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SUGAR:
HONEY FOR
A FEW
BLOOD AND
SWEAT
OR MANY



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SUGAR: HONEY FOR A FEW BLOOD AND SWEAT FOR MANY

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WOMEN IN PIRATE SQUADS

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PREFACE

Initially, a primer for sugar workers was intended in a question-answer form to provide some basic insights into the industry. As the editors gathered materials and got in touch with both the agricultural and industrial workers of the sugar industry, as they went over secondary data from the government agencies, and reviewed some articles and write-ups on the industry, they saw the need for a more comprehensive and critical study of the industry. This would provide not only basic understanding but enough and broad knowledge of the industry which would help in the trade union activities of the sugar workers.

The present monograph is the result of the collective efforts of the leader-workers of the sugar industry and some researchers.

The editors would like to acknowledge the contribution of Neil Doloricon who did most of the art work and some technical work, the encouragement and stimulation of Bob Ortaliz, President of NFSW, together with the Board, and most of all, the sugar workers who shared their experiences, struggles, and hopes.

Research and Communication Dept. of EILER
Research Department of NFSW

SUGAR: HONEY FOR A FEW, BLOOD AND SWEAT FOR MANY

Introduction

This monograph conveys some insights into the important role the sugar industry plays in the country. By means of a historical approach, we are able to understand the present situation of the industry, including the national and international policies affecting it.

Sugar has been a leading traditional export crop and dollar-earner for the country. But who controls and really profits from it? This is among the basic questions that have prompted us to under-

take a critical analysis of the industry.

Wealth brought about by the sugar industry does not benefit the majority of the people involved. Few reports, write-ups, or articles have been able to delve into this conclusion exhaustively.

This monograph, far from taking a neutral disinterested stand, is from the point of view of the workers. It is a tribute to the SUGAR WORKERS for whom sugar is spelled in blood, sweat, and tears.

I. A Short History of the Sugar Industry in the Philippines

According to historical accounts, the early Chinese traders introduced the sugarcane plant to the Philippines, including the methods for farming and processing. From being a subsistence

crop, sugar emerged to become an industry—the traditional backbone of the country's economy. It has become the leading export product, attracting the largest investment incentives from the

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government compared to those of other crops like rice or corn. It has been transformed into a veritable source of economic and political influence, particularly to planters, millers, and traders. These "sugar barons" constituted a powerful bloc which exerted a vital political pressure even on the election of a president.

In spite of their contributions, sugar farmers, farm hands, and other workers do not get a just share from the amassed wealth of the industry. A few American monopoly capitalists, landlords, and compradors corner most of the profits.

A closer look at the history of the sugar industry since the last century clarifies this situation. The industry passed through three stages, each having a peculiar impact on sugar production.

The first stage started in the 1850s when the Philippines entered the world market. This was related to the upswing of the industrial revolution which changed conditions in European countries.

With increasing demand for sugar, new modes of sugar production developed in the Philippines. From small farms where milling was done by means of draft animals, big haciendas with mills powered by British-made steam engines of 6 to 12 HP could now be found. This led to increased production of sugar for commercial purposes.

In 1854, sugar was exported with a total value of \$2.225 million and accounted for 33% of the total export earnings of the Philippines. The main market was the United States.

Sugarcane plantations were at first concentrated in Central Luzon. Later those in Negros developed considerably. In 1856, Negros milled 625,000 tons while Luzon milled 36,000 tons only. Although the planters got rich, they did not have enough resources to raise much needed capital for fast expansion. British and Americans extended crop loans to them. Curiously, the Philippines was still a Spanish colony at that time, but Anglo-American capital was already controlling the sugar trade.

The Filipino-Spanish and Filipino American wars heavily affected the sugar industry. Exports plummetted from 376,402 tons in 1895 to 71,860 tons in 1900. In order to recover from the effects of the drop, the planters resorted to contracts with importers covering duty-free quota.

Free competition for the "American colony" was ensured through the Payne-Aldrich Act. The Philippines got unlimited amounts of tax-free finished products from the US in exchange for tax-free Philippine exports, mostly raw or semi-processed products. The dependence of the local sugar industry on the US created the opportunity

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... Free competition American style!

for American capitalists to invest and control the market.

In 1912, as a second stage, modernization of the industry has been pursued, mainly through the efforts of US capital. The first vacuum pan factory with a milling capacity of 1,000 tons of sugar-cane per 24 hours was put up in Mindoro.

The US consolidated the "sugar empire" which encompassed Hawaii, Puerto Rico, Virgin Islands, Cuba, the Philippines, and the US mainland. The sugar industry was expanded particularly in Hawaii, Puerto Rico, and the Philippines because of the effects of the "Tariff Industry" agreement which brought about a monopoly on sugar refining and import in the US. The US Congress passed the Jones-Castigan Act in 1934, imposing quotas for sugar imports to regulate American sugar production.

American sugar growers shielded themselves from stiff foreign competition. Through the Tydings-McDuffie Act of March 1934, the tax-free import quota was limited to 983,000 tons of raw sugar and 56 tons of refined sugar. Competition for a share in the market of refined sugar was also felt from Java and Cuba where centrifugal sugar mills were operating. This situation forced the Philippines to modernize its milling facilities.

In order to finance the new industrial requirements and maintain its foothold in the American market, the US colonial administration put up the Philippine National Bank in 1916. Through PNB, big loans were extended to groups of planters to enable them to have their own sugar centrals. In a span of 20 years (1911-1930), 47 mills were constructed, 18 of which were in Negros Occidental. The four biggest mills were American-owned.

Thus, the sugar industry was characterized by dependence on the American market, by the sprouting of more centrifugal mills, and by the extension of cash loans to the planters through PNB.

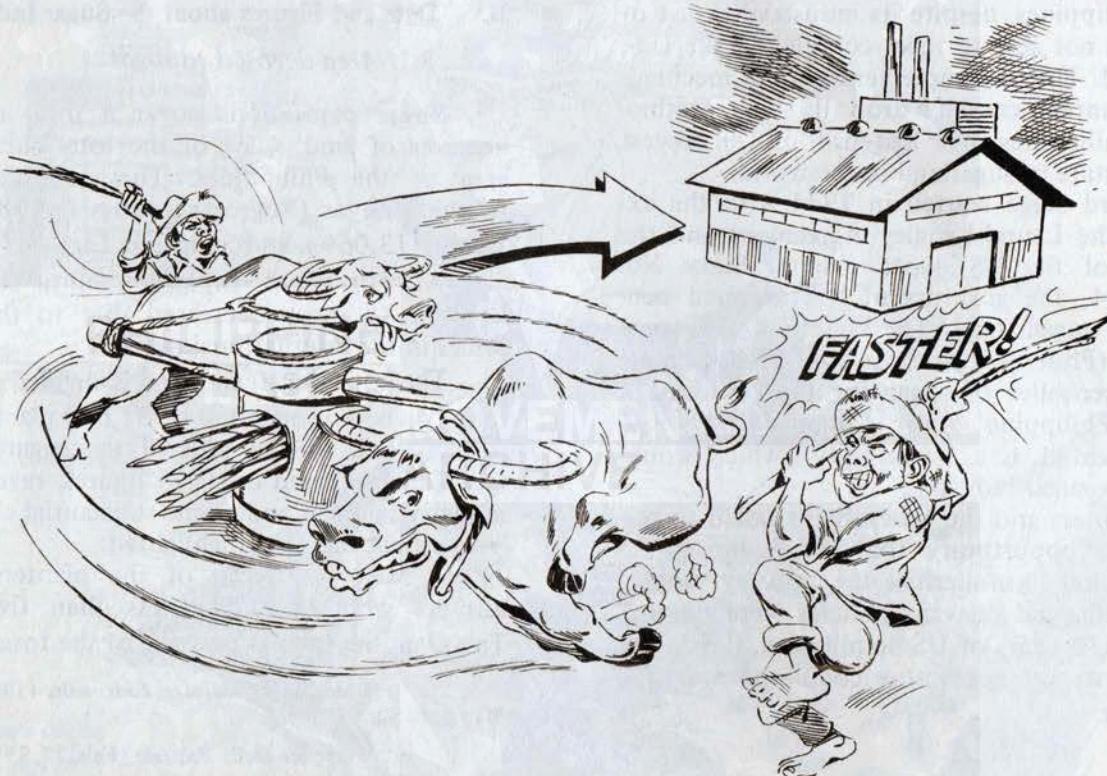
For the Philippines, "unlimited free trade" with the US was mere rhetoric as it found its exports of raw sugar restricted to 800,000 tons. The Laurel-Langley Agreement of 1954 progressively decreased the quota. This was temporarily suspended during the Cuban revolution in the early sixties in which the Philippines had to fulfill Cuba's sugar obligation to the US. As a result, Philippine sugar-cane lands were extended to the mountains and to former corn and rice fields, instead of the more viable alternatives of intensifying the cultivation of existing sugar haciendas and of investing in more modern machinery.



new industrial requirement in the American administration put up the threshold in the American market in 1916. Through PNB, groups of planters to own sugar centrals. In 1930, 47 mills were concentrated in Negros Occidental. American-owned.

The industry was characterized by the American market, by the small mills, and by the exploitation of the planters through

"unlimited free trade" policy as it found its expression in 1954 to 800,000 tons. The policy of 1954 progressively decontrolled sugar temporarily suspended in the early sixties in order to fulfill Cuba's sugar quota. As a result, Philippine sugar moved to the mountains and to the sea, instead of the more laborious way of cultivating the cultivation of sugar cane of investing in more



Modernization: more production, but who benefits?

The Philippines, despite its industrial thrust of the 60's was not able to meet completely the U.S. sugar demand. The non-implementation of mechanization by planters caused a drop in sugar production: the Philippines still had one of the lowest yields per hectare of sugarland in the world.

The third stage started in 1974 with the expiration of the Laurel-Langley Agreement and the dismantling of the US quota system. Since November 1974, the government has assumed control over the sugar trade. The Philippine Exchange Commission (Philex), a subsidiary of PNB, became the sole buyer-seller of sugar for the country. In 1977, the Philippine Sugar Commission (Philsum-com) was created as a "superbody" which would reorganize the sugar industry.

The planters and the government failed to respond to the opportunity that arose during the transition period to modernize the industry. Appropriate methods and relevant policies were not initiated. After 70 years of US domination, the Philippines was not yet ready for competition in the world market.

II. Data and Figures about the Sugar Industry

2.1. Area devoted to sugar

Sugar plantations cover a total of 450,000 hectares of land, 4.5% of the total cultivated land area of the Philippines. These are concentrated in the Visayas (Negros accounts for 68%), Central Luzon (13.06%), and Southern Tagalog (9.87%).¹

After a rapid expansion until 1977, areas devoted to sugar decreased due to the decline in prices in the international market.

The total sugarcane area is divided into 33,000 farms owned or operated by 31,000 planters.²

A look at the size of the sugarcane farms, (see Table 1) based on 1975 figures, reveals that the industry had not undergone substantial changes.³

Two salient facts are highlighted:

- * Majority (53%) of the planters are small farmers who each own less than five hectares. Their land represents only 9% of the total sugar area.

¹ Bureau of Agricultural Extension, (1980) See also Map 1, p. 52.

² Philippine Daily Express (Feb. 27, 1982).

³ A.J.de Boer, "Sugarcane Production and the Sugar Industries in Asia," Productivity Organization, Tokyo, 1978, p. 130.



70 years under
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Finished products from the US
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semi-processed
products:
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exchange!

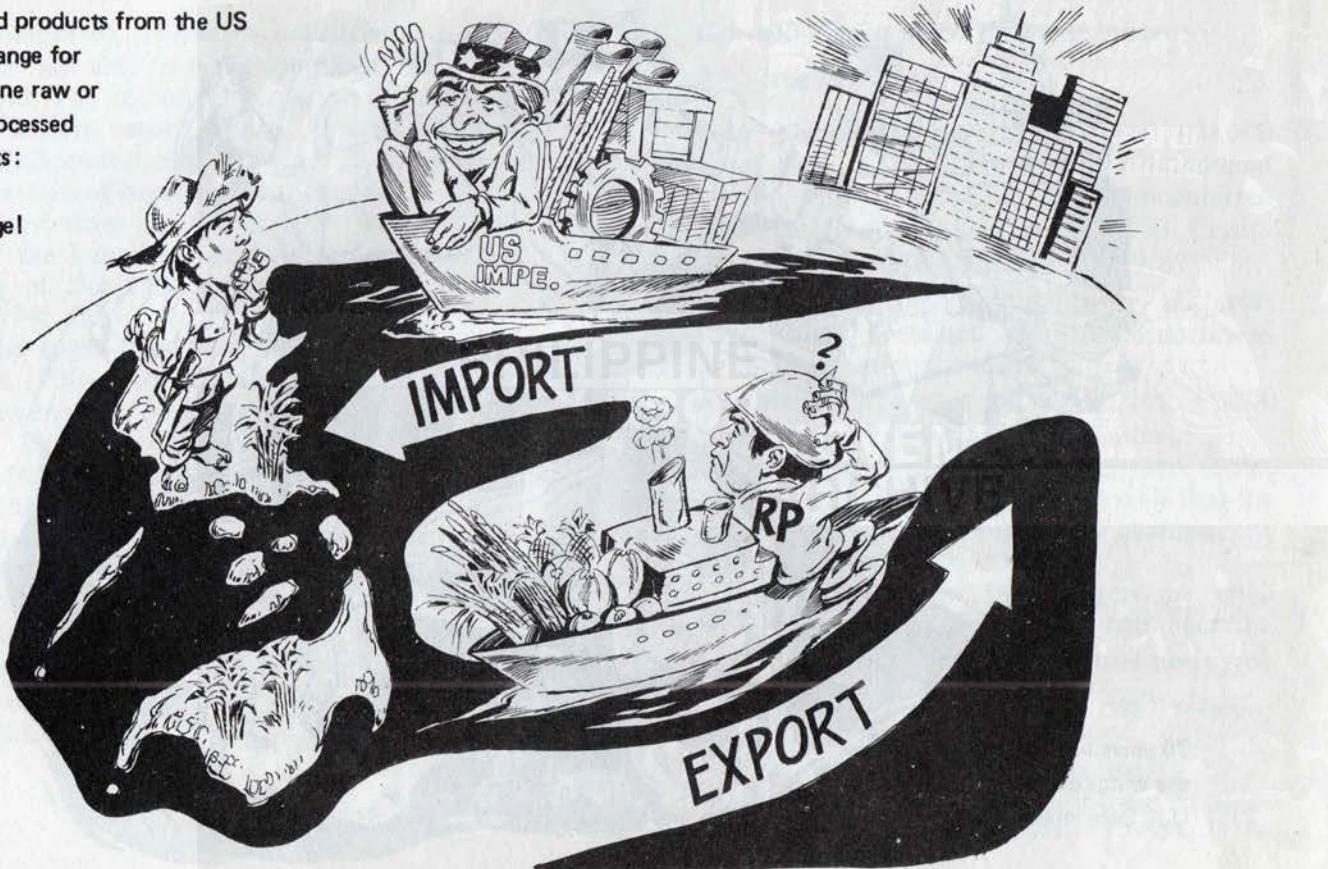


Table 1 – Size of Sugar

FARM SIZE (Hectare)	NO. PLA
less 5	16,3
5 – 10	5,2
10 – 25	4,8
25 – 50	2,2
50 – 100	1,2
100 – up	7
TOTAL	30,7

Source: A.J.de Boe
Industries in Asia," Pr
p. 130.

Table 1 — Size of Sugarcane Farms and Distribution of Planters

FARM SIZE (Hectare)	NO. OF PLANTERS	%DIST. OF Planters	NO. OF FARMS	% DIST. of Farms	T.A. (Total Area)	% DISTR. of T.A.
less 5	16,305	53	20,374	55	46,700	9
5 - 10	5,285	17	6,166	17	46,672	9
10 - 25	4,854	16	5,633	15	89,156	17
25 - 50	2,288	7	2,735	7	92,368	18
50 - 100	1,217	4	1,395	4	94,556	19
100 - up	771	3	855	2	144,120	28
TOTAL	30,720	100	37,158	100	513,552	100

Source: A.J.de Boer, "Sugarcane Production and the Sugar Industries in Asia," Productivity Organization, Tokyo, 1978, p. 130.

* Only 7% of the total number of planters own 50 hectares or more each, accounting for almost half of the total sugar area.

This inequitable distribution of land ownership has not been solved, underlining a need for a more radical approach to the land problem in the sugar industry.

The pattern of social relations can be gleaned from the distribution of farms according to tenurial status. Owner-operated farms account for 65.6% of the total sugar area while tenanted farms represent 21.68% (almost exclusively in Luzon) and leased farms, 12.72%.⁴

2.2. Sugar production and productivity

Setting aside climate, weather, soil, degree of mechanization, introduction of new technology, and other factors, it is presumed that demand in the international market for sugar determines the quantity of sugarcane to be planted.

Sugar production in the Philippines over a period of 10 years (1971-81) is graphically presented in Figure 1. in thousand metric tons.⁵

⁴ LUSSA, Countryside Report (1981).

⁵ *Business Day* (Sept. 29, 1982). The 1981 figure is preliminary.

Negros is the leading producer, accounting for 57% in crop year (CY) 1979-80, followed by Luzon, 23.8%; Panay, 8.5%; Eastern Visayas, 6.4%; and Mindanao, 4.2%.

Based on productivity figures by Philsucom (1981) for the period 1970 to 1981, the average sugar yield per hectare is 5.091 metric tons (MT). Although a better performance was noted in CY 1978-79, it is still far below the average productivity of Australia, Panama, and Mauritius which exceeds 8.000 MT/hectare.⁶ But generally, through the years, the sugar industry has been marked by declining productivity.

2.3. Sugar centrals

There are 42 sugar mills (corresponding to 42 milling districts) in the country with a combined processing capacity of 191,000 metric tons of cane per day.⁷ Twenty-eight are in the Visayas, eleven in Luzon, and three in Mindanao.⁸

Annual production capacity of all the sugar mills is 3.7 million metric tons. The last years (1978-81) saw these mills operating at 63% of their optimal workload.

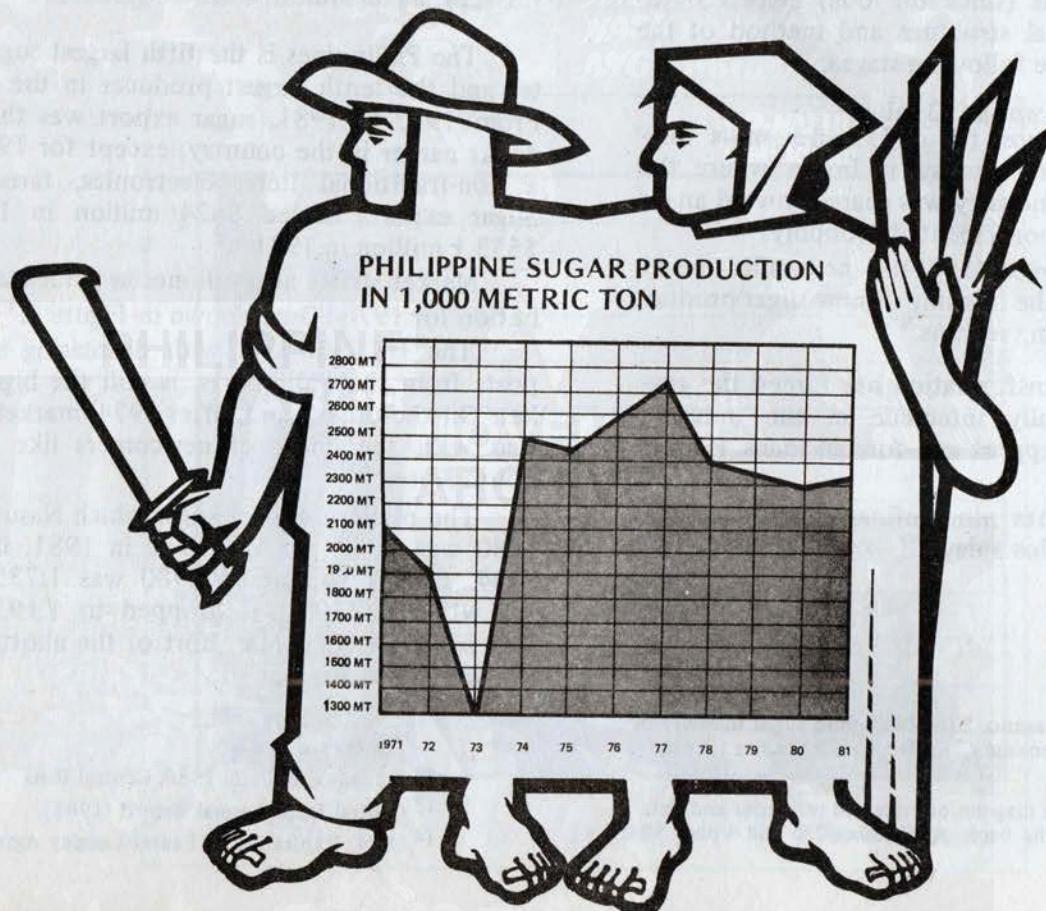
⁶ *Business Day* (Aug. 25, 1981).

⁷ *Philippine Daily Express* (Feb. 28, 1982).

⁸ See Map 1, p. 52.

Figure 1 — Sugar Product

Figure 1 — Sugar Production in the Philippines, 1971-81.



ducer, accounting for 0, followed by Luzon, Visayas, 6.4%; and

figures by Philsucom to 1981, the average 991 metric tons (MT). Once was noted in CY the average productivity Mauritius which generally, through the has been marked by

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capacity of all the sugar is. The last years (1978- at 63% of their optimal

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The new mills (since the 60s) helped transform the traditional structure and method of the sugar industry in the following stages:

Stage I — *Macapagal*: 2 mills

Stage II — *Marcos* (1967-74): 13 mills during the sugar boom where the industry was geared toward an export-oriented economy.

Stage III — *Marcos* (1975): 4 new mills due to the opening of new sugar-producing regions.⁹

The drastic transformation has forced the government to gradually intervene in the industry through financial support and foreign loans, leading to its control.

The country has nine refineries with a total output of 83,000 kilos a day.¹⁰

2.4. Sugar trad

The Philippines is the fifth largest sugar exporter and the tenth largest producer in the world.¹¹ From 1977 to 1981, sugar export was the biggest dollar earner in the country, except for 1981 when a non-traditional item, electronics, fared better. Sugar exports netted \$624 million in 1980 and \$553.1 million in 1981.¹²

Market shares and volumes in percentage distribution for 1976-80 are shown in Figure 2.¹³

The US, although with decreasing sugar imports from the Philippines is still the biggest market. On the other hand, after 1974, markets diversified with the entry of newcomers like Iraq and South Korea.¹⁴

The price of export sugar which Nasutra got in 1980 was \$360 per MT while in 1981, it rose to \$464. Export volume in 1980 was 1.735 million MT while for 1981, it dropped to 1.193 million MT, some 243,000 MT short of the allotted quota to the Philippines.

⁹ Yoshiko Hagano, "The Philippine Sugar Industry in an Export-oriented Economy," *Third World Studies* (September, 1978).

¹⁰ See process diagram of mills and refineries and data on particular mills at the back. Appendices 2, 3 and 4 page 55 to 60:

¹¹ See Map 2, p. 53.

¹² Statistical Bulletin 1980, Central Bank.

¹³ Central Bank Annual Report (1981).

¹⁴ 1974: Expiration of Laurel-Langley Agreement.

Figure 2 — Percentage Dist

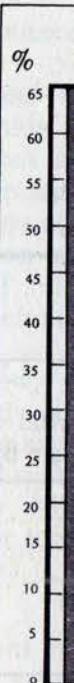
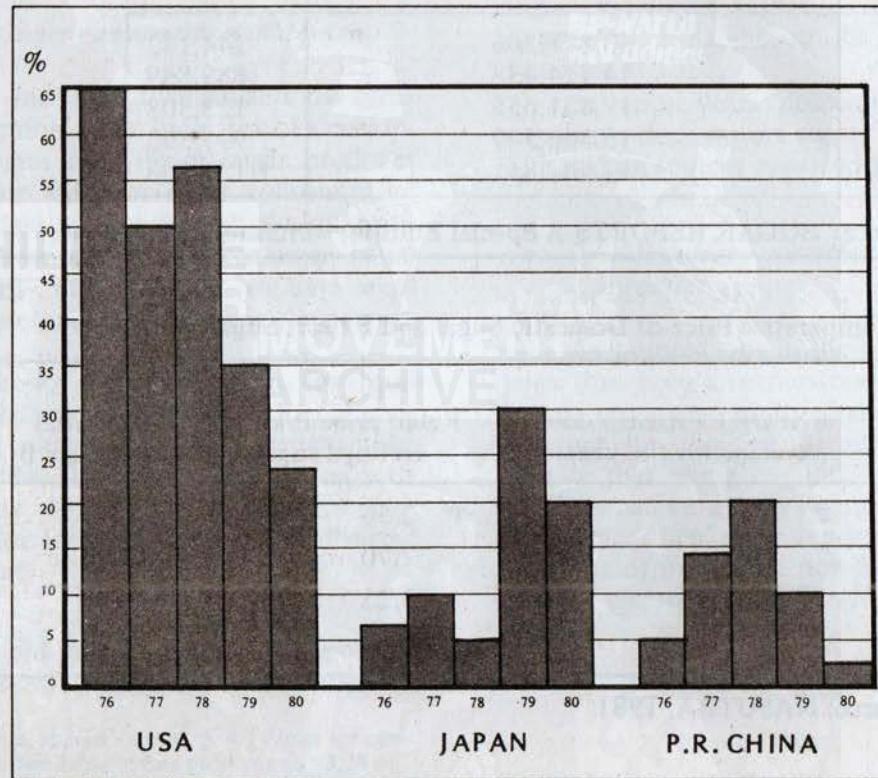


Figure 2 — Percentage Distribution of Sugar Export per country, 1976-80



fifth largest sugar exporter in the world.¹¹ Sugar export was the biggest sector, except for 1981 when electronics, fared better. \$24 million in 1980 and

volumes in percentage distribution shown in Figure 2.¹³ With decreasing sugar imports is still the biggest market after 1974, markets diversified newcomers like Iraq and

sugar which Nasutra got in while in 1981, it rose to 1.980 was 1.735 million dropped to 1.193 million short of the allotted quota

Table 2 – National Sugar Consumption

YEAR	QUANTITY IN PICULS	M. TONS
1977	3,875,266	244,142
1978	14,124,438	889,839
1979	17,831,655	123,308
1980	15,866,549	999,592
1981	17,982,851	1,132,908

Source: SUGAR REPORTS A Special Edition — Philsucom — 1982

Table 3 – Comparative Price of Domestic Sugar and Export Sugar

YEARS	A EXPORT PRICE P/kilo (Average for the year)	B Retail price P/kilo (refined sugar)	Differential Percentage B/A
1978	₱ 1.29	₱ 2.30	178
1979	1.65	2.70	163
1980	5.22	3.25	(62)
1981	3.16	3.25	102

Source: NASUTRA, 1981

Molasses, a major had a market outlet it netted \$16,045,496.

2.5. Domestic sugar

Policymakers and that sugar consumption ment. The Philippines should have its fair share. Here, two sets of data are of local consumption price for one kilo of refined sugar available as to household consumptions.

As figures show, consumption depends on the relative position of the country in the world market. In 1978, about 50% of sugar produced was exported and in 1979, only 34% of the total allotment was allotted to the local market, while the rest went to the export market.

This arrangement is based on economic policies, as well as on the

¹⁵ Sugar reports, specifically converted into metric tons. (see Table 2).

Molasses, a major by-product of sugarcane had a market outlet mostly in Japan. In 1978, it netted \$16,045,496.

2.5. Domestic sugar consumption and price

Policymakers and health organizations agree that sugar consumption is an indicator of development. The Philippines as a major sugar producer should have its fair share of sugar consumption. Here, two sets of data are considered: the quantity of local consumption and the increases in retail price for one kilo of refined sugar. No data were available as to household and industrial consumptions.

As figures show, sugar allocation for local consumption depends on the price of the commodity in the world market. In 1977 for example, 50% of sugar produced was allotted for exports and in 1979, only 34%.¹⁵ In some instances, the allotted share for local consumption is diverted to the export market.

This arrangement reveals a flaw in basic economic policies, as well as public accounting as

reported by *Business Day* (Dec. 17, 1981). In CY 1980-81, only 44% or 790,000 tons were released for domestic consumption. This created a critical sugar shortage in retail outlets during the last quarter of 1981, as can be expected for the last semester of 1983.

In recent years domestic sugar has been more expensive than export sugar. This is shown in Table 3, based on sources provided by Nasutra.

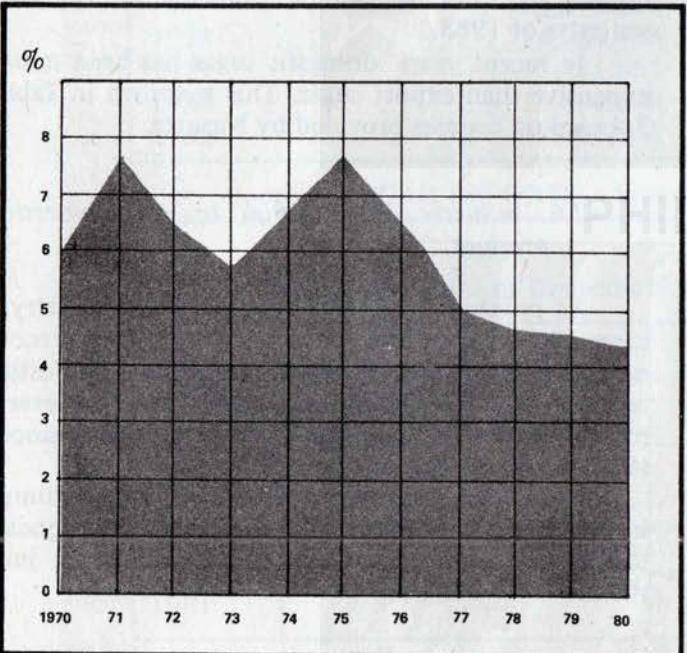
2.6. Industry contribution in net domestic product

As pointed out in the history of the industry, sugar has been a cornerstone of the Philippine economy. A study of its share in the net domestic product for the last decade (1970-80), however, reveals that sugar has lost some of its clout since 1977, as can be seen in Figure 3.

Since then, sugar exports have suffered a slump in terms of prices and non-traditional export goods, mainly electronic items have had an increasing impact.

¹⁵ Sugar reports, special edition, p. 46. Piculs are converted into metric tons. (see Table 2) One picul equals 63.25 kg.

Figure 3 – Sugar industry contribution in net domestic product (1970-1980)



2.7. Sugar labor force

Sugar generates employment for 500,000 workers, providing livelihood for three million Filipinos, including those in ancillary sugar-based industries.

Agricultural workers comprise 70% of the total labor force; share tenants, 20%; industrial workers, 10%; and farm leasees and small owner-cultivators, a very small percentage. Employment in the sugar industry for the past decade is given in Table 4.¹⁶

The minimum legal wage and the real wage in 1982 as compared to 1972 are indicated in Table 5.¹⁷

On the real wage issue, Dr. M. Mangahas, vice president of the Development Academy of the Philippines asserts, "The Philippines is one in a small minority of countries in the world in which real wages have been declining over a long period of time. How this could happen while at the same time per capita gross national product has been steadily rising is indeed a great puzzle."

¹⁶ Data based on Philippine Statistical Yearbook (1981).

Sources for 1969-70 figures: Wage Commission; 1973-74; Philippine Sugar Institute; 1978-79: *Business Day* (Dec. 11, 1980), p. 12, and National Sugar Trading Corporation.

¹⁷ Based on Presidential Decrees 525, 851, 1123, 1614, 1678, 1713, and 1751, and Wage Order No. 1. See IBON 113 (April 30, 1983).

Table 4.

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ment for 500,000 workers or three million Filipinos, sugar-based industries comprise 70% of the total 20%; industrial workers, small owner-cultivators, employment in the sugar is given in Table 4.¹⁶ Wage and the real wage 1972 are indicated in

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Wage Commission; 1973-74; 79: *Business Day* (Dec. 11, Trading Corporation.

al Decrees 525, 851, 1123, and Wage Order No. 1. See

Table 4. — Sugar Labor Force in 3 Crop Years

WORKERS	1969-70	1973-74	1978-79
AGRICULTURAL			
Regular	262,700	263,000	283,385
Migrating	86,500	82,000	181,555
Others	60,600	86,000	n.a.
Total	358,700	431,000	465,940
INDUSTRIAL			
Regular	33,00	17,000	18,240
Seasonal	16,000	16,000	16,820
Total	49,000	33,000	35,060
GRAND TOTAL	407,7000	464,000	501,000



Planters), and Fred Eli...
as commissioners.

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Planters), and Fred Elizalde (Chamber of Business) as commissioners.

When Philsucom was finally established, the sugar prices in the world market plummetted, resulting in the worst sugar crisis in the Philippines since independence. There was urgent need to invigorate the industry at a time when it could no longer seek American protection under the Laurel-Langley Agreement despite the lifting of the quota limits. Consequently, sugar exports to the US dropped from 1.3 million MT to 400,000 MT.

The overall trend since 1975 was diversification of sugar exports. After the Laurel-Langley Agreement expired, the export of sugar stocks was boosted to 672,00 MT in 1974-75 and 1,412,00 MT in 1975-76 from only 520,000 MT in 1973-74.

To overcome these problems and regain the American market, the PNB entered into a five-year contract with Imperial, Sucrest, and Great Western companies to mill 130,000 MT of sugar yearly, starting 1976. Profits from the refined sugar sold in the world market would be shared among PNB and the three firms. The Philippines, however, was not able to completely abide by the contract although in 1976, the sugar export requirement to the US was less than 1 million MT.

3.2. *Government financial institutions*

"Increase productivity," the government calls. This requires new farming methods like the intensive use of fertilizers, pesticides, and varieties of cane seedlings. But in order to improve production output, the industry needed to tap money resources from banks and other financing institutions.

In 1916, the sugar industry needed bigger capital for machinery, factories, and infrastructure (mainly transport facilities). This was provided by the PNB which was established primarily to extend crop loans to producers.

Most of PNB's authorized capital, varying from P20 million to P50 million, went to the construction of centrals, land extension and development, and operational capital for centrals and planters. For instance, the bank financed six centrals (5 in Negros, 1 in Pampanga). When it exceeded its authorized capital of P20 million, the PNB almost went bankrupt in the twenties. This was aggravated by sugar overproduction in the midst of a depression in the 30s.

Philcom,
for an integrated development?



Crop loans extended million in 1975 and P1,300 million in that period, majority of which are pino-American or Filipino -

In order to control trade, the operational funds subsidiary were boosted. debt-load of Philex was million in 1974 to P8,700. Despite this, Philex continued during the period.

As Philex was 1 National Sugar Trading Company. As buyer-seller of sugar, foreign banking institution Monetary Fund (IMF) and PNB, Republic Planters Bank, Royal Bank (TRB). From 1 rowed a considerable amount world price of sugar which kilo.

Instead of lowering sugar, the government subsides through Nasutra. The

¹⁹ See table on sugarcane place in gross sales. Appendix 3

Crop loans extended by PNB totalled P1,407 million in 1975 and P1,300 million in 1976. Some P300 million in that period was invested in centrals, majority of which are joint ventures of Filipino-American or Filipino - Spanish nationals.¹⁹

In order to control the sugar market and trade, the operational funds of Philex, a PNB subsidiary were boosted. Through the PNB, the debt-load of Philex was increased from P792.4 million in 1974 to P8,798.2 million in 1976. Despite this, Philex continued to suffer reversals during the period.

As Philex was becoming unviable, the National Sugar Trading Corp. (Nasutra) was created. As buyer-seller of sugar, Nasutra got loans from foreign banking institutions like the International Monetary Fund (IMF) and local banks, such as PNB, Republic Planters Bank (RPB), and Traders Royal Bank (TRB). From 1977 to 1979 Nasutra borrowed a considerable amount because of the low world price of sugar which was \$0.14 to \$0.18 per kilo.

Instead of lowering the domestic price of sugar, the government subsidized the sugar producers through Nasutra. The sugar liquidation price

¹⁹ See table on sugarcentrals listed according to their place in gross sales. Appendix 3 p. 58.

was raised from P60 per picul to P90. In CY 1981-82, the composite liquidation price was increased from P112.80 per picul to P145. Meanwhile, according to a report by the *Philippine Daily Express*, Nasutra has incurred an outstanding debt of P2.78 billion as of 1979.

The financial aid of the government to sugar planters came in the form of loans. The outstanding loans in 1976 were P1,918 million or 62% of the total agricultural loans. The crop loan for the preparation of the land was P1,000 per hectare and at present increased to P3,000 per hectare. Many planters and millers had difficulty paying back their loans when the sugar price dropped in 1976-77.

To contain the growing involvement of the PNB in the extension of sugar loans and fill in the credit limitations of private commercial banks, the Republic Planters Bank (RPB) was put up. This was a move that was expected to pave the way for control and influence over the financial policies of the industry in the midst of the sugar crisis. RPB would provide loans to sugar planters, financing for the operation of centrals, credit for sugar and molasses traders, and management services to Nasutra.

According to *Bulletin Today* (June 18, 1980), the RPB added P400 million capital to the earlier

approved ₱700 million for the sugar harvest in 1981-82.

The composition of the RPB board reveals the interests of the government, sugar producers, millers, the banking sector, and the stockholders. Sugar workers are not represented.

3.3 Government policies and laws and their effects on the sugar industry.

Upon the imposition of martial law, various presidential orders were issued. General Order No. 5, Presidential Decrees 143, 148, 621, and 788, and Letter of Instructions No. 8 were enforced purportedly to the interest of the working masses, including those in the sugar industry.

Except for a few, sugar planters and millers evaded compliance with the legislated salaries and allowances. According to a survey of the Institute of Labor and Manpower Studies (ILMAS) in 1977, the average salary of sugar workers was only ₱6.65 per day during the off-milling season and ₱7.86 per day during the milling season. In 1979-80, the industrial workers were supposed to get ₱14 daily and ₱60 more monthly in allowances; milling employees ₱15

daily; and agricultural workers ₱12.50 daily and ₱45 more monthly in allowances.

PD 413 abolished the Blue Sunday Law, which stipulated Sunday as rest day. Currently, Sunday is an ordinary working day with no equivalent payment for overtime.

PD 148 abolished the system of permits needed for women and minors to be employed. Since government inspection is lacking, working women and minors are being exploited.

Organizing among workers has been restrained by PD 823 and lately, by Batas Pambansa Bilang 130 and 227.

The Sugar Act of 1952 or Republic Act 809, which provided a 60% worker's share of the profits has been grossly violated by the planters. A 1976 assessment showed that nine out of 10 sugar workers had not received any profit share.

Another anomaly is the government's Social Amelioration Fund (SAF) which was set up to boost the wages of workers. It is part of a policy to hold ₱2 per picul of sugar produced for the stabilization of the industry. Of the amount, ₱1.80 is given as cash bonus for the workers and for the social amelioration fund, ₱0.10 for the Rural Workers Office, and ₱0.10 for Sugar Industry Foundation, Inc. (SIFI).

Purportedly for the interest of the workers the government policies intend to stop the advancement of the workers struggle.

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TRADE UNION
REPRESSION

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Reports revealed that for 1974-75, the ₱30 million intended for the workers was released only after four years. Of the amount, ₱23.9 million was actually received by 407,003 workers or an average of ₱58.71 per worker. In 1970, about ₱126 million was distributed to 1,811,591 workers or ₱69.55 per worker.²⁰

According to an ILMAS study in Negros and Iloilo, more than half of the sugar workers had not received any amount from the Social Amelioration Fund for 1977-80.

Data indicate that under martial law, sugar production increased with the expansion of sugarlands and sugar mills. This could be due to the easy availability of land and cheap labor.

After the 1974 sugar crisis, the government pushed its mechanization thrusts in the industry. The effort was brought about by political pressure and the plunging world market price. Mechanization in the industry was assessed by knowledgeable experts as follows.

1. If mechanization is not radically pushed through, labor productivity would increase but not necessarily the cost efficiency. Moreover, mechanization includes mechanical preparation of the land, weeding, and

²⁰ According to figures provided by the Accounting Section of SAF.

harvesting and technically would require a different land or field formation.

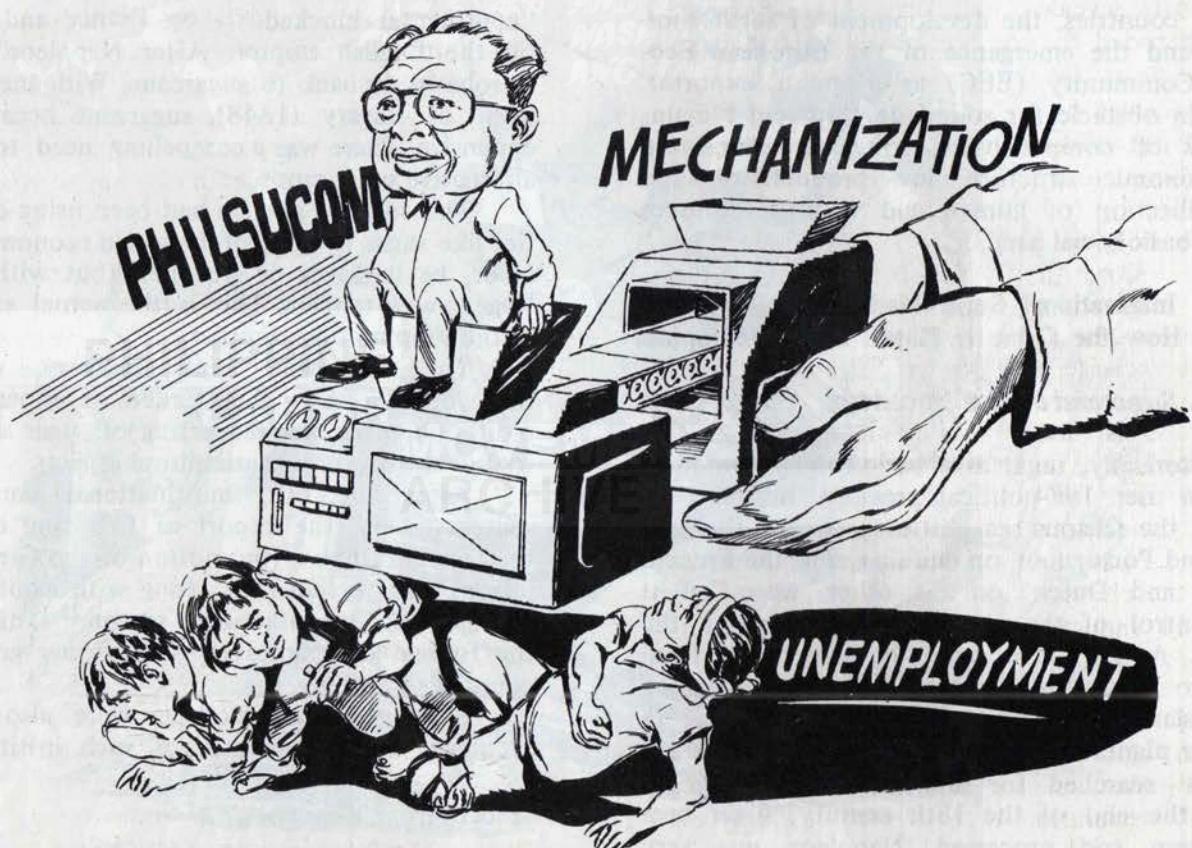
2. Mechanization may lead to monopolization, adversely affecting the small farmers. Only the big planters can afford to invest in machinery and meet the rising costs of petro-chemical inputs.
3. Mechanization will have a major impact on employment.

Asked about the effects of mechanization on employment (November, 1979), sugar baron Roberto S. Benedicto argued that mechanization would mean higher wages for workers. However, he only referred to 10% of the actual working force who, in case of full mechanization would be employed. The rest of the 380,000 workers would be displaced.

A study of MOLE stated that mechanization would mean displacement and social dislocation since there are few job alternatives and the rural workers usually lack savings and skills to be able to migrate elsewhere.²¹

The Philippine sugar industry will have a hard time coping with future challenges. According to B. Villegas of the Center for Research and Communications (CRC), the sugar industry will have to contend with lower sugar consumption in indus-

²¹ MOLE, Rural Workers Office, Internal Memorandum, January 1982.



Mechanization without job security!

trialized countries, the development of sugar substitutes, and the emergence of the European Economic Community (EEC) as a major exporter. The main obstacle for sound development remains the lack of competitiveness due to a backward socio-economic structure, low productivity, and underutilization of human and natural resources to meet basic social needs.

IV. The International Sugar Market: Its Mechanism and How the Game is Played in the Philippines

4.1. Sugar and imperialist control

Historically, sugar as a basic food commodity has been used for political pressure. In the 17th century, the famous sea battles between the Spaniards and Portuguese, on one side, and the French, English, and Dutch, on the other, were fought over control of the sugarcane produced by the colonies. At the same time, the slave trade from Africa to North and South America was peaking as the slaves comprised the main labor force in the sugar plantations in the colonies. Meanwhile, the Germans searched for alternatives to sugarcane and at the end of the 18th century, sugar beet was grown and processed. Napoleon was very keen on the new crop following the imposition of a

"continental blockade" on France and its allies by the English empire. After Napoleon's defeat, Europe went back to sugarcane. With the abolition of slavery (1848), sugarcane became more expensive. There was a compelling need to develop alternative sugar crops.

The colonial powers had been using commodities like sugar to control the world economy. Cheap labor, be it slaves or free-men (but with a slave-wage) was tapped. This is the actual experience of the Filipino sugar workers.

The Philippine sugar industry, especially the workers, bears the burden of imperialist exploitation, from the marketing of sugar and industrial processing to its agricultural aspects.

After the 60s, multinational corporations switched from the export of financing capital to that of farm inputs (promotion of the Green Revolution) and agribusiness, along with capital investments in the manufacturing sector.²² This enabled the foreign companies to get a firmer grip on the country's economy.

Basic economic policies were also changed according to the dictates of such institutions as

²² See Rene E. Onofre, *Capitalism in Philippine Agriculture*, Foundation for Nationalist Studies, Quezon City, 1980.



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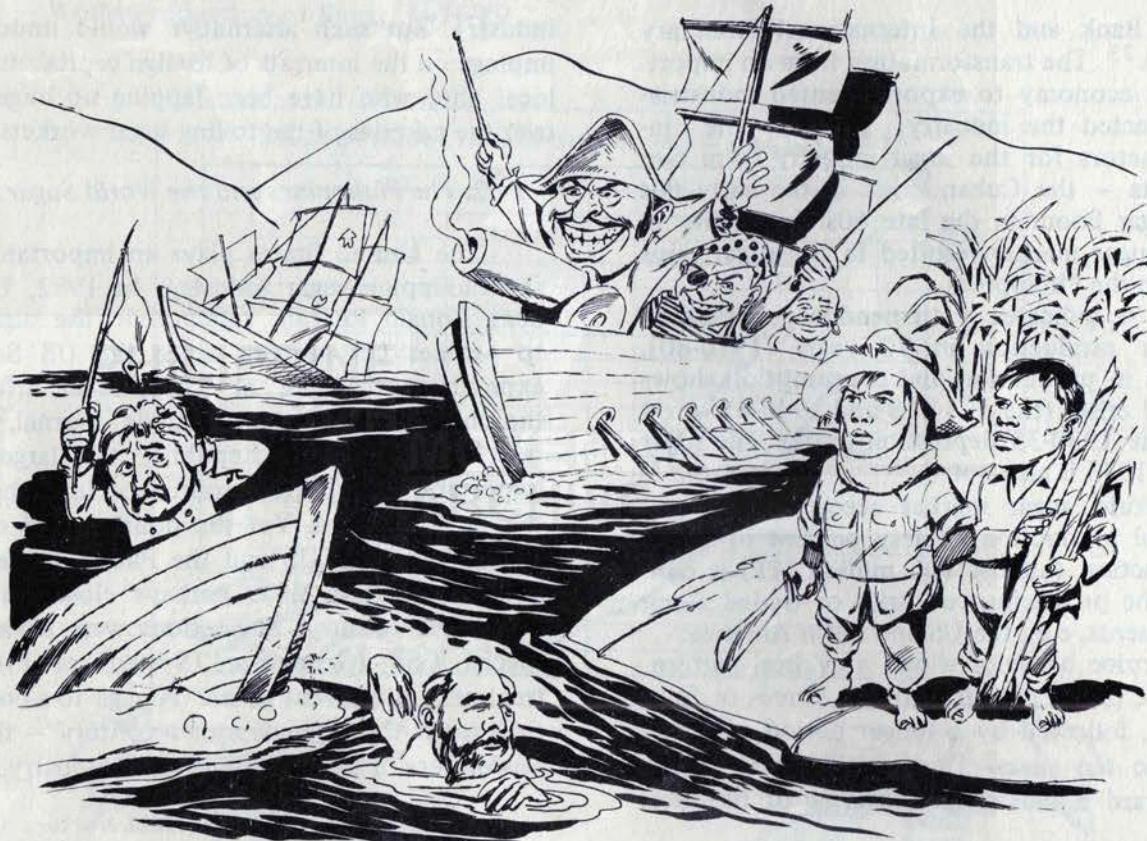
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Sea battles among the colonial powers for the control of the sugarcane production.



the World Bank and the International Monetary Fund (IMF).²³ The transformation from an import-substitution economy to export-oriented industrialization affected the industry. Among the influencing factors for the sugar industry were two major events — the Cuban crisis in the early 60s and the sugar boom in the late 60s. Instability in the world sugar market resulted in the sugar crisis of the 70s in the Philippines.

Figure 4 indicates a tremendous increase in world sugar production in 70 years (1910-80). The decline in production and consumption shows major world crises (the 1914-18 and 1940-45 world wars and the 1930-35 depression years). The sugar boom after 1945 is also noted.

The world sugar market accounts for only 10% of total production. Ninety percent of world sugar production (almost 100 million MT) is consumed in the producing countries or traded along fixed agreements, e.g., the US and Latin America.

Sugar price behavior shows a cyclical pattern. High market prices prevail during a three- or four-year period, followed by a longer period of slump from five to ten years. This should guide policymakers toward a radical restructuring of the local

industry, but such alternative would undoubtedly impinge on the interests of foreign capitalists and the local elite who have been lapping up huge profits over the miseries of the toiling sugar workers.

4.2. The Philippines and the World Sugar Industry

The United States plays an important role in the Philippine sugar industry. In 1982, US President Ronald Reagan reimposed the sugar quota to protect US farmers, since the US Sugar Act expired at the end of 1974. Most affected by the change, according to a trade journal,²⁴ would be "the Philippine Republic, the largest, most important, and longest source of imports outside the Caribbean area. Yet the political and economic ties between the US and the Philippines are close, and the military links perhaps closer than with any other country. Suggestions were advanced for special GSP (Generalized System of Preference) treatment to prevent severe damage to a connection that spans three-quarters of a century — the whole modern era of the Philippine sugar industry."²⁵

²⁴ F.O. LIGHT (May 24, 1982), No. 16.

²⁵ GSP granted in April, 1983, according to *Business Day*.

Figure 4 — Wo

²³ See Onofre., idem.

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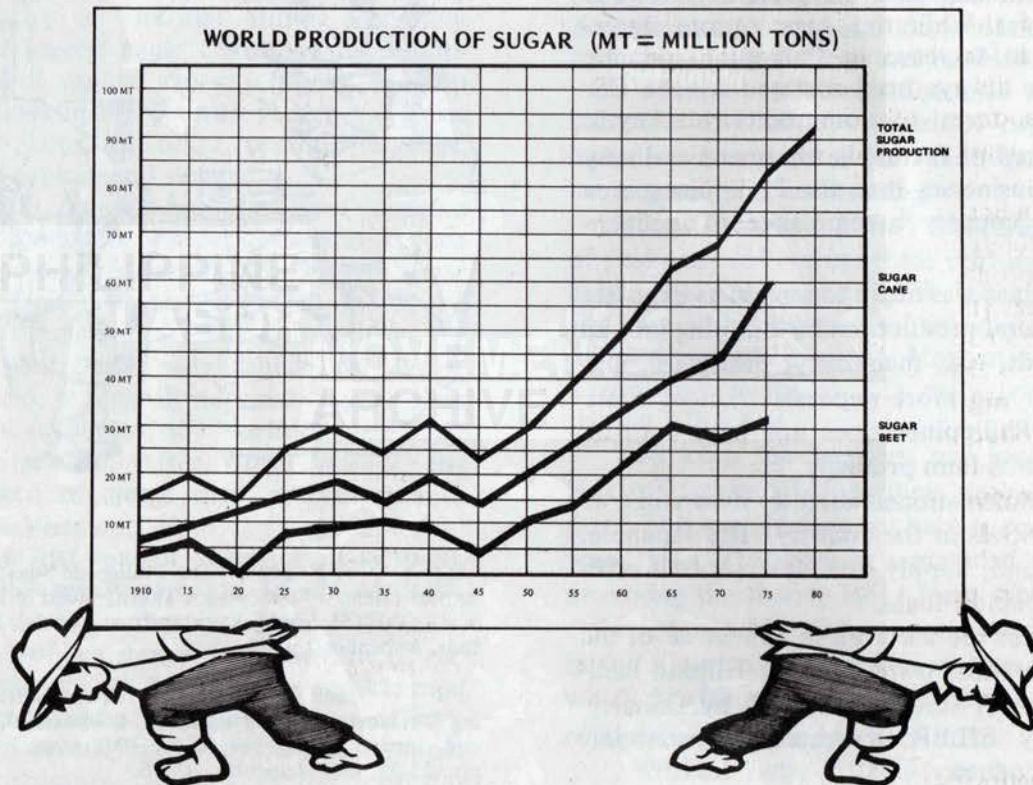
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Figure 4 — World Production of Sugar, 1910-80

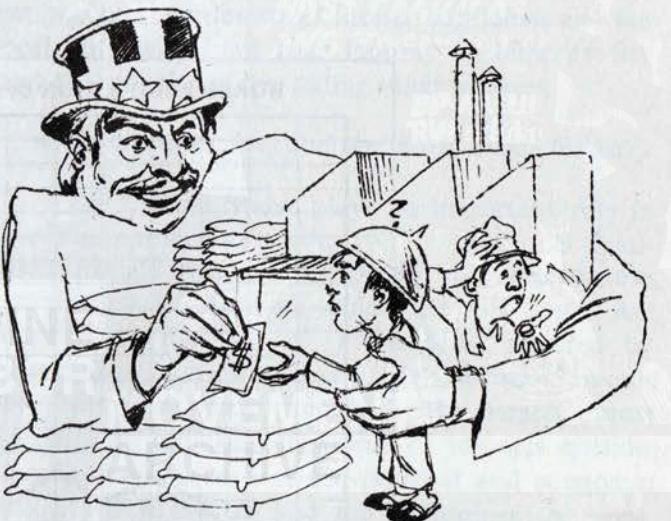


The US generally sets the price and volume of Philippine sugar. While the sugar quota agreements resulted in increase in Philippine income, such quota have always been dictated by the US. Using this as a form of commodity blackmail, the US are assured of favorable treatment and easy entry of their businesses into the Philippines even after giving the country a semblance of independence.

The Philippines was made to remain as exporter of cheap agricultural products and a dumping ground for finished goods, e.g., machinery, pesticides, and fertilizers, which are more expensive. Under these conditions, the Philippines does not have control over the prices of its farm produce.

American multinationals directly own and control four big centrals in the country. The Japanese, on the other hand, supply the new centrals with technology and capital loans.

Multinationals are involved in almost all of the 42 centrals, even those owned by big Filipino landlord-capitalists.²⁶ A study conducted by Doherty and updated by EILER, indicates the monopoly structure in the industry.²⁷



²⁶ Y. Nagasso, "The Philippine Sugar Industry in an Export-oriented Economy, A Thorny Road to Modernization", p. 31, Table II. See back: an updated overview of the sugarcentrals. Appendix 2 p. 55.

²⁷ John F. Doherty, "A Preliminary study of Interlocking Directorates among Financial, Commercial, Manufacturing, and Service Enterprises in the Philippines," Manila, 1979, pp. 25-27. See Appendix p. 56

4.3. The Vicmico Case

A notable example of the sugar industry is Vicmico, the biggest sugar refinery in the Philippines. In 1982 it ranked 1,000 corporations in sales. Vicmico tops in profits, paid-up capital,

The Ossorio family say in this corporate of the 12 directors of the refinery in the United States, four members of Am-

Victorias central. Miguel J. Ossorio, a member of the first central in N Company was set up. Ossorios managed to what is now the Vicmico

During the first year it milled 180,084 picul. Vicmico milled 14 times more. After 60 years of operation, it is the most modern central in the country, with the highest output and level of technological complete infrastructure.



"Philippine Sugar Industry in an
Upward Road to Modernization",
a detailed overview of the sugarcen-

A Preliminary study of Interlocking
Industrial, Commercial, Manufacturing,
and Banking in the Philippines," Manila, 1979,
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4.3. The Vicmico Case

A notable example of monopoly control in the sugar industry is Victorias Milling Company (Vicmico), the biggest sugar central in the Philippines. In 1982 it ranked No. 73 among the top 1,000 corporations in the country in terms of gross sales. Vicmico tops all other centrals in sales, profits, paid-up capital, and shares.

The Ossorio family has the most decisive say in this corporation. Frederic Ossorio is one of the 12 directors of Amstar, the biggest sugar refinery in the United States. He is also one of the four members of Amstar's executive committee.

Victorias central was established in 1919 by Miguel J. Ossorio, a Spanish national, a year after the first central in Negros, the North Negros Sugar Company was set up. After World War II, the Ossorios managed to merge the two centrals into what is now the Vicmico.

During the first year of operation in 1919-20, it milled 180,084 piculs of sugar. In CY 1980-81, Vicmico milled 14 times more at 2,581,597 piculs. After 60 years of existence, it is now one of the most modern centrals in the country and claimed to be the biggest central in Asia in terms of output and level of technology. Vicmico has the most complete infrastructure facilities in the local in-

dustry. Roads and railways were constructed, and a pier for the unloading of sugarcane from Panay Island and other Negros towns was also built. An efficient communication system was developed to facilitate transactions and business.

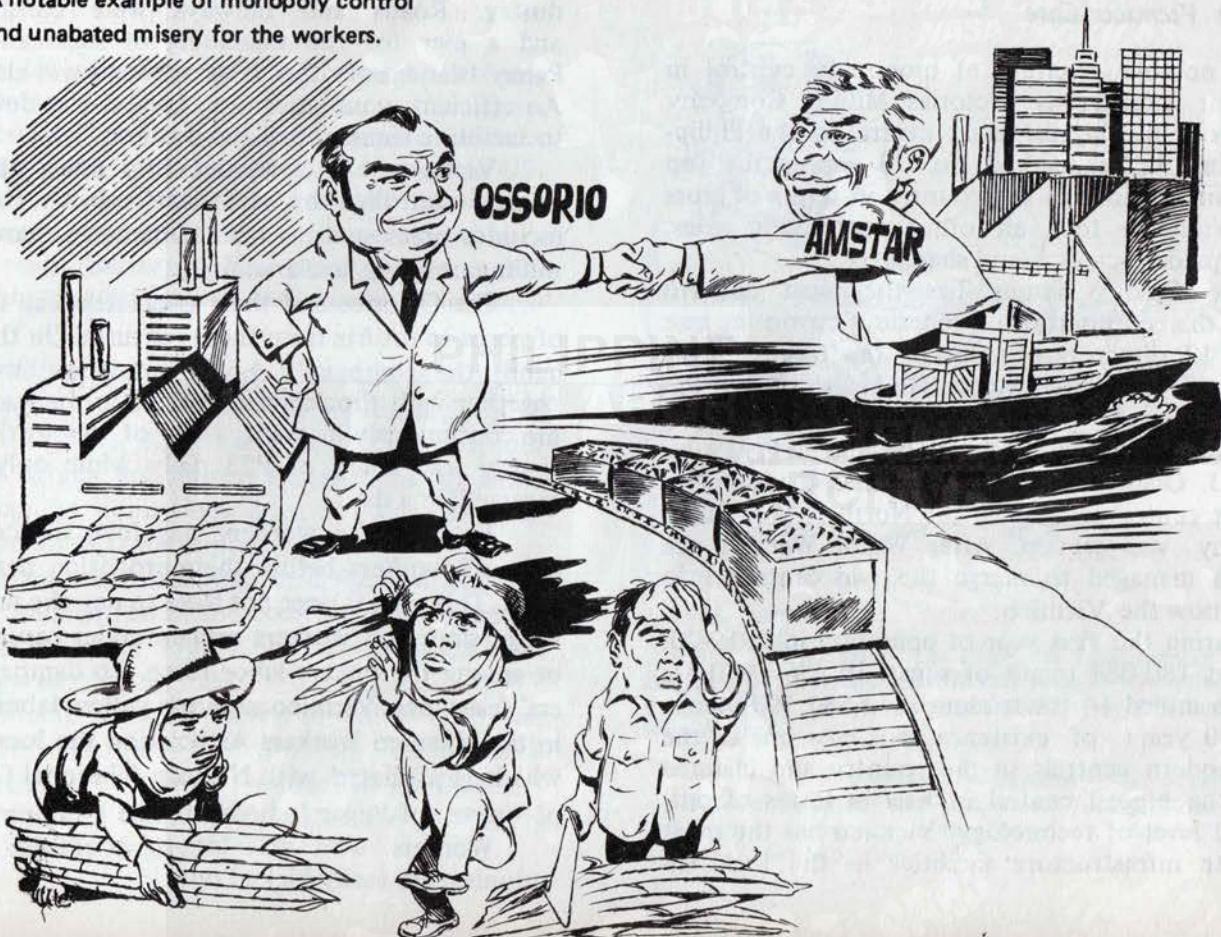
Vicmico has diversified into seven big companies controlled by American capital. Its scope includes areas such as land cultivation, harvesting, milling, refining, and trading.

The Ossorios and their associates reap millions of pesos in profits from these ventures. On the other hand, the company's 4,624 industrial workers, together with thousands of others in the haciendas, are continuously in want. Most of the workers get a very low salary of P23 daily while only a few receive P28 a day.

To keep the workers' pay low, the company lays off workers before their probation period expires. This way, it does not have to pay the minimum wage, since the workers remain under casual status or among the reserve labor force. To dampen workers' resistance, Vicmico supports yellow labor leaders in the Vicmico Workers Association the local union which is affiliated with Nacusip (National Congress of Unions of Sugar Industry in the Philippines).

Workers who attempt to promote genuine unionism are easily kicked out.

... A notable example of monopoly control and unabated misery for the workers.



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Foreign control fested through loan and advising agencie and the Asian Dev Bank-sponsored Gree to increase crop p enhanced dependence by multinationals an The deplorable pligh



Amstar, with its connection with Vicmico shared in the profit windfall of the local company. In 1973 for instance, a US federal survey discovered that Amstar posted a profit rate of 221%.²⁸

Other companies directly involved in the Philippine sugar industry include: Amerop, Inc. (American), the largest sugar importer in the world; Czarnikow – Rionda Sugar Corp. (American), the largest importer in the US; and Theo H. Davies, an old American trading firm with substantial control in Hawaii and the Philippines, e.g., Bogor-Medellin, San Carlos, and Hawaiian-Philippines.

Japanese multinationals, on the other hand, have heavy investments in sugar by-products like molasses and in sugar centrals where they met strong competition from European and American monopolies in the last decades.

Foreign control of the industry is also manifested through loans from international lending and advising agencies like the World Bank, IMF, and the Asian Development Bank. The World Bank-sponsored Green Revolution was implemented to increase crop production, but all the more enhanced dependence on farm inputs produced by multinationals and on foreign farm technology. The deplorable plight of the vast majority of the

toiling masses in the sugar industry has remained unchanged.

V. Problems of the Sugar Workers

The first exploratory study on the situation of the sugar workers in the haciendas and plantations was conducted by Fr. Arsenio Jesena, S.J. Working as a sacada and living among the workers for one month, he experienced the exploitative nature of contracting sacadas and their inhuman living conditions inside the hacienda during the milling season (*The Sacadas of the Sugarland*, 1969).

In 1975-76, the Association of Major Religious Superiors in the Philippines commissioned a study on "The Sugar Workers of Negros" in the context of economic colonialism and of the workers' oppression. It presented case histories of the life and struggles of the workers, the system and history of their oppression, and the local and foreign forces that the workers have to contend with in their struggle for survival.

The problems of the sugar workers still persist to this day, similar to those of other workers in the country.

²⁸ John F. Doherty., id., p. 27.

5.1. Livelihood

Most sugar workers in the haciendas are third or fourth generation workers mired in poverty. In 1982, plantation workers received only P26.18 daily nominal wage or below; non-plantation workers, P19.65; and central workers, P30.74. In real wage terms with 1972 as base year, the wages amount to P7.02, P5.27, and P8.24, respectively.

On the average, they work for 10 months. Other members of their families work within the haciendas or elsewhere to augment their income. Only a few of the workers receive overtime pay. Social security is not yet implemented for half of the working force. The eight to nine-year-olds who are already employed in the haciendas get P2-3 a day.

Because almost the whole island of Negros is planted with sugarcane, other staple foods on the island are scarce and more expensive. Even the sugar produced by the workers is not available to them, except in retail stores where the price is much higher.

Landlessness has forced most of the workers to sell their services and labor to the hacienderos and capitalists. Needless to say, they pay a high price for their survival. Even when they live in the haciendas, they hardly own small plots to grow

The workers pay a high price
for their survival



vegetable and fruit trees. In the last decade the problem of rapid expansion of sugar areas.

With mechanized planters face the threat. Provisions were not made for who will be displaced.

The problem of education, health, and culture of families. Most children drop out of school after grades, a few up to secondary and college.

The prevailing conditions between the hacienderos and workers. Workers are taught to be satisfied for keeping them in the haciendas. The hardships of workers are instilled in their children to become the future sugar barons.

Only 40% of the workers consult a doctor when sick. On average a family has

Sixty per cent of the workers are one-room dwellings. There are no facilities. An average family has four drinking glasses.

The workers pay a high price
for their survival



vegetable and fruit trees for their food needs. In the last decade the problem was felt more because of the rapid expansion of lands covering even marginal areas.

With mechanization, the workers and small planters face the threat of dislocation. Apparently, provisions were not considered for the workers who will be displaced as mechanization is pursued.

The problem of livelihood affects the education, health, and culture of the workers and their families. Most children only reach the elementary grades, a few up to high school, and hardly any in college.

The prevailing cultural pattern of relation between the hacienderos and workers is subservience. Workers are taught to be grateful to the haciadero for keeping them in his employ. They are told to bear the hardships of work patiently. These values are instilled in their children's minds for they will become the future sugar workers.

Only 40% of the workers' families are able to consult a doctor whenever a child is sick. On the average a family has lost at least two children.

Sixty per cent of the houses of the workers are one-room dwellings and 95% have no toilet facilities. An average family of eight has five plates, four drinking glasses, two spoons, three pillows,

two blankets, one big mat, one pot, and one mosquito net.

"Their diets are seriously deficient in milk, and yellow and leafy vegetables . . . In protein-rich food like fish, meat, and poultry, diets of sugarcane workers fall notably below those reported in other provinces," AMRSP's sugar study in 1976 reports.

5.2. Organization

Several big hacienderos and capitalists who were sitting in the Old Congress and Senate are now in the present Batasang Pambansa. Others are in some government agencies which play a decisive role in the operations of the sugar industry. It is no wonder that the Labor Code has not been able to promote the interest of the sugar workers and the workers in general.

Presidential Decree 823 and Batas Pambansa 130 and 227 are among the laws being enforced despite widespread objection by the workers. These laws are used to legitimize exploitation. If and when labor disputes arise and cases are filed in the courts, these are kept pending or the judges are manipulated. For example, the sugar workers of Central Azucarera dela Carlota (CAC) lost their right for 13th month pay following a ruling by

the Supreme Court. This was contrary to the decision on a similar case involving workers of Marcopper. Likewise, the Bureau of Labor Relations (BLR) declared as not valid a certification election won by the National Federation of Sugar Workers (NFSW) in the Dacongcogon Sugar Milling and Rice Cooperative (DSMRC) by 304 votes against two votes garnered by NACUSIP.

5.3. Military harassment and repression

Workers' right to organize and to strike are suppressed through military operations. Active unionists are suspected of being subversives or of having links with the New People's Army (NPA) and the underground movement. On these charges, they are detained, tortured, or harassed even without investigation. The arbitrary issuance of presidential commitment orders (PCO) and recently, the Preventive Detention Action (PDA) has sown fears among the workers and the people.

According to reports from Task Force Detainees (TFD), aside from direct military attacks at the picketlines, the workers and their families in Negros are also victimized by abusive elements of Task Force Kangaon. In places declared as "insurgency areas", the workers and their families face military threats to their life and properties. Military and

security guards in the haciendas and centrals also harass the workers.



VI. Organized Labor in

Before the war, a agricultural workers in s Luzon and Western V and Panay were organ awareness and firm their type of organizati out struggle.

6.1. A tradition of strug

It will be recalled the people in the fight in the late 1800s. In workers became members struggle continued during American colonization in the sants organizations sprouted mostly of sugar workers Santos put up "Aguman" in Nueva Ecija, the "Kapitibukid sa Pilipinas" which tang Partido sa Pilipinas lao Garcia organized "An supported the movement or Apo Ipe.

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VI. Organized Labor in the Sugar Industry

Before the war, a big number of farmers and agricultural workers in sugar plantations in Central Luzon and Western Visayas, particularly Negros and Panay were organized. This was due to the awareness and firm stand of the workers, their type of organization, and methods in carrying out struggle.

6.1. *A tradition of struggle.*

It will be recalled that sugar workers joined the people in the fight against Spanish colonialism in the late 1800s. In Central Luzon, plantation workers became members of the Katipunan. Their struggle continued during the early years of American colonization in the 1900s. A number of peasants organizations sprouted in Central Luzon, composed mostly of sugar workers. In Tarlac, Pedro Abad Santos put up "Agumanding Malding Tagapag-obra"; in Nueva Ecija, the "Kapisanang Pambansa ng Magbubukid sa Pilipinas" which later became the "Sosyalistang Partido sa Pilipinas"; and in Pampanga, Estanislao Garcia organized "Anak Pawis". The workers also supported the movement headed by Felipe Salvador or Apo Ipe.

In Western Visayas, particularly in Negros and Iloilo, the sugar workers backed the movement led by Papa Isyo against the Spanish crown. Lands of central owners and hacienderos were confiscated. Fearing the influence of the Katipunan and the mass movement, the planters organized their own government called the "Republic of Negros", which was subsequently supported and protected by the invading Americans. From 1900 onwards, the drive for expansion of sugar plantations and the establishment of new centrals had an impact on the forms and methods of struggle of the sugar workers.

6.2. *Advancement of unionism before World War II*

The promotion and advancement of unionism among workers in Manila and other big cities like Iloilo taught many lessons to the sugar workers. In Central Luzon, unions for workers and farmers were formed for the collective fight for legitimate rights. The workers of Pampanga Sugar Development Corp. in San Fernando launched their first strike in 1921 to demand for just wages and benefits and better working conditions. Together with their wives and children, they picketed the gates of the factory. Violence erupted when the firm's management called the American Constabulary to suppress



Sugar workers joined the people in the struggle against Spanish colonialism . . .

the workers. Several w

In Negros, Rose Union Obrera sa Negros Union Obrera Democrática Nava and Vicente Obrera de Iloilo among the stevedores, warehousemen. A federation called "Sweat of the Workers" declared a strike against the owners of Visayan Tinoco to demand for wages in

The most militant group was "Kusog Sang Imol" composed of miners and other laborers. It was formed in the provinces of Negros Oriental and Cebu.

In Cebu, where the "Legionarios del Trabajo" was formed.

The trendsetter was the Federacion Obrera de Negros under the leadership of Vicente Nava. It became the biggest trade union in the country, organized the workers in Negros and centrals in Negros Oriental.

the workers. Several workers were killed or injured.

In Negros, Rosendo Meyijaca established the Union Obrera sa Negros in 1903, a branch of the Union Obrera Democratica (UOD). In 1917, Jose Nava and Vicente Ybiernas started the Union Obrera de Iloilo and recruited members among the stevedores, warehouse workers, and mechanics. A federation called "Balhas sang Mamumugon" (Sweat of the Workers) was put up. In 1925, it declared a strike against the management and owners of Visayan Transport Company (Vistranco) to demand for wages increase and benefits.

The most militant union at that time was "Kusog Sang Imol" (Strength of the Poor), which was composed of some 50,000 sugar workers and other laborers. It gained widespread support in the provinces of Negros and Iloilo.

In Cebu, where unionism was just beginning, "Legionarios del Trabajo", a big federation of workers at the waterfront and in warehouses, was formed.

The trendsetter in genuine unionism was the Federacion Obrera de Filipinas (FOF) established under the leadership of Jose Nava in Iloilo in 1928. It became the biggest federation with 180,000 members from the Visayas and Mindanao. It organized the workers in the sugarcane plantations and centrals in Negros to demand for wage increases

and benefits in 1930. The demands were eventually granted.

The hacienderos and capitalists, alarmed by the growing movement of sugar workers sought the aid of the American Constabulary in suppressing workers' strikes. Scabs and goons were hired to break up picketlines, aside from harassment and repression in the factories. Fake unions were organized to deceive the workers and to counter the genuine unions. For example, during the upswing of unionism in the Visayas, members of the "Mainawaon" were used to disperse the pickets of "Kusog".

6.3 *Organized labor after World War II*

There was a lull in unionism in the sugar industry several years before and after World War II due to the widespread destruction of plantations and dislocation of workers. When the industry recovered a decade after, the number of workers increased and genuine unionism was pursued anew. This led to the establishment of the Congress of Labor Organizations (CLO) in 1948. The CLO created a big impact on the organization of the workers to such an extent that it was suppressed in 1953. The Federation of Free Workers (FFW) filled the vacuum left by the outlawed CLO.

6.4. Resurgence of genuine unionism

In the mid-60s, nationalistic feelings pervaded anew the workers, students, and intellectuals who carried the struggle at the labor front. In 1971, several leaders and organizers of the Federation of Free Farmers (FFF), churchpeople, and others formed the National Federation of Sugar Workers (NFSW) in Negros. It started recruiting the farm workers and "dumaans" in milling districts like La Carlota. In 1972, NFSW organized other agricultural workers and in 1974, the industrial workers in Binalbagan—Isabela Sugar Company (Biscom), Hawaiian-Philippines in Silay City, and Central Azucarera de la Carlota, all in Negros Occidental. In 1975, NFSW sent organizers in Central Luzon, Southern Tagalog, and Mindanao.

In 1974, NFSW had about 6,400 members. In September 1982, during its fifth convention, it had 45,000 members. At present, the federation has 50,000 members.

The NFSW gave impetus to the organization of workers and direction toward strengthening genuine unionism. It has established solidarity with other unions in the country and abroad. The federation celebrates May 1 every year with a march and rally in the streets of Bacolod City.

At the start of 1983, NFSW was the leading force in the formation of the Visayan Labor Alliance (VILA), rallying the workers in Western Visayas on issues such as BP 130 and 227, labor repression, and mechanization. The alliance is composed of NFSW, NFSW-Visayas, NFL, Lakas-PAFLU, TUPAS, CAILO, NUWA, and KSO.

NFSW is one of the founding members of the Kilusang Mayo Uno (KMU) and a member of the Pagkakaisa ng Manggagawang Pilipino (PMP) and the National Coalition for the Protection of Workers' Rights (NCPWR).

6.5. Yellow unionism in the industry

NACUSIP is the embodiment of yellow unionism in the sugar industry. Starting as the Associated Labor Union (ALU), NACUSIP claims to have 300,000 members. Although NACUSIP members hardly engage in organizing, they are readily recognized by the hacienderos and owners of centrals. The federation relies mainly on arbitration in resolving labor disputes and tripartism. During the La Carlota strike, it allowed some of its members to be used as scabs, thus spawning discord among the workers' rank.

On Nov. 16, 1982, NACUSIP requested the Labor Ministry to cancel the registration of NFSW

Yellow unionism
hand in hand with
government and
capitalists.

NFSW was the leading Visayan Labor Alliance workers in Western Visayas, NPL, Lakas-CWA, and KSO.

Founding members of the NFSW and a member of the National People's Congress Pilipino (PMP) and the Protection of Wor-

industry

ment of yellow unionism. Starting as the Association of Workers (NACUSIP), claims 10,000 members. Although NACUSIP has been organizing, they are controlled by hacienderos and owners of plantations. It relies mainly on arbitration in labor disputes and tripartism. In 1972, it allowed some of its members to become scabs, thus spawning the Yellow Union Bank.

CUSIP requested the registration of NFSW

Yellow unionism goes hand in hand with government and capitalists.



allegedly because the latter lacks the required number of members. NFSW was able to disprove this. NACUSIP has also indulged in black propaganda and smear campaigns against NFSW here and abroad.

NACUSIP unconditionally supports the government-initiated mechanization policy in the industry. In fact, it has been tapped by Philsucom to launch a "conscientization" drive on mechanization among the workers.

NACUSIP has aligned itself with the Congress of Independent Organization (CIO), the Federal Labor Organization (FLO), and the Sugar Agricultural and Industrial Labor Organization (SAILO). Batting for the establishment of a labor center, it has allowed itself to join the bandwagon of the government-controlled Trade Union Congress of the Philippines (TUCP).

"Company unions" have also been set up by big hacienderos. Among these are sugar baron Montelibano's Confederation of Brotherhood Unions (CBU), Gustilo's United Sugar Farmers Organization (USFO), and Locsin and Ledesma's Labor Association of the Philippines (LAP). A similar group, the Philippine Agricultural, Commercial, and Industrial Workers' Union (PACIWU) has been established.

6.6 The future of organized labor in the industry.

Of the half million sugar workers, not even 25% has been organized. Visibly, there are two camps of unionized workers. One is headed by a labor center pursuing genuine unionism and representing the legitimate interests and rights of the workers through militant, concerted, and collective action; the other, a center promoting the principle of harmonious relations and pinning all workers' hopes on the validity of government laws.

The sharp contrast between NFSW and NACUSIP, the big federations in the sugar industry mirrors the collision between genuine and yellow unionism. While yellow unionism is still prevalent among sugar workers, the movement for genuine unionism is gaining ground. For instance, during the Labor Day celebration on May 1, 1982 in Negros, some 40,000 members of NFSW from various towns converged at the Bacolod City plaza while NACUSIP could only muster the presence of 300 workers. On May 1, 1983, despite warnings by authorities, 25,000 NFSW workers joined the rally at the plaza. They were later shoved off to a nearby reclamation area. Not one from NACUSIP came. This is a mark written on the wall, a sign for the future: an increasing number of workers

being organized and of genuine unionism.

VII The Tasks of Genuine Unionism

Experience has taught us that workers want to improve their standard of living on the hacienderos and planters. Through an organization, they can defend their interests through collective bargaining.

Genuine unions in the sugar industry must perform the following tasks:

1. Intensify the struggle for genuine unionism

The sugar workers must intensify the struggle for genuine unionism which unconditionally defends the workers' interests, builds up their sense of responsibility, and makes them not depend solely on the employers. Genuine unionism must get tied down to purely economic conflicts and disputes. Collective bargaining must be based on genuine unionism which builds up the confidence of the workers in their masters of their own destiny.

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VII The Tasks of Genuine Unionism in the Sugar Industry

Experience has taught the workers that if they want to improve their situation, they cannot depend on the hacienderos and capitalists but on themselves. Through an organization which can carry their interests through collective action.

Genuine unions in the industry must assume the following tasks:

1. *Intensify the organization of genuine and progressive unions among the sugar workers.*

The sugar workers need a type of unionism which unconditionally represents their rights and interests, builds up their confidence, and believes in collective responsibility and action. They should not depend solely on a few articulate leaders and get tied down to purely juridical means of resolving conflicts and disputes. Genuine and progressive unionism builds up the confidence of the workers as masters of their own destiny.

Genuine unionism should eventually develop a militant and nationalist character. Militant, in the sense that workers will not allow themselves to be bogged down with negotiations and arbitration, but will equip themselves with the most effective weapons of collective action. Nationalist, in the sense that the workers link their problems with those of other industrial workers, the basic masses and other sectors of Philippine society.

These workers will undertake what is proper to their role: to spearhead the identification and solution of national issues.

2. *Promote genuine unionism*

The spirit and principle of genuine unionism have to be promoted and disseminated throughout the country through systematic education and propaganda.

Regular and graduated studies, seminars, and discussions on current issues should be conducted among the workers so that they are able to draw lessons from their experiences, have a pro-

per perspective on the issues, and grasp the principles and objectives of genuine unionism.

The repressive atmosphere in the factories and in the country must be counteracted by conscious and analytical thinking linked to action.

Readings and propaganda materials should be properly disseminated to keep the workers updated on issues in the factory and in the society related to their situation. This paves the way for genuine unionism.

3. Build up and strengthen a genuine labor center.

Genuine unionism sets as a perspective the unity of the greater majority of the workers in the various industries under a central organization. The workers should be convinced of the importance of collective action and of nationally concerted moves as well.

A genuine center for labor is capable of breaking down yellow unionism. Its strengthening can weaken the present exploitative and oppressive structures and usher the liberation of the workers from foreign and local capitalists.

4. Promote international solidarity among workers.

The sugar workers' problems are rooted in the country's foreign policies with regard to the industry, especially with the US and Japan. The local hacienderos and capitalists are linked with and are controlled by multinational corporations.

To be able to effect a total change in the sugar industry and in the whole economy, there is a need for Filipino workers to forge solidarity with those of other countries. Filipino workers can learn from the struggles of workers in the industrialized and Third World countries. A particular linkage by line of industry or multinational corporation has to be encouraged and worked out. For example, ties among sugar workers in the Philippines and in the Dominican Republic and other countries should be fostered.

5. Advance the workers' struggle in the sugar industry.

As yellow unionism is encouraged by the government and capitalists, workers belonging to genuine trade unions must lead the struggle in the sugar industry. They should take up specific issues like the land problem of the sugar workers, mechanization in the industry, and unfair labor laws.

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6. Support the s

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VIII. Call and Program: Workers

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treated like slaves.

problems are rooted in the relations with regard to the interests of the US and Japan. The local capitalists are linked with and controlled by international corporations.

In a total change in the sugar economy, there is a need to forge solidarity with those Filipino workers can learn from workers in the industrialized countries. A particular linkage between a multinational corporation and a particular sector worked out. For example, in the Philippines and in other countries should

workers' struggle in the sugar

is encouraged by the capitalists, workers belonging to them must lead the struggle in the factories. They should take up specific issues such as the sugar workers, minimum wage, and unfair labor laws.

Effectively launched, said struggles will counteract ideological and political repression as is currently on the government agenda.

6. Support the struggle of other sectors.

The problems of the Filipino people are rooted in the semi-feudal and semi-colonial nature of Philippine society. These are felt and experienced by the various sectors which bring about varying forms of struggle.

Workers must not confine themselves to their own issues in the factories and at the labor front. They have to become aware of the problems and concerns of the other sectors and support and join their struggle.

VIII. Call and Program: The Demands of the Sugar Workers

"We create the wealth; however, only a few are greedily filled." The workers struggle to demand what rightfully belongs to them — a just share in the wealth they have created. They aspire to work and live in a humane society where they are not treated like slaves.

Their demands:

1. *Increase salaries to enable workers to live decently.*

On the island of Negros, a sugar worker is looked down upon as beggar and vagabond. Aside from their meager salaries, the workers are deprived of adequate and nutritious food and opportunities for education.

According to the National Economic and Development Authority (NEDA), in 1982 a family of six needs P78 daily to be able to live decently. Sugar workers get even lower than P19.83 daily as set by the Wage Commission for agricultural workers. The P30.33 legal minimum daily wage for industrial workers is rarely implemented.

Capitalists keep the workers' pay low and brush aside wage increase proposals by arguing that the world price of sugar is low and that any increase may affect the competitiveness of the commodity.

2. *Suspend the mechanization policy as long as the job security of workers is not sufficiently ensured.*

A worker with a permanent contract can still be laid off any time by management by exercising its "prerogative" under Presidential Decree 442. Retrenchment through job rotation is still prevalent in haciendas or centrals where the workers are not yet organized.

Capitalists can also lay off workers by pointing to the low world price for sugar. Vicmico, for instance, launched its "personnel reduction" program on March 5, 1983, to lay off a big number of its workers due to the prevailing economic crisis.

Most sugar workers, however, fear the mechanization scheme initiated by Philsucom at the start of 1983. The program has been patterned after an Australian model and would leave jobless about 85% of the total number of plantation workers.

The workers do not oppose the development of science and technology and its application in the industry so long as this would not lead to the sole aggrandizement of a few hacienderos and capitalists. They call for suspension of the mechanization drive until employment alternatives are offered to them.

3. Grant fully the Social Amelioration Fund (SAF).

The SAF was created by the government to augment the income of the sugar workers. It comes from a tax which the government adds to the value of raw sugar sold in the market.

As of May 1, 1983, the MOLE declared that some P36 million of SAF has been allotted to the sugar workers to be given in cash. It remains as what it was a promise. The fund should be turned over to the workers through their organizations or a commission composed of workers and government representatives.

4. Provide communal farms for the sugar workers.

The sugar workers and their families need a piece of farmland from which to grow crops to supplement their daily food needs. This is especially needed in Negros where almost all the lands are devoted to sugarcane. Due to their low wages and the distance from their houses to the town center, workers have a hard time or are not able to buy the food they need daily.

5. Remove the restrictions on the right to strike and to organize.

The right to organize and to strike are legit-

mate rights of workers. Workers' organizations with the capitalists will set the price for labor and benefit.

The strike is the way for workers to press for their demands suppressed by the employers with the help of various agencies.

BP 130 and other laws violate the rights of workers' rights. These laws are used to bust unions and to suppress workers. These empower the management to interfere and harass workers during strikes.

6. Put an end to the monopoly of the sugar industry.

American imperialism dominates the sugar industry in the Philippines. It is controlled by financial capital, mainly American. The control of the sugar industry and marketing. The investments in sugar plantations are the major outlet for Phlippines to sell its products to multinational corporations. These interests, e. g., Philip Morris, surely affect the local workers.

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mate rights of workers anywhere in the world. Workers' organizations will ensure that bargaining with the capitalists will result in a more reasonable price for labor and better working conditions.

The strike is the most effective weapon for workers to press for their demands. This has been suppressed by the hacenderos and capitalists with the help of various government agencies.

BP 130 and 227 legalize the suppression of workers' rights. These laws give capitalists leeway to bust unions and repress the workers. Moreover, these empower the military and even security guards to interfere and harass the workers, especially during strikes.

6. Put an end to imperialist control.

American imperialism is primarily controlling the sugar industry in the Philippines in terms of financial capital, means of production, technology, and marketing. The Japanese also have heavy investments in sugar centrals as Japan has become a major outlet for Philippine sugar. Whatever steps multinational corporations take to enhance their interests, e. g., protectionist measures, would surely affect the local sugar industry and its workers.

Workers in the sugar industry and elsewhere should therefore demand freedom from foreign control of the industry and of the economy in general.

7. Put an end to monopolies in the sugar industry.

A few hacenderos and capitalists control the land, supplies, production, and distribution of sugar locally and abroad. They fix the price of sugar and machineries and have the biggest say in changing the production process, without any accountability whatsoever to the workers. They hold 46% of the total land area for sugar and are subservient to foreign interests.

8. Stop militarization and repression of workers.

A growing concern among the sugar workers the past few years is intensified military harassment. Sugarcane plantations are declared "critical areas" for counter-insurgency operations. The workers and their families are often victims of military abuses. This is prevalent in Negros, Pampanga, Tarlac, and other provinces.

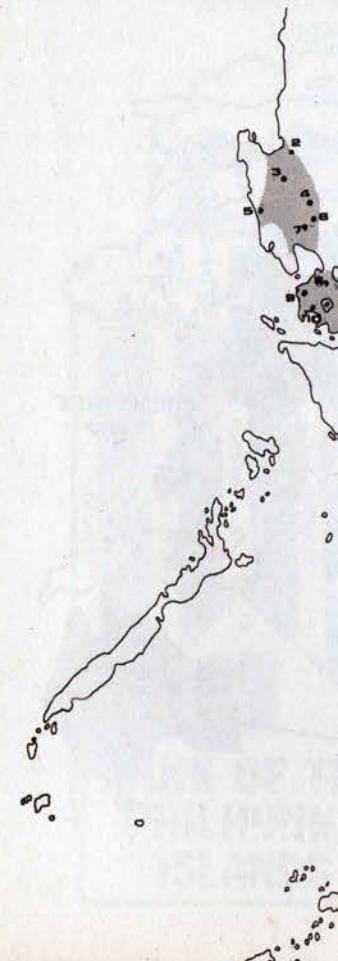
Capitalists repress sugar workers with the help of the military. The Presidential Commitment

Order (PCO) and recently, replaced by PDA is readily invoked to detain labor leaders and organizers on charges of subversion.

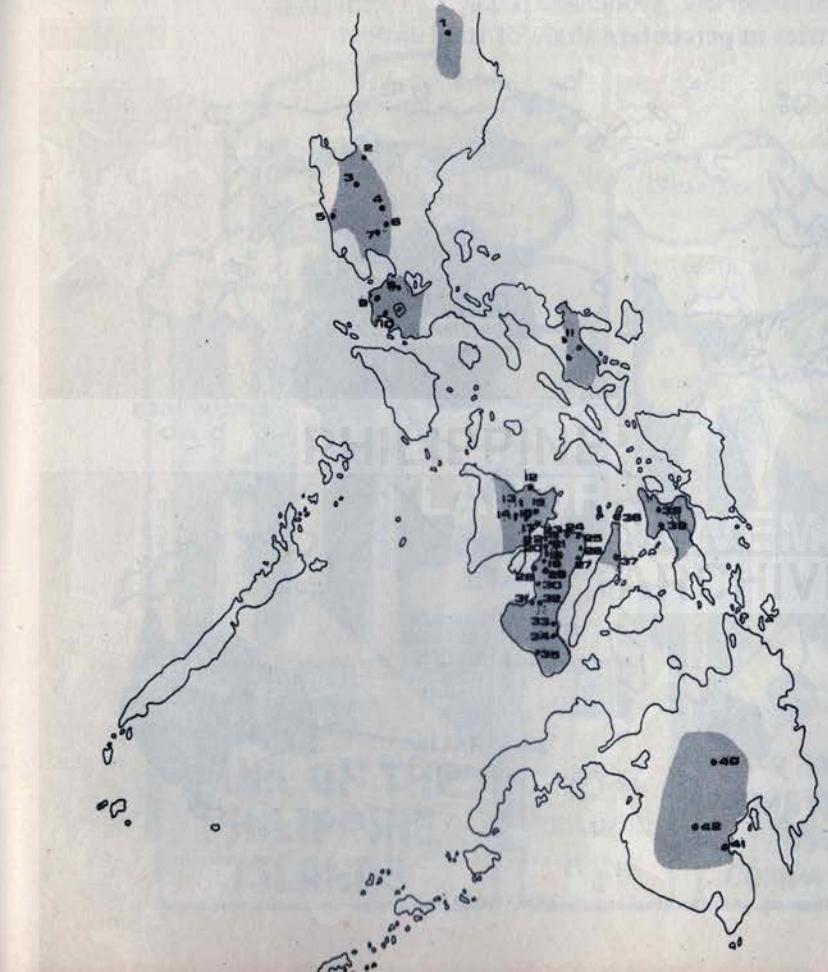
Militarization and repression sow fear among the workers. These are intended to stop the advancement of workers' struggle towards national freedom and democracy.

The eight demands presented above reflect the problems, issues, and needs being faced by the sugar workers today. The realization of these demands will require concerted action, not only for the welfare of the workers in the sugar industry but also for the entire Filipino people.

PHILIPPINE
LABOR
MOVEMENT
ARCHIVE



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The realization of these
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pino people.



MAP 1: Location Map of the Philippine Sugar Mills

I. NORTH & CENTRAL LUZON

1. CASUCO
2. Hind
3. Paniqui
4. Tarlac
5. CAREBI
6. NASUDECO
7. PASUDECO

23. VICMICO
24. Lopez
25. Sagay
26. Danao
27. San Carlos

II. SOUTHERN LUZON

8. Canlubang
9. Don Pedro
10. Batangas
11. BISUDECO

28. Ma-ao
29. La Carlota
30. BISCOM
31. SONEDECO
32. Daongcogon
33. UPSUMCO

III. PANAY

12. Pilar
13. Asturias
14. Calinog-Lambunao
15. Passi
16. Allied
17. Santos-Lopez

34. Bais
35. Tolong
36. Bogo-Medellin
37. Durano
38. HIDEKO
39. Ormoc-Rosario

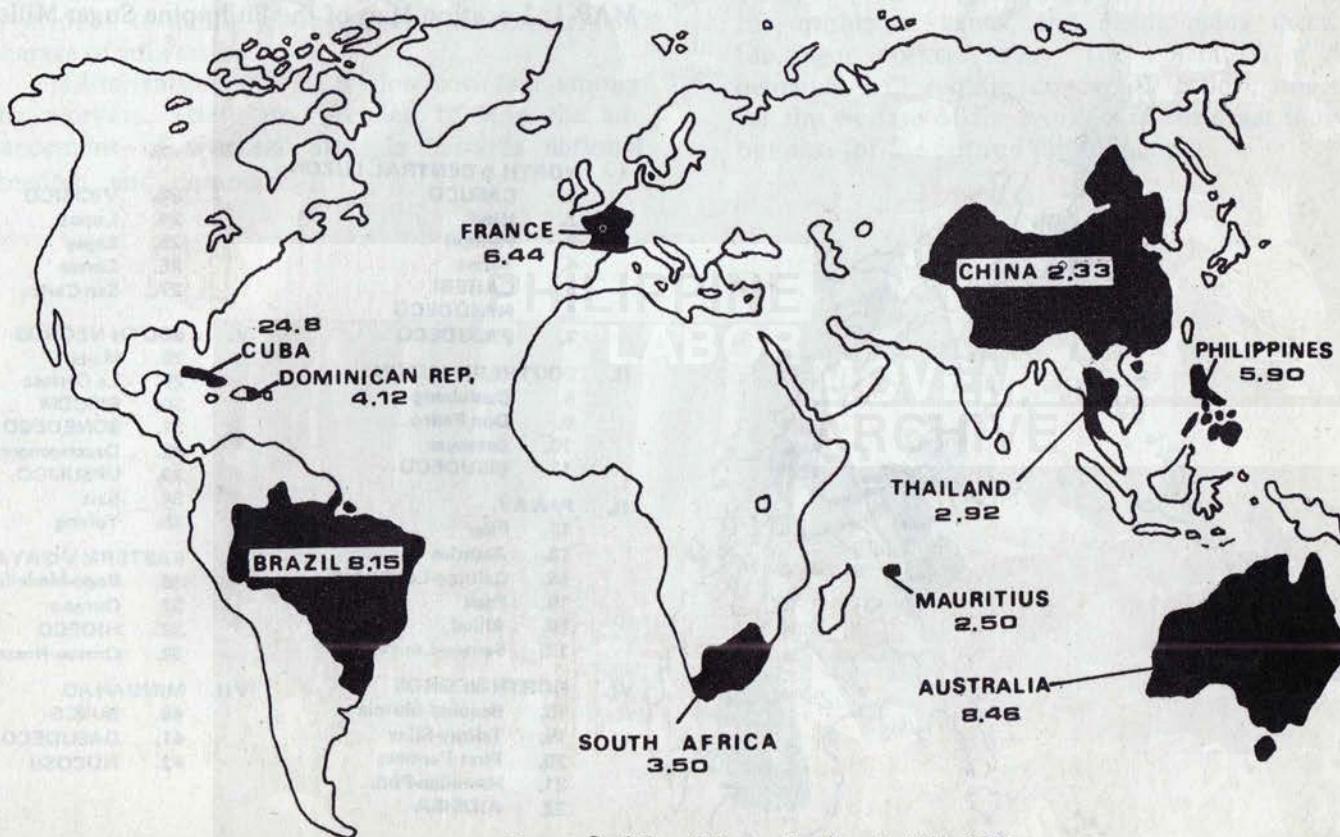
VI. NORTH NEGROS

18. Bacolod-Murcia
19. Talisay-Silay
20. First Farmers
21. Hawaiian-Phil.
22. AIDSISA

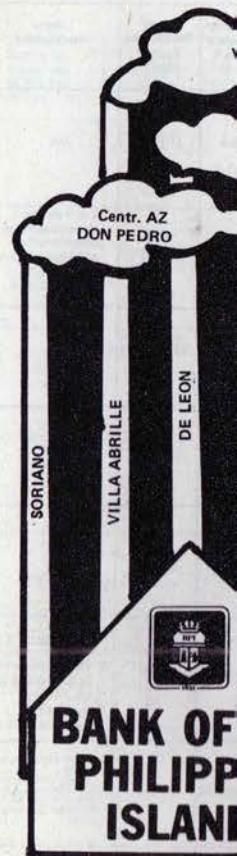
40. BUSCO
41. DASUDECO
42. NOCOSII

VII. MINDANAO

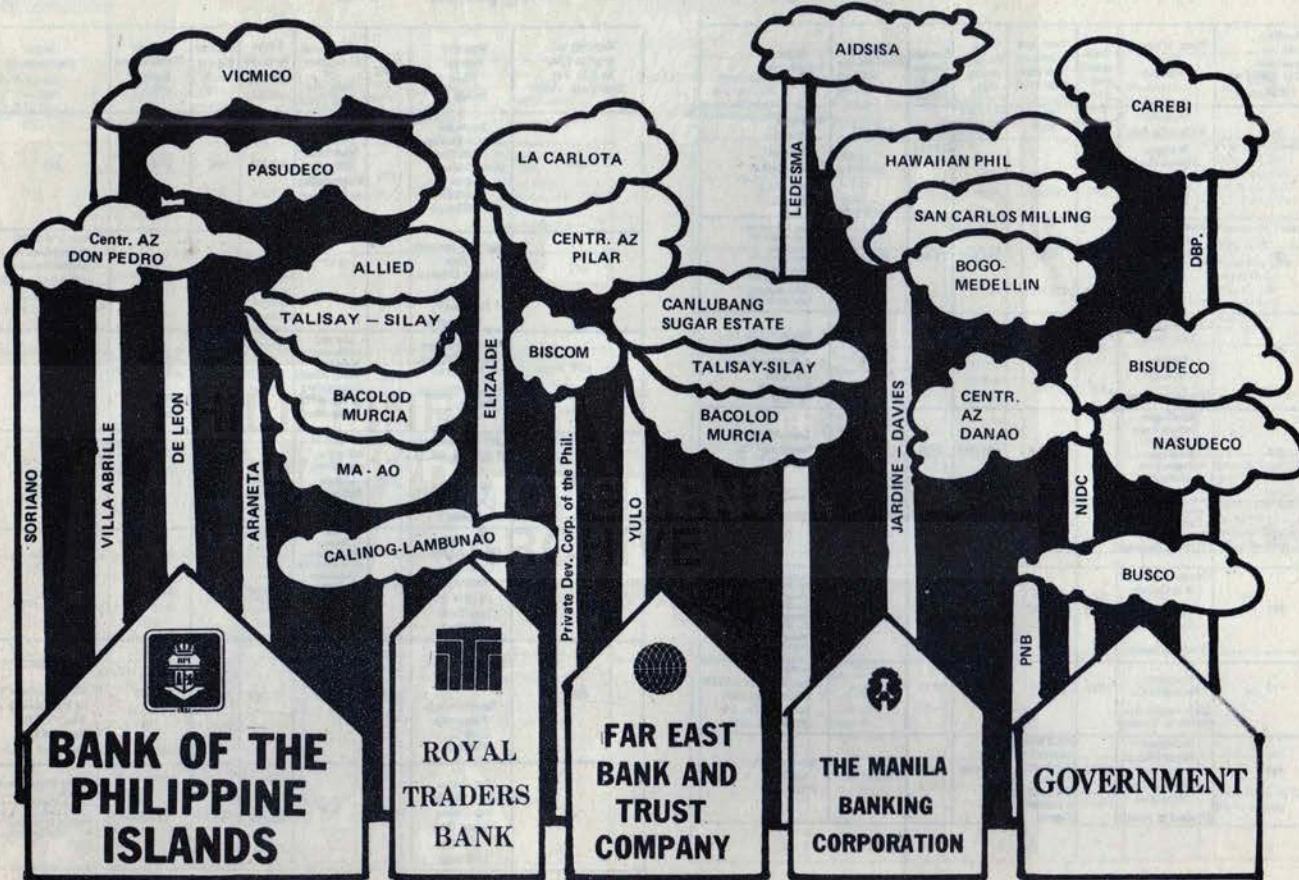
MAP 2: Biggest Sugar Exporting Countries in percentage share of total export



Source: Statistics of international trade U.N. 1981



APPENDIX 1 — Some Interlocking Directorates in the Sugar Industry



export



APPENDIX 2 Listing of Sugar centrals in the Philippines – 1983

Ranking acc. to gross sales B.D. Top 2000 Corp. (1983)	Name of central place President	Date establ.	Total cost & Sources New ones, after 1960	Gross Revenue (P'000) 1982	Foreign Equity in %	Owners/ Stockholders Equity (P'000)	Major Stockholders
76	Victorias Milling Co. Inc. Manapla, Negros Occ. (Claudio Luzuriaga)	1917	NAP	522,396	17.0% (1976)	364,597	* Miguel J. Ossorio Penicos Foundation Inc. (Fil): 42.95%
187	Central Azucarera de Tarlac, San Miguel Tarlac (Pedro Cojuangco)	1927	NAP	214,949	10.5%	59,326	* Tarlac Development Corp. 40.44% Fil • Luisita Trust 30.00% Fil • Tarlac Diesel Corp.: 8.67% Fil • Luisita Marketing Corp.: 6.65% Fil
283	Central Azucarera Don Pedro Nasugbu, Batangas (Eduardo Roxas)	NA	NAP	148,871	80.4%	89,300	* Rox V. Cia, La Spanish: 75.8% • A. Soriano Corp.: Fil: 8.9% • Merma MC. Fil: 3.91%
289	Binalbagan – Isabela Sugar Co. Inc. Binalbagan Negros Occ. (Gabriel Villanueva)		NAP	144,843	0.0%	250,524	* Trans-Philippine Investment Co.: 99.91%
342	Lopez Sugar Corp. Hilario Lopez, Negros Occ. (Trinidad Gonzaga)		NAP	121,633		103,549	NA
345	Central Azucarera de la Carlota La Carlota, Negros Occ. (Fred J. Elizalde)	1918	NAP	120,997	28.7%	77,002	* Manila Broadcasting Co. (Fil): 43.31% • Antonio Rojas Chua: Co (Fil): 15.1% • Mercop. Insurance Co. (Fil): 2.46% • Manuel Basabe (Fil): 1.81%
415	Hawaiian – Philippine Co. Silay, Negros Occ. (Erwin G. Vorster)	1918	NAP	102,705	93.3%	75,679	* Jardine Davies Inc. (British): 87.61% • Lincoln Phil. Life Insurance Co. Inc. (British): 2.02%
445	Bukidnon – Sugar Milling Co., Inc. Paitan, Quezon, Bukidnon (Manuel H. Nieto)	1976	\$36.8 Mill. sources: Marubeni, Hitachi, Shipbuilding & Engineering (Japan)	95,598	NA	(226,824)	Government Controlled PNB

Ranking acc. to gross sales in B.D. Top 2000 Corp. 1983	Name of Central Place President	Date establ.	Total cost & Sources of New ones after 1960	Gross Revenue (P'000) 1982	Foreign Equity in %	Owners/ Stockholders Equity (P'000)	Major Stockholders
580	Southern Negros Development Corp. Kabankalan Negros Occ. (Rodolfo Montelibano)	1970	n.a. Sources: Marubeni, Hitachi Shipbuilding & Engineers (Japan)	69,241	NA	(9,857)	NA
611	Central Azucarera de Bata Negros Oriental (Manuel P. Manahan)		NAP	66,053	NA	66,400 (1976)	* Basis Industrial Management Corp. (transformation of TABACALERA) (Span): 61.3% • J.J. Ortigas & Co.: 7.2%
613	United Planters Sugar Milling Co., Inc. Manjuyod Negros Oriental (Ignacio L. Vicente)	1976	\$34 MIL Sources: Marubeni, IIDA, Hitachi Shipbuilding & Engineers (Japan)	65,580	68.9%	(335,121)	NA
650	Agro-Ind'l Dev't Co. of Silay-Saravia Inc. Silay Negros Occ. (Natalio J. Velez)	1962	\$10.5 M Sources: Marubeni, Hitachi Shipbuilding & Engineers (Japan)	62,654	0.0%	(127,391)	Leedesma Reinoso
687	Hilongos Development Corp. Inc. Kananga Leyte (Luis Tito Rivilla)	1972	6.0. Sources: Brundt, Jones & Macmillan, Rosenthal (W. Germany) Socite des Fibres Libeccal (France)	58,109	NA	99,589	NA
708	Pampanga Sugar Dev't Co. Inc. San Fernando Pampanga (Luis D. Panilao)	1918	NAP	55,748	0.0%	46,400	* Regina Inc.: 11.11% • Victoria Hinzon Vda. de Rodriguez & Sons Inc.: 3.93% • National Life Insurance co.: 5.7%
749	San Carlos Milling Co., Inc. San Carlos, Negros Occ. (Carlos Ledesma)	1957	NAP	52,874	40.3 5%	57,453	* Jardine Davies (British): 26.17% • Jardine & Co. (U.S.): 10.82% • Julietta Ledesma: 6.49% • Amparo L. Guttilo: 5.91% • Menchaca Hermanos: 3.72%

Continuation

Ranking acc. to gross sales in B.D. Top 2000 Corp. 1983	Name of Central Place President	Date establ.	Total cost & Sources of New ones after 1960
774	Ma-ao Sugar Central Co., Inc. Bago Negros Occ. (J. Amado Araneta)	1918	
793	Batangas Sugar Central Inc. Balyan Batangas (Martin Saludo)	1969	
805	Bogo-Medellin Milling Co., Inc. Medellin Cebu (Erwin G. Vorster)	1928	
834	Sagay Central Inc. Sagay, Negros Occ. (Caridad J. Cruz)	1969	
869	Pasi Sugar Central, Inc. San Enrique Iloilo (Timoteo Consing)	1970	
872	Central Azucarera de Pilar Roxas Capiz (Fred J. Elizalde)	NA	
1050	Davao Sugar Central Co., Inc. Hagonoy, Davao del Sur. (Fernando Marmag)	1971	

Continued

Other centrals not listed in B.D. Top 2000 Corp. 1983.

Name of Central	Place	President	Major Stockholders
Cagayan Sugar Corp.	Piat, Cagayan	(Jose F. Aguirre)	NA
Northern Cotabato Sugar Ind. Inc.	Matalam, N.Cotabato	(Carlos Cajelo)	NA
Bicolandia Sugar Dev. Corp.	Pili, Camarines Sur.	(Generoso Tanseco)	National Investment and Development Corp. (NIDC) 88%
New Consolidated Sugar Corp. of the Phil.	Botalan, Zambales	(Pacifico E. Marcos)	NA
Central Azucarera de Danao	Danao, Cebu	(Jose Javellana)	* NIDC: 100%
Calinog-Lambunao Sugar Mill Integrated Farming Inc.	Calinog, Iloilo	(Jose Hautea)	Reinoso
Canlubang Sugar Estate	Canlubang, Laguna	(Jose Yulo-Jr)	Arjay Sec. & Develop. Corp., 7.20% Byme Mo. & Development Corp. 720
Hind Sugar Co.	Manaoag, Pangasinan	(Consuelo S. Perez)	NA
Central Santos-Lopez, Co. Inc.	Barotac Nuevo, Iloilo	(Mayo Lopez Carillo)	NA
National Sugar Dev. Co Inc.	Del Carmen, Pampanga	(Juan Ponce Enrile)	NA
Allied Sugar Central	Passi, Iloilo	(J. Amado Araneta)	NA
First Farmers Milling & Marketing Coop. Assn. Inc	Talisay, Negros Occ.	(Antonio Montinolo)	NA
Durano Developm. Corp.	Danao, Cebu	(Beatriz Durano)	NA

APPENDIX

Brief analysis:

The top miller remains V... on sales, Hawaiian Phil. over the last 10 years an every peso sale. In the secc... rera de Don Pedro with 17...

At the bottom of the list v... Co. with 99 centavos loss pe...

	TOTAL	Victorias Milling Co. Inc.
NET SALES (in thousand pesos)		
1973	541,602	195,828
1974	876,752	355,130
1975	1,045,307	297,964
1976	974,193	270,101
1977	802,549	265,698
1978	778,318	239,966
1979	858,892	260,692
1980	1,098,412	308,828
1981	1,473,442	461,562
1982		514,870

**APPENDIX 3: 10 Year Financial Performance of Top Sugar Millers
(1973-1982)**

Brief analysis:

The top miller remains Vicmico, but in terms of return on sales, Hawaiian Phil. Co. is the top runner. It got over the last 10 years an average return of 24 centavos on every peso sale. In the second place we find Central Azucarera de Don Pedro with 17 centavos.

At the bottom of the list we find Bukidnon Sugar Milling Co. with 99 centavos loss per peso sale. Since its beginning

in 1976 it had a lot of start-up costs and incurred a hefty rise in direct production costs.

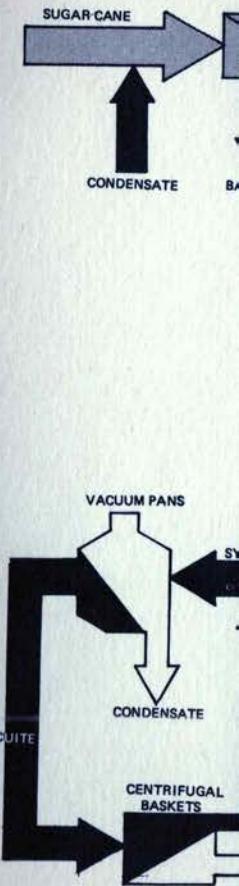
Finally, for the last years some new names appeared in the top ten. Southern Negros Development Corp. placed ninth in 1981 as well as in 1982. Lopez Sugar Central jumped to the fifth place in 1982 and United Planters' Sugar Milling Co. placed tenth in 1982.

	TOTAL	Victorias Milling Co. Inc.	Central Azucarera of Tarlac	Central Azucarera de la Carlota	Binalbagan Isabela Sugar Company, Inc.	Central Azucarera Don Pedro	Hawaiian Phil. Co.	Canlubang Sugar Estate	Central Azucar. de Bais	Bukidnon Sugar Milling Co., Inc.	Pasudeco
NET SALES (in thousand pesos)											
1973	541,602	195,828	35,561	52,495	60,854	51,217	46,832	48,867	49,948		
1974	876,752	355,130	62,381	56,084	97,437	86,690	55,668	79,679	83,683		
1975	1,045,307	297,964	97,251	117,884	126,850	102,788	84,064	84,199	93,437		40,870
1976	974,193	270,101	102,752	101,186	110,388	99,168	70,917	83,029	89,848		46,804
1977	802,549	265,698	86,154	71,979	88,168	78,976	53,594	59,687	61,258	8,676	28,359
1978	778,318	239,966	91,276	71,273	86,731	86,056	23,158	69,519	64,378	17,481	28,480
1979	858,892	260,692	103,866	81,492	84,944	81,455	64,387	55,878	67,006	29,139	30,033
1980	1,098,412	308,828	155,757	113,524	106,413	95,299	82,249	72,947	61,893	53,218	48,284
1981	1,473,442	461,562	210,596	141,454	135,665	153,048	80,570	95,239	62,120	83,848	49,340
1982		514,870	209,896	113,288	137,080	142,071	100,031	N.A.	60,100	95,280	52,325

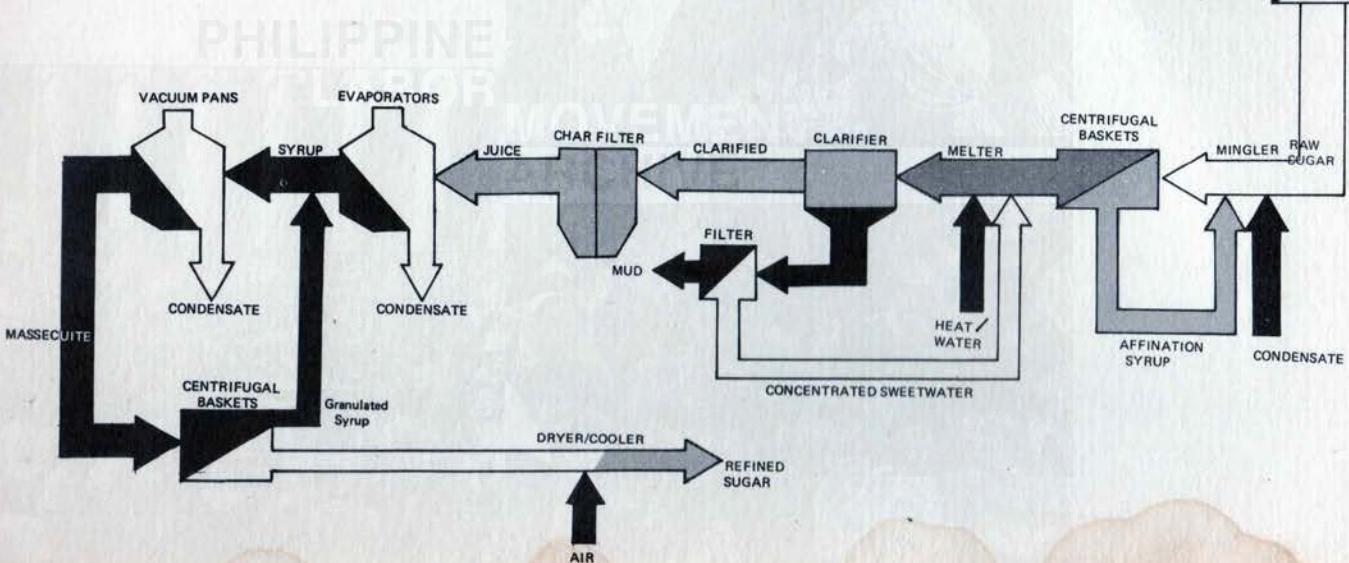
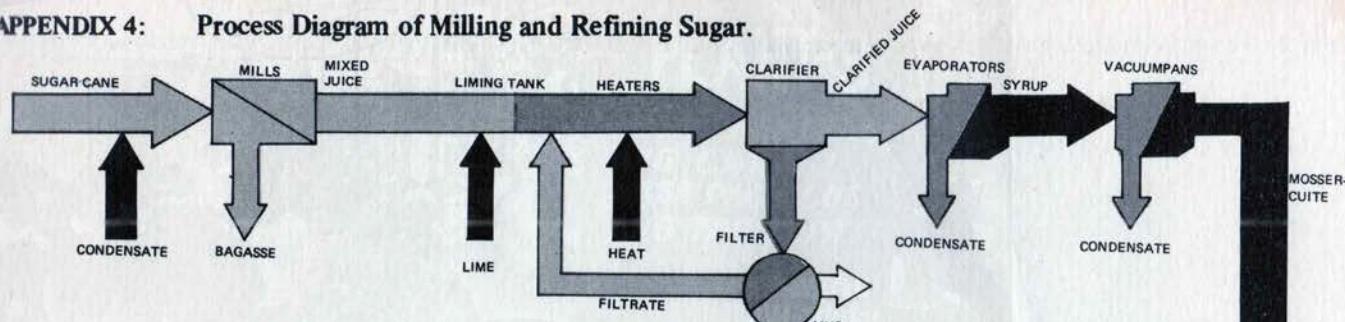
Continuation

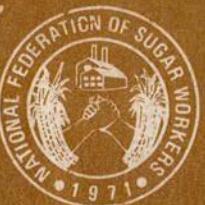
	TOTAL	Victorias Milling Co. Inc.	Central Azucarera of Tarlac	Central Azucarera de la Carlota	Binalbagan Isabela Sugar Company, Inc.	Central Azucarera Don Pedro	Hawaiian Phil. Co.	Canlubang Sugar Estate	Central Azucar. de Bais	Bukidnon Sugar Milling Co., Inc.	Pasudeco
NET INCOME (in thousand pesos)											
1973	67,561	21,450	1,840	2,501	4,424	11,988	14,823	7,860	2,675		
1974	149,798	52,646	8,427	3,122	13,025	25,955	17,323	12,827	16,473		
1975	223,732	49,270	15,306	21,967	25,892	30,755	29,853	31,130	11,818		7,741
1976	135,204	22,541	16,299	10,036	15,375	22,110	29,207	11,846	5,113		2,677
1977	21,050	14,567	3,951	(4,546)	(569)	12,600	10,878	(6,057)	(5,128)	(884)	(3,762)
1978	6,187	16,427	7,053	409	10,608	14,272	2,765	(3,811)	(4,983)	(34,424)	(2,129)
1979	(45,735)	11,083	669	1,104	5,281	4,645	10,162	(16,567)	(4,778)	(55,720)	(1,614)
1980	(10,204)	15,260	3,046	3,131	3,367	2,851	17,188	(9,374)	1,390	(48,510)	(1,447)
1981	15,795	13,403	6,261	3,764	1,582	19,728	17,069	(622)	1,989	(46,031)	(1,348)
1982		23,928	(2,651)	(4,537)	(10,298)	13,557	15,378	N.A.	2,536	(45,818)	(2,936)
PROFITABILITY RATIO *											
1973		.11	.05	.05	.07	.23	.32	.16	.05		
1974		.15	.14	.06	.13	.30	.31	.16	.20		
1975		.17	.16	.19	.20	.30	.36	.37	.13		.19
1976		.08	.16	.10	.14	.22	.41	.14	.06		.06
1977		.05	.05	(.06)	(.01)	.16	.20	(.10)	(.08)	(.10)	(.13)
1978		.07	.08	.01	.12	.17	.12	(.05)	(.08)	(1.97)	(.07)
1979		.04	.01	.01	.06	.06	.16	(.30)	(.07)	(1.91)	(.05)
1980		.05	.02	.03	.03	.03	.21	(.13)	.02	(.91)	.03
1981		.03	.03	.03	.02	.13	.21	(.01)	.03	(.55)	(.03)
1982		.05	(.01)	(.04)	(.08)	.10	.15		.04	(.48)	(.06)
Average Performance		.08	.07	.04	.07	.17	.24	.02	.03	(.99)	(.01)

* Profitability ratio = net income/net sales



APPENDIX 4: Process Diagram of Milling and Refining Sugar.





NATIONAL FEDERATION OF SUGAR WORKERS