with the *Indio* could not be categorized any other way except as Filipinos.

One of the most outstanding Chinese mestizos who identified himself completely with the Filipinos was Gregorio Sancianco y Goson. Sancianco was barely ten years older than Rizal. Like Rizal, he fought for

reforms in the country and in Spain. His book, *El Progreso de Filipinas* reflects his wide knowledge and deep understanding of social, political and economic issues of the Philippines and Europe. It is all the more astounding for he drew up a comprehensive and practical program of reforms at the age of 26. Sancierco was highly regarded by other Filipino activists. Jose Rizal in one of his letters to Graciano Lopez Jaena wrote of the events of 1872 as follows: "Without 1872, there would not now be any Plaridel, or Jaena, or Sancierco, nor would the valiant and generous Filipino colonies in Europe exist. Without 1872, Rizal would now be a Jesuit and instead of writing the *Noli me Tangere*, would have written the contrary. ... The day on which they lay their hands on us, the day on which they inflict martyrdom on our innocent families for our fault, farewell, pro-friar government -- and perhaps, farewell, Spanish government." ⁴

Except for his book, very little is known about the personal life of Sancierco. He was born on March 7, 1852 in Tonsuya, Malabon which became part of Rizal province during the American regime. His father was probably Chinese, and his mother may have been Chinese or mestiza Chinese from Pampanga. He mentioned in his book that he and his family were engaged in trade along the western coast of Luzon, from Ilocos to Manila, and in inland trade to Nueva Ecija and Cagayan. At an early age, he was sent to Manila to study at a school owned by Benedicto Luna.⁵ Later on, he studied at the Universidad de Santo Tomas and was one of those who organized the *Juventud Escolar Liberal*, a student movement that sought reforms in the educational system, and obtain the rights of the Filipino clergy to occupy parishes and higher positions in the Roman Catholic hierarchy. In November of 1870, the students at the Universidad de Sto. Tomas petitioned for reforms in the prevailing antiquated educational system. The students pleaded for the employment of better-trained professors since the teaching staff consisted mainly of Dominican friars whose limited training confined instruction to Latin, theology and canon law. They asked for the inclusion of more science and mathematics subjects, increase the salaries of professors, improve school facilities, and government subsidy for education. The wording of the petition was polite to the point of sounding like a supplication. However reasonable was their petition, the University authorities reacted irrationally; they terrorized the students and their parents accusing them of sedition and heresy, considered the worst offenses against the colonial government and the church. Felipe Buencamino, who was presumed to be its leader, was dismissed from the University.⁶ More information can be found in Buencamino's memoirs.

He wrote that the Filipinos in Madrid published a paper, *El Eco Filipino* to counteract the paper of the Spanish clergy, *La Verdad*. Obviously, *El Eco Filipino* was censored by the Spanish authorities and could not therefore be distributed openly to its subscribers. Members of *La Juventud* like Paciano Rizal (elder brother of Jose Rizal), Gregorio Sancianco and Buecamino were the couriers and distributors of *El Eco*. To avoid Spanish surveillance, the young men disguised as *zacateros* picked up the newspaper from the house of Esquivel, hid the newspapers inside the *zacate* and distributed them to the subscribers.⁷

The inadequacy of the Philippine educational system at that time forced Sancianco like most Filipinos of some means to go abroad. Sometime in 1872, he went to Spain and studied at the Universidad Central de Madrid and obtained the degree *Doctor de Derecho Civil y Canonico y Lecenciado en Derecho Administrativo*. In 1881, he published at his own expense his book, *El Progreso de Filipinas*. Right after its publication, he returned to Manila in January 1884 intending to practice law. On May 10, 1884, Andres Novales led a tiny group of soldiers to protest their maltreatment by their superiors in Sta. Maria de Tayug, Nueva Ecija. Due to the prevailing paranoia among the conservative, reactionary faction of the government and the church, the soldiers' protest was blown out of proportion and dealt harshly as if it were a "revolt." Again Sancianco's progressive ideas made him the target of suspicion. He was arrested together with 1,700 others. Among whom were his former classmates and friends, Felipe Buencamino, Joaquin Luna de San Pedro (father of Antonio and Juan), Andres Novicio (brother of Mrs. Luna), Antonio Crisostomo, Bartolome Espiritu, and Joaquin Sebastian. The last two were tortured and forced to admit guilt and implicate others. Sebastian confused the authorities by naming several Spanish high officials and the Archbishop himself. Eventually they were all released for lack of evidence.⁸

In 1887 he was appointed Justice of the Peace in Cabanatuan, Nueva Ecija but due to some altercation with the parochial priest, Fr. Jose dela Fuente, Sancianco was forced to retire. He was then only 35 years old. He transferred to Manila where he joined the law firm of Don Ambrosio Rianzares Bautista, the one who drafted the proclamation of independence on June 12, 1897. We have no information so far of his activities during the revolution in 1896 except that he retired in Sto. Domingo, Nueva Ecija where he died on November 17, 1897.⁹

Sancianco's book is a mine of information about the state of Philippine economy, trade, commerce, the infrastructure, and of society as a whole.¹⁰ His analysis of what ailed the country are as relevant today as they were in 1881. While his main intent was to study the revenue laws of the country, the financial system, regulations and administrative practices at all levels of government, he pointed out the many anomalies and inconsistencies of the system. He attacked the contradiction between official policy of the Spanish government and its application in the colony. Spanish law required the colonial administrators to advance the material and spiritual welfare of the colony. No distinction was to be made between peninsular or insular Spaniards, white or colored. Sancianco pointed out the discrepancy between the laws and their application in the Philippines. He said that the Philippines was part of "the Spanish nation; the same government, the same constitution, the same laws and institutions, that prevail in the peninsula ought to prevail in those islands." He was, like Rizal an assimilationist who aspired for equal rights, human dignity, all the freedoms and the benefits of social and economic progress enjoyed by the Spaniards.

The practice in the Philippines, however, retarded and obstructed the implementation of reforms much less radical changes advocated by Sancianco. Foremost of the obstacles to change was lack of education. Since majority of the *Indios* could neither read nor write Spanish they had no means of communication with the government and the outside world. No provisions were made to instruct them to master Spanish. There were only 50 schools with 50 poorly trained and poorly-paid teachers for 9 million inhabitants. The few schools in operation were run by the clergy who confined teaching to a few prayers and catechism. Only in Manila were there good schools and colleges but even these were entrusted mainly to the Dominicans who relied on their own funds and on student fees. The excuse given by the authorities for the absence of universal education system was lack of funds. Sancianco pointed out that funds for public services could be generated by a better system of taxation. The present system of taxation was not only deficient but was riddled by inefficiency, corruption and was patently unjust.¹¹ While current taxation laws exempted Spaniards from tribute and forced labor, the heaviest taxes were imposed on the shoulders of those least able to pay, the Indio small farmers and laborers. The Chinese paid the highest taxes, and were required to serve longer at forced labor. While those who could afford and should pay taxes like government officials, employees, proprietors and traders were the ones exempted. And what amounts of taxes were

collected were not utilized for provision of public services, and assurance of public safety but were often loaned to Spanish business speculators if not misappropriated for personal gain.

He suggested a more creative system of taxation based on one's ability to pay and not one imposed on the basis of race. The first requirement in drawing up a program of tax reforms was in depth study of the state of agriculture, trading, commercial activities, the professions and crafts, transportation on land and sea, in short a thorough study of all aspects of the economy. He deplored the inadequacy of reliable and up-to-date statistics which was the major setback in instituting reforms in the economy. Reforms he said should begin with changes in the way taxes were imposed. Taxes should be levied on the basis of wealth and not on race. Immovable property like farm lands, its produce such as crops and livestock; gains from industry and commerce, customs fees, identification cards like cedula, municipal and provincial taxes, lotteries and raffles, distilleries, wines and liquors, income from crafts, employment and the professions should be taxable.

In return, the government must provide roads, ports and harbors for efficient and safe transport of people and goods, and guarantee an efficient and honest bureaucracy. He gave detailed accounts of how farmers, fishermen, traders and travelers suffered delays and losses due to bad or non-existent roads, clogged and silted rivers and harbors made even more dangerous due to lack of light houses, beacons and buoys, and by predatory Aetas and brigands.¹² Worse he said, at every junction of the road and port, sentries demanded exorbitant fees, documents and other unnecessary requirements. Even crews of boats were required identity documents which could be procured through elaborate procedures obtainable only at the capital. These caused farmers, shippers and employers large sums of money and wasted time. In Tondo, Manila the canal Reina Regente a major transportation highway from Manila Bay to Pasig, Marikina, and Laguna was so choked with silt that even flat bottomed boats could not navigate the river. He attacked the Tobacco monopoly or any kind of monopolistic control of agriculture, trade and commerce. Monopoly he said was not conducive to efficient production of high quality goods and services. He provided comparative data of tobacco, sugar, and rice production from Cuba, Dutch, French and Belgian colonies to demonstrate the inefficiency and backwardness of Philippine production. The net result of these inefficiencies and corruption were

higher cost of goods and services, lowering of productivity, rise of crime, and widespread discontent.

To appreciate Sancianco's proposals regarding land ownership, land tenure, distribution, management and system of generating revenues, it is important to discuss what were the prevailing concepts and practices on land ownership and tenure during his time. The prevailing opinion in government was that the *Indio* had no concept of land as personal property and therefore could not be required to pay tax on land. Another argument advanced against taxing land was that since the population was still small relative to the availability of idle lands, it would only prevent land utilization. Actually, the biggest obstacle in the imposition of taxes on land was the fiction created by the Spanish government that all lands and all wealth in the colony belonged to the crown. This fiction abolished in one stroke indigenous rights to their own ancestral lands and baranganic customary laws. In place of native land rights, the Spanish king claimed that as an act of benevolence, lands were parceled out to the people for cultivation. Small plots of land (4-5 hectares) were assigned to the villagers as usufruct and reverted to the crown if these were not cultivated within a given period of time. Now, how were the Spanish colonizers and missionaries supported? How were these people who were not cultivators but soldiers and priests to be maintained in the distant colony? Funds sent by the Spanish crown were barely sufficient to cover the salaries of the colonial officials. Hence, other means had to be found to supply the needs of the colony. This was done through what was known as the *encomienda*. *Encomienda* involved a sort of land grant to the *encomendero*. Strictly speaking, it was not the land that was awarded but only the authority to collect tribute from the inhabitants of the lands assigned to them. Spanish officials were rewarded with *encomiendas*, and similar grants were given to the church and the friar orders both of whom operated like business corporations. Friar orders having been pioneers in establishing parishes and settled communities obtained the best cultivated and populous land grants. These were also lands which happened to be within cities and towns. The *encomienda* system, therefore, made the inhabitants of these land grants subjects of the *encomendero* or the friar corporations. Aside from having to pay all the state taxes, and render (*servicios*) personal services and (*polo*) labor for public works, they had to pay rent for the right to cultivate the land which they and their ancestors owned in the first place! Under baranganic customary law, whatever surpluses they generated accrued to themselves with a small share going to the *Datuk* as *buwis* (tax). Under the Spanish regime and the *encomienda* system, they were forced to work

harder just to meet the demands of the colonial masters. Compounding the troubles of the people were the imprecision of land boundaries, ambiguity in the arrangements of usufruct, and the many and arbitrary impositions on their labor. The people had to perform personal services for the friars, supplying their needs, and attending to the innumerable religious rites and ceremonies prescribed by the church.¹³ As more lands came under Spanish control, and agriculture intensified, the lot of the majority of the common people deteriorated. Many were reduced to landless tenants and wage earners of the estates, a status probably unknown prior to Spanish colonization.

Sancianco analyzed the system of land ownership, land tenure, and attacked the gross injustice of the cadastral laws, procedures and practices obtaining in the country. Current laws he said, allowed public lands to be acquired by the following means: (1) by simple occupation; (2) by petition to the state; and (3) by purchase. The first two methods were reserved exclusively to the native population, but prohibited to Spaniards and other foreigners. The third method was allowed to Spaniards and foreigners but the natives were preferred. Sancianco showed the loopholes in the current cadastral system. The system of land grants although intended to attract the most diligent and resourceful farmers had the opposite effect for several reasons. First, many of the landowners left their lands idle due to the many deficiencies in the economic system. Some of them he already mentioned earlier such as lack of roads and other transport and communications infrastructure, and the many bureaucratic requirements for travel and transporting of goods. He discussed how unscrupulous officials and powerful people victimized the illiterate cultivator who, having cleared and cultivated the land, suddenly discovered that someone else had title to his land. Moreover, ownership and its usufruct was poorly documented, was easily transferred, mortgaged, and sold. Whenever the original cultivator was strapped for cash, lack of legal credit facilities forced the poor farmer to turn to unscrupulous usurers who imposed high interest rates. The poor farmer could only offer his land as collateral and since he usually failed to pay the loan on time, he was soon divested of his land.

Another problem which made it difficult to tax the land was the instability of the land ownership. Establishing ownership or usufruct was difficult enough. Added to these problems was that the poor farmer was constantly prey to the uncertainties and vagaries of the weather, pests, drop in prices, and constant threat from powerful land grabbers. When

crops fail or planting season was delayed, the farmer turned to money lenders usually Chinese traders, local officials, and the friars who advanced food, seeds, farm tools, and other necessities at high interest rates. Oftentimes, the lender was the *alcalde* or the curate who, by law, could purchase specified amount of goods at prices set by themselves. So the farmer was caught in a bind by the credit and marketing system, the same persons who extended credit were the same ones who bought farm products cheaply at harvest time.

While Sancianco advocated taxing lands, income and profits derived from land, he also set down guidelines or criteria in assessing the value of the land for taxation purposes. He criticized the current system whereby properties of the wealthy, businesses and industries were not taxed. There ought to be a scheme whereby properties were classified and categorized by their value and profitability. On this basis, graduated schedule of taxes should be drawn up. He pointed out that the Department of Finance failed to collect the ten percent real estate tax required by law which was instituted in 1861. Inability to implement the law stemmed from lack of data and field survey, and from inefficiency. He criticized the regulation that exempted all structures used for domicile from taxes. This had the anomalous result of taxing even the humble nipa and thatch houses of the poor just because they were rented out to others. While it exempted from tax the fancy houses in Intramuros and Binondo.

Sancianco argued that what was needed was a comprehensive agricultural program and total overhaul of the cadastral and taxation system which, when put in place, would stimulate further production. His vantage point was not from the point of view of the tax collector, nor of big land owners but the position of the hapless cultivator. Most of his recommendations for agricultural reform are surprisingly applicable to this day. He already mentioned the necessity of gathering precise and up-to-date statistics. Because of rampant land-grabbing and the ease by which abusive officials and clergy encroached on the peoples' lands, he hammered on the urgency of aiding the farmers by having the government undertake proper cadastral survey of all the lands, classification, documentation and protection of property ownership. Aside from all of these legal and administrative measures, Sancianco pleaded for the government to provide proper education for the citizens and train farmers on improved agricultural and technical methods. These were the essential preconditions that could ensure the success of a thorough-going agricultural reform program.

Sancianco fully subscribed to the concept that stability of land ownership and tenure was crucial to agricultural productivity and to social harmony. But besides ownership, Sancianco emphasized the need to attract the most industrious and resourceful farmers to work the land. For land, unless cleared and made productive, had little value. Farmers should be provided all the incentives, and remove the obstacles to agricultural production. Furthermore, there should be provision of credit to the cultivator and ensure fair market prices for farm products. Hence he devoted an entire chapter to criticize the "Regulation of 25 June 1880" which he considered inimical to the country since it led to divesting tillers of their lands.¹⁴ Purportedly issued to define land boundaries, grant land titles to cultivators and tillers, and "to stimulate farming and increase production," the Regulation of 1880 actually gave opportunities to unscrupulous, powerful people to seize tracts of lands from cultivators who were illiterate and had no titles to the land they had been cultivating for years. Furthermore, many of the small land owners could not afford the cost of surveying, obtaining all the legal documents, fulfilling all the complex bureaucratic requirements for titling their land, and the cost of real estate taxes which were often arbitrarily imposed. Lack of proper titles by the long time occupants and cultivators of lands was the cause of abuses by the wealthy and well connected who could meet all the legal requirements of the law. Whatever taxes could be generated from the Regulation of 1880, Sancianco said, could not compensate for the possible loss in production and the certain social unrest it would generate.

In place of Regulation of 1880 Sancianco proposed alternative legislation. Cadastral survey and careful classification of lands such as farm lands, pasture, forest, mines, etc. must be undertaken by the government. Lack of clear land boundaries, proper titles and documentation were causes of abuse and conflicts. And because of uncertainty and precariousness of land ownership and tenure, people were hindered from engaging in agriculture and productive exploitation of the land. For this purpose, Sancianco recommended the hiring of more engineers and foresters who were to undertake scientific surveys and classification of the lands. Evidently he was writing at the time when land was relatively plentiful in proportion to the population. Population was estimated at about 9 million and most of them still dispersed in different areas distant from each other. He was not yet fully aware of the environmental and ecological problems regarding intensive land use and management. While he mentioned the presence of Aetas and Negritos roaming in Bosoboso, Morong, in Porac Pampanga, and Zambales, he did not consider them in

his recommendations. His main concern was to attract settlers to the “empty” or uncultivated lands which he said should be distributed *gratis* to the cultivators. Communal lands of six square leagues was to be assigned to barrios, municipalities, towns or parishes, and eight square leagues to provincial capitals. Uninhabited lands (usually classified as crown lands) covering forest areas and mines should be designated for the use of the state.

Farm lands of two (2) kilometers square could be granted to individuals and 12 square kilometers if they had sufficient capital. Colonizing companies and entrepreneurs were to be given concessions from two to four (2-4) square leagues. While pasture or grazing land, and forest, whatever areas were requested could be granted. However, Sancianco specified conditions for land grants. Titles were not permanent unless the tiller fulfilled all the requirements. They were to be required to clear and cultivate at least 1/4 of the land the first year, and the rest of the land within four (4) years. No taxes should be imposed until land became productive and amounts adjusted in accordance to the size, profitability of the land. After four years, the tiller should pay full real property tax. In other words free land grants were temporary unless it was cleared and farmed within a fixed period of time. Furthermore, land grants must not be sold.

He identified many sources of government revenue and drew up taxation scheme which was distributed according to ability to pay based on income and wealth. He opposed the indirect tax for it was a clever means of passing on the tax burden to the consumer rather than the producer or seller. He identified income based on detailed classification of every category of property, farm lands (taxed according to size, location and productivity; agriculture products, cattle, forest products, structures, houses, etc.) He suggested that animals must be fenced and kept from roaming wild, and that the carabao, the ubiquitous beast of burden of the people, was to be exempt from tax. To ensure that the tax scheme was applied, he said that the government ought to be vigilant and carry out thorough inspection, and that engineers must be employed to undertake accurate survey and evaluation assisted by field guards. All of these procedures, of course, required honest and diligent government officials.

To encourage more trade, Sancianco argued for abolition of monopolies. He attacked the Tobacco monopoly which forced farmers to plant tobacco and deliver specified amounts at prices fixed by the

government. He discussed the many abuses committed by those in charge of implementing the Tobacco monopoly whose nefarious tactics included arbitrary pricing and grading of the tobacco leaves, use of faulty weights and measures, delayed payments, unfair exchange of goods for the tobacco crop, etc. Sancianco also criticized the rigidity of the rules regarding the tobacco monopoly. By requiring farmers to plant only tobacco at a certain time, at specified quantities, and by imposing strict quotas, the planters had no insurance against food shortages, no alternatives in case of crop failure, and price depreciation. He suggested instead that monopolies ought to be abolished. Instead, farmers were to be allowed to plant whatever crops they wanted at the time and quantities they believed most profitable to themselves. The government should however provide correct information about agriculture and build the necessary infrastructure.

Trade barriers like import and export taxes specially of industrial goods, equipment and machinery were obstacles to economic progress and industry. He suggested the opening up and building of more ports, and doing away with unnecessary bureaucratic restrictions. He stressed the importance of honest and efficient government and of public safety. He suggested that importation of arms be prohibited and strictly supervised by the *Guardia Civil*.

From his discussion, Sancianco comes across as moderate and pragmatic economist. In contrast to Marcelo H. del Pilar, Jose Rizal and Apolinario Mabini, Sancianco did not attack the Spanish government nor the Roman Catholic church directly. He focused his analysis on economic and financial problems of the country and proposed practical common sense solutions. He sought reforms within the framework of the Spanish colonial government. The fact that he published the book in Spain showed that he addressed his appeal not to the benighted, reactionary, and intolerant Spanish rulers in the Philippines, but to Spain of the European enlightenment, the Spain that produced the Cadiz Constitution of 1812, and waged the revolution 1868. And yet the reforms Sancianco advocated such as education for the people, honest and efficient government, increased economic production, setting up of industries, granting land to the tiller, taxing the wealthier segments of society, including the Spaniards as well as the entrenched landed *principalia*, and provision for public safety, would have had profound implications on society. Were his recommendations implemented they would have required a major shake-up of the status quo. Still he stopped short of advocating the overthrow of the entire colonial system. But by writing a detailed study on taxation,

land tenure, and revenue system, Sancianco obtained a hearing from the colonial government which was already in a state of paranoia. His book was serialized in the newspapers and stimulated many readers to write letters and articles. His recommendations exposed the unjust and iniquitous taxation based on race. The Spanish regime could no longer rationalize a taxation system premised on the false notion that the *Indio*, the Chinese and Chinese mestizo were of a lower breed. Sancianco laid bare the intent of the tax policy which set each race against each other. Sancianco, like his compatriots, insisted that all were Filipinos. "Don't we all live under the same sun and breath the same air?" he asked. As all lived and worked together so were all races involved in the many riots and uprisings that occurred since the 18th century. Spaniards, *peninsulares* and *insulares*, *Indio*, Chinese and mestizos were all involved either as leaders, or followers. They were provoked by the unjust treatment by the so-called superior race. They resented the privileges peninsular Spaniards and the clergy enjoyed at the expense of the other races and classes. Sancianco opened another vista to the oppressors and tyrants not by calling them by that name, but by warning them that their misdeeds caused their own degradation, rendered them useless, and blinded them from the truth.¹⁵ Sancianco's treatise was a sober, practical appeal to human dignity, reason, honest, hard work, discipline and productivity. His generation of nationalists a mixture of *Indio*, Chinese, mestizo and Spaniards sparked the flame of national struggle that the waning colonial regime could not extinguish, for it burst into the revolution of 1896.

This photo is taken from Nick Joaquin's *A Question of Heroes: Essays in Criticism on Ten Key Figures of Philippine History*, Makati, Mla.: Ayala Museum, 1977. p.41



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Endnotes

¹Fr. Jesus Merino, "The Chinese Mestizo" in *The Chinese in the Philippines*, Vol. I, 45-46 edited by Alfonso Felix, Jr. Manila: The Historical Conservation Society.

²Wenceslao Emilio Retana y Gamboa, *Archivo del Bibliofilo Filipino, Recopilacion de Documentos Historicos, Cientificos, Literarios y Politicos y Estudios Bibliografica*. Imprenta de la viuda de M. Minaesa de los Rios, Madrid, 1895-1905, Vol. V, 197-198.

³*El Filibusterismo* by Dr. Jose P. Rizal, Ghent, Belgium, 1892.

⁴*Epistolario Rizaliano*.

⁵O.D. Corpuz, trans. & ed. *National Glories, the Events of 1872, a Historico-Bibliographical Account* by Manuel Artigas y Cuerva, *Glorias Nacionales, los sucesos de 1872*, Resena historica bio-bibliografica, Imprenta dela Vanguardia, Gunaw 26, Quiapo, 1913, Univ. of the Phil., Q.C., 1996: 28-31; 35. Among the members of the *Joventud* was Jose Rizal's elder brother, Paciano who was one of those exiled after the 1872 Cavite uprising.

⁶O.D. Corpuz, *The Roots of the Filipino Nation*, Quezon City:Aklahi Foundation, Inc., 1989, Vol. II: 5-7.

⁷*Ibid.*, pp.112-113.

⁸E. Arsenio Manuel, *Dictionary of Philippine Biography*, Quezon City: Philippine Publications, 1970, Vol. 2:315-317. Based on Sancierco's past record as a political and economic reformer, he sympathized with the aims of the revolution, although like Rizal he may have objected to the violent means of attaining them.

⁹Gregorio Sancierco y Goson, *El Progreso de Filipinas, Estudios Economico, Administrativo, y Political*, Imprenta de la viuda de J. M. Perez, Madrid, 1881. English translation by Encarnacion Alzona, *The Progress of the Philippines*, Manila: National Historical Institute, 1975.

¹⁰In 1850-1860 taxes were still imposed based on one's race and social status, rather than on one's ability to pay, which is the principle characteristic of a more socially progressive tax system. However, the Spanish colonial government taxed the *Indio* heavily. If the *Indio* belonged to the *cailianes* or working class he was required to pay the capitation tax, municipal tax, served at least forty days for building and repair of public works, or paid a fine to get exempted. He and his wife were obliged to serve the parish priest by providing him food, materials, and other necessities; and contributed to the sanctorum, or money to support the church. The Spaniards and the principalia were exempt from all these obligations. *Indio principalia* served as *gobernadorcillo* and had to attend to the many responsibilities primarily to ensure that the people complied with all the government regulations. The Chinese paid as much as 200 % more than everyone else and Chinese mestizo about 50 - 100 % more than the *Indio*.

¹¹Apparently at the time Sancianco was writing, the Aetas were much more numerous and widely dispersed than they are today. Moreover, they had not yet been completely subjugated to the point of what they have become today, docile little bands inhabiting the less hospitable and remote areas of the country. With respect to "brigandage," people who were unjustly treated by the authorities often fought back by leaving their home towns, or joining settlements in the mountains. Consequently, anyone who left his place of domicile where he was listed as a *tributo* was labeled as a *tulisan*, or a brigand. This word was applied to anyone irrespective of the gravity of his or her crime. Those who escaped corvee, who could not pay their tribute, who had disputes with officials and the curate, or could not obtain justice often sought refuge among the hill tribes, or formed wandering bands. One of the best illustrations of how people were forced into "brigandage" is found in *El Filibusterismo*.

¹²O.D. Corpuz, *An Economic History of the Philippines*, Quezon City: University of the Philippines Press, 1997, 30-38, 52-68, 146-15; See also: Exhibit 8, "Causes of the Dislike of the Filipino for the Friars," in John R.M. Taylor, *The Philippine Insurrection against the United States*, a Compilation of Documents with Notes and Introduction, edited with an introduction by Renato Constantino, Eugenio Lopez Foundation, Pasay City, 1971, Vol. I:168-187.

¹³The 1880 regulation stipulated that (1) all lands not otherwise privately owned, titled and belonging to the community were all royal lands. (2)

That holders of all lands be considered owners for all legal purposes, whether the lands are communal or untitled or royal if they have held them for an uninterrupted period of ten years, with rightful title and in good faith, or twenty years without those conditions if they are cultivated lands, and for thirty years if lands are untitled. (3) That holders of lands with titles and good faith for less than ten years should renew within one year, beginning with the publication of the Regulation, their respective property titles, defraying the cost of surveying and of whatever else will be needed to obtain the corresponding new titles. If the result of the survey shows an excess over the total extent described in the original title, the excess not being more than a fifth part and is cultivated, no additional payment will be demanded; if it is more than a fifth part and is cultivated, or if it is uncultivated whatever its size, the holders will pay the Treasury for the excess at the price of the other parts with a surcharge of twenty percent if the lands are untitled. Those who hold royal lands without title or good faith can acquire ownership by paying the government their price at the time of their acquisition, whatever price may be fixed if they are untitled. Obviously, since majority of the farmers were unlettered, they had difficulty registering their land claims under the 1880 law.

¹⁴Spaniards enjoyed many privileges. Aside from enjoying high offices, they were exempted from taxes and forced labor. They also had access to credit from charitable institutions, like the *Obras pias*. Furthermore, they were given free consumption of tobacco and free manufacture of rum. The incidents or uprisings mentioned by Sancianco were often provoked by disgruntled military men. In one instance, a Lieutenant of Infantry named Novales, a Creole from Mexico, rebelled in 1852 for having been bypassed by a peninsular Spaniard in the promotion. In 1854, Cuesta raised a similar uproar in San Isidro, Nueva Ecija because he was belittled and insulted in public by a Peninsular. The Cavite mutiny of Feb. 20, 1872 and student movement in Nov. 1870 were deeply imprinted in his mind when he wrote his book due to the consequent persecutions of thousands of innocent people. The paranoid Spanish colonial regime went to the extent of censoring family letters to and from Filipino prisoners and exiles. For example, those imprisoned in Ceuta, a remote island in Southern Spain near north Africa, were banished on the mere suspicion of fomenting "subversive" plots. Punishments imposed by the authorities consisted of imprisonment, banishment to the remotest places like the Marianas, confiscation of property, torture and death. Punishments were meted out without fair trial and were based on the flimsiest evidence. Even false rumors and testimonies were admitted by the courts. O.D. Corpuz, op. cit., 1989.