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CHINESE ROLE IN ILONGGO POLITICS

Prof. Ephraim C. Areño
 College of Arts and Sciences
 West Visayas State University, Iloilo City

The Chinese undoubtedly play a very important role in the growth of the Philippine economy. They own shirt factories, rice mills, foundries, lumber mills, groceries, supermarkets, haberdasheries, bakeries, distilleries, confectioneries, restaurants, hotels, and shipping firms, to name a few. In contemporary times, the Chinese have come to take active participation in banking, insurance, import and export trade, and the manufacturing industries.

In the political scene, many inquiries have been posed. Are the Chinese in the Philippines really a strong political force? Manila, the prime capital city, recently elected a mestizo in the person of Alfredo Lim to the mayorship during the 1992 local elections. It is also interesting to note that in the 1960's Arsenio Lacson, a Chinese mestizo, was mayor of Manila.

Relatively speaking, the Chinese population in the Philippines, compared to the entire Filipino population, is very small. In Iloilo province with 1.9 million inhabitants based on the latest census (1990) and in Iloilo

*This paper covers the initial research that the author is doing on the ethnic Chinese in Iloilo politics.

City with a population of 282,257 (1989), the entire-Chinese population is roughly 10,000 according to interviewed Chinese businessmen. Of this number, less than 60% are qualified voters.

Culturally, the Chinese, or the so-called Chinese in the Philippines today, are *Tsinoy*s. Eighty-five percent (85%) of the Chinese Filipinos belong to this category. The term, an abbreviated form of *Tsinoy* and *Pinoy*, means *Tsinong Pinoy*. From a sociocultural and ethnolinguistic point of view, they are successfully integrated. So, in most cases, they think like any other Filipino.

*Tsinoy*s retain their surnames, but they have mostly taken Christian personal names like Benito Go, Robert Ong, Rogelio Ang, Tommy Kwe, Jose Dy Bunpin. Depending on the part of the country they hail from, the *Tsinoy*s speak the native language fluently. As for English, they speak this with a pronounced regional accent. *Tsinoy*s are scattered liberally throughout the country.

Politics and the Chinese

Robert Lewis Gill in a dissertation on Chinese nationals wrote: "Philippine Chinese contributed liberally to politics but without asking anything openly for themselves. They habitually concealed their wealth, having been taught what comes of envy on the part of a government which they cannot control."

The emphasis on the phrase *cannot control* is done on purpose. A noted Chinese scholar, Joseph P.L. Jiang, sums up this idea of the role of the Chinese in Filipino politics: the Chinese minority has been a football to be kicked between the rival parties in every election campaign, but nonetheless it has been a major source of campaign funds for all parties.

What seems to have been the explanations for all these practices? The same Chinese scholar posits:

Among the institutions which the Americans introduced, the Filipinos have taken to no other with more enthusiasm than politics. Competition among political elites is both tense and expensive... But there is also the less laudable aspect in Philippine political tradition: patriotism. Too much patriotism incubated by a long history of nationalistic struggle tends to become chauvinism and xenophobia. Preoccupation

with politics may give rise to a situation where everything is politicized.

So, if the Filipino middle class compete with the Chinese, nationalism would prevent competition in which Filipinos, new to the game, would lose... what they lack in capital, organization and experience, they would make up for through the exercise of sovereign power. The government is a Filipino one.

Part of the above question is taken from Teodoro M. Locsin, publisher of *The Philippine Free Press*. The Locsins are descendants from an immigrant from Amoy, China in the nineteenth century who came over to the Visayas particularly in Bacolod and sired generations of Chinese nationals counting some 4,000 in number during a recent family reunion (*The Philippine Starweek*, October 10, 1993).

The Chinese mestizos founded the middle class in the country. During the Spanish regime, Chinese mestizo family enterprises were already well entrenched in the islands. Then the American Regime passed a law in 1901 allowing Chinese immigration to the Philippines but exclusively only for businessmen, and excluded coolie laborers. Consequently, the best entrepreneurs from mainland China found their way into Philippine provinces. According to Joseph R. Hayden (1942: 696-8), their logical place was that of middlemen between the American-European big firms and the Philippine populace: distributors of imported goods and collectors and dealers of native products.

Onofre Corpuz cites in his book *Roots of the Filipino People* that it was the Chinese mestizos and their families who pioneered commercial sugar cane agriculture in Iloilo and Negros, buying up lands there long before the Europeans assumed leadership in the industry.

Through several generations, the issue of the first Chinese mestizos marrying other mestizos or natives, and the offspring becoming more and more like their native cousins persisted.

From Chinese to Filipino Citizenship: A Political Issue

The effects of successive Filipinization measures, particularly the passage of Republic Act 1180 or Retail Trade Nationalization Law on June 19, 1954, drastically changed the pattern of Chinese participation in Philippine economy. Many Chinese were forced to seek Filipino citizenship by

nationalization, paying hard-earned pesos and going through a tedious, long-drawn and difficult process for this right.

Politicians were the first to reap the fruits of the bonanza from numerous Chinese applicants for citizenship. Political peddling took many forms. The following examples convey a general idea on how it works.

Between 1945 and 1952, immigration quotas for Chinese immigrants were apportioned among congressmen, who usually sold one certificate for about P3,000. The fee for facilitating a citizenship application was around P3,000, while facilitating a substantial import license for an appreciative client not uncommonly nets as much as P50,000 (Malcolm: 1951).

Introducing additional nationalization laws constituted another profitable political speculation, especially when the laws were still pending and negotiations were still open.

Citizenship became the basic issue to settle the Chinese question, especially when President Carlos P. Garcia issued the Filipino First Policy in his State of the Union address on January 25, 1960. Garcia said: "This policy is a national effort to the end that Filipinos obtain major and dominant participation in their own national economy." By this statement, Garcia was eager to hasten the end of alien economic superiority in the Philippines.

A strong supporter of the policy, Senator Pedro S. Sabido, explained the positive side:

"If I were a Filipino, I would be just as opposed to alien control of our economy as any one of you. But the elimination of alien control should not be an end in itself. It is only a means to an end, namely, increase of the national wealth and elevation of the people's standard of living. Let us not lose sight of this vital end. The economy to be controlled by the Filipinos eventually must not be an economy of poverty, if the control is to mean anything. Care should be taken to prevent the goose from running away with all the golden eggs she lays. But to kill her while she can still be induced to lay eggs in your farm yard is simply a folly."

The enactment of the Retail Trade Nationalization Act in 1954 was followed by the enactment of the Rice and Corn Industry Nationalization Act, or R.A. 3018 signed on August 2, 1960 by President Garcia. The act

required that aliens engaged in the retail and wholesale of rice and corn must liquidate their businesses within two years, and those engaged in rice and corn milling and warehousing within three years from the date of the Act's approval.

The two acts together forced thousands of aliens engaged in retailing and in the rice and corn industry out of business—one consequence of which was a disruption of the country's distribution system which contributed heavily to the acute rice shortage in August and September 1960.

By 1965, the total Chinese population in the Philippines was estimated at 450,000 or 1.5% of the 32.3 million Filipinos. They were the most numerous among the minorities (Muslims, Igorots, and the other cultural communities).

During the Garcia administration (1957-61), the Chinese immigrants who applied for Filipino citizenship did so mostly for economic reasons. The fact that there were few applicants was due to the exceptionally high cost of citizenship. Other reasons for application were: more stable employment, relief from taxes on transients, right to join labor unions, voting on economic and social issues, and political reasons—to vote and be voted to public office.

Since 1945, the Chinese have been emotionally and culturally accepted by a majority of the Filipinos (Demetrio: 1972). Much lessened were the days of the stigma against the Chinese as clannish, looking down on Filipinos, and, above all, as aliens. This issue was partially resolved when former President Ferdinand Marcos issued a Presidential Decree in 1975 allowing easy access to citizenship through naturalization by administrative, instead of judicial, process. This was done in preparation for the establishment of diplomatic relations with China.

Citizenship for the Chinese Filipinos redressed social and economic injustices. If they were not granted citizenship status in a land where they were almost sure to live and work from birth until death, injustice would issue. Politically, they would have no representation, even though they were the biggest taxpayers.

The granting of Filipino citizenship has resulted in the higher incidence of greater honesty at the different levels of public service and administrative agencies. If a Chinese is a resident alien, he is vulnerable to

extortion. He is pressed to pay extra-legal fees for naturalization or harassed by tax collectors in order to survive in business. The existence of aliens in a community who are still in the process of naturalization is conducive to graft and corruption. By granting them easy access to citizenship, the State made them less vulnerable, regularizing their status among ordinary citizens with full legal rights.

Citizenship brought out the best in the Chinese-now-turned-Filipino who offered to help build the Philippine nation. Fully accepted into the body politic, he could then share his experience in business and finance. Shortly after the ratification of the 1973 Constitution, President Marcos initiated a Tax Amnesty Drive in 1973 to raise much needed funds for the national treasury. As a result of the political right granted to them, there was a turnover of at least 50% of the P500 million in tax amnesty receipts for that year (Lina: 1973). Though they did not constitute 2% of the population, they turned in 50% of the revenue that the government needed for public services. And not only in taxes would the Chinese-Filipino support the economy.

Robert Tsai, a Chinese-Filipino economist, estimated that Chinese capital would have a multiplier effect on the economy. He said way back in the 70s that, Chinese investments since 1945 came up to about P851,700,238 (which included sole proprietorship, partnership and joint stock corporations). Thus, the cumulative investment offered jobs to well over 100,000 wage earners in the Philippine economy. Scattered direct statistics confirm this estimate as valid (Tsai: 1973).

In 1955, Chinese firms hiring more than five workers each employed 64,000 wage earners. Chinese registered retailers alone employed 46,977 persons in 1959.

Today the impact of retail trade, manufacturing, service, mining, banking and other industries owned by Filipinos of Chinese origin, can spell a big difference in the socio-economic life of the Philippines. Many Chinese-Filipino businessmen today even joined the political bandwagon, some notable examples worth mentioning are: Eduardo Cojuangco, Dominique "Nikki" Coseteng, Emigdio Tanjuatco, etc.

The Chinese Filipino in Local Politics

Different groups of Chinese financially support different political parties and candidates in every election. This fact is true since political independence was granted in 1946. At least part of the politicians' campaign money is believed to come from "voluntary contributions" of wealthy Chinese. An eminent case in question is that of the late President Magsaysay who received a substantial amount of cash from them (Sheldon Appleton: 1959). The Chinese are good targets of fund raising during elections because they are likely to have more liquid capital, and also because they believe that it is unsafe for them to refuse and offend any prospective politician. Furthermore, most Chinese develop some sort of symbiotic relationship with Filipino politicians—top tycoons with members of the congress, lesser businessmen with provincial and city officials, and small retailers with members of the police and inspectors, and so on. Some Chinese may consider it wise to invest in the political activity of their counterparts, hoping that the latter, if successful, will reward them with special business protection, license facilities, or even government contracts.

The history of Chinese-Filipino participation in Iloilo City politics is a short but interesting one. Ramon Cua Locsin and Lorenzo Ong, both businessmen, got elected in 1988 to the Iloilo City Council. Both were graduates of Chinese curriculum schools in elementary and high school, and college degree holders from a leading university in Iloilo City. When asked why they ran for political office, they both replied that it was the consensus of the members of the Iloilo Filipino-Chinese Chamber of Commerce that the Chinese-Filipino community would sponsor their candidacy.

Ramon Cua Locsin had a previous experience in the City Council during the incumbency of Officer-in-Charge (OIC) Mayor Rosa Tita Caram from 1986 to 1987. Larry Ong had no previous experience, but by temperament, he was politically inclined. It was during the Martial Law years when Ong was politicized by a conscience bloc that questioned President Marcos' military repression. His group in the Charismatic Movement in Iloilo City imbibed the teachings of liberation theology preached by people from Manila who visited Iloilo City from time to time: Mita Pardo de Tavera, Nikki Coseteng, Eva Estrada Kalaw, Jesuit priests, seminarians, leaders of the Lay Catholic leaders. Ong was of a completely different social group-

ing when he entered the hall of the City Government headed by then elected mayor Rodolfo "Roding" Ganzon.

As a city legislator, Ong sponsored the passage of Ordinance No. 280, better known as the Local Investment Incentives Bill, enacted into a city ordinance on December 7, 1988. Under the ordinance, Filipino and foreign nationals and entities who invest in the city of Iloilo from January 1, 1989 to December 31, 1992 shall receive incentives, upon registration with the Local Investment Board (LIB). The incentives came in the form of a tax holiday depending on the investment capital. For example, a businessman who invested from P200,000 to P400,000 would enjoy a tax holiday for one year, over P1 million entitled him to a five-year tax holiday. The businessman could invest in processing and manufacturing, merchandising firms, tourism and other service-oriented establishments and pioneering enterprises. One important incentive was the free use of city government lands for 20 years provided the business constructed its own "infrastructure" at a less developed area in the city and upon approval of the City Council. At the end of the 20-year period, ownership of the infrastructure reverts to the city government; however, the concerned company may continue using the same provided it pays the corresponding lot rental at a reasonable price to be determined by the City Assessor.

Ong battled for barangay upliftment in chosen barangays of the city. He initiated the drive to distribute free Bibles to these places, sent funds to construct basketball courts and barangay halls, and encouraged the people to speak out their problems that the City Council could solve. He was chairman of the Committee on Ways and Means in the Sangguniang Panglungsod, and a liaison officer for the Chinese-Filipino businessmen in the city. The targeted beneficiaries of Ong's duty as City Kagawad were the Barangays of Rizal-Estanzuela, Tanza, Lapuz and Bo. Obrero. He utilized his funds for a livelihood program like poultry-raising, but did not want to give doleouts, preferring to have the people make a livelihood out of the amount given.

Locsin, a member of the Rotary Club of Iloilo, was no less visible. He served less than two years under the administration of Rosa Tita Caram, the appointed mayor to the city after the EDSA Revolution in 1986. Like Ong he wanted to represent the Chinese-Filipino business sector. During

his short term, he helped straighten the mess left behind by the previous mayor, Luis Herrera. At the time, when the city coffers were almost dry of funds, his efforts were instrumental in harnessing the vast resources of the Iloilo Chinese community in helping the city government get back on its feet. When he was formally elected in 1988, he cast his lot with Mayor Ganzon in the political rift that marred Ganzon's administration in the early months of that year.

Locsin was a co-sponsor of the Local Investment Incentives legislation. Under his leadership, a total of 15 school buildings were donated by the Chinese-Filipino community to his constituents in the city. Among the recipient schools were Rizal Elementary, Jaro Elementary and Jaro High, Baluarte, Calumpang, San Juan, I. Arroyo at Fundidor, Molo I, Iloilo City High, Jalandoni Memorial, Bo. Obrero, Mandurriao, Hibao-an, and Tap-ok Elementary at Timawa, Molo. He spearheaded an Anti-Rabies Vaccination campaign in the city in 1991 in some twenty barangays with the serum coming from foreign agencies in Manila. He initiated a goat dispersal program as part of a livelihood project in chosen barangays. Every December, he went with Christmas well-wishers from the Chinese community to give away rice, canned goods, laundry soap, and groceries to depressed barangays. As a Rotarian, he contributed to the erection of school buildings in Concepcion, Iloilo with the coordination of NGO's in Congressman Niel Tupas' 5th District. Drawing from the President's Social Fund, he assisted in the construction of water wells in Aklan. Locsin aided the efforts of residents at sow fattening in San Miguel and Pavia in his capacity as a Rotarian.

Of the two, Larry Ong was more of a fiscalizer during Mayor Ganzon's time. He opposed Ganzon's proposal to construct a mini-office at his residence in Molo at the cost of P100,000, arguing that it was legally prohibited and would cause an unnecessary expense for the city. Ong even revealed an attempt by Mayor Ganzon to "pay off" the members of the City Council as recruits to Ganzon's Timawa Party. He had allegedly in his possession a taped conversation with the Mayor and his lieutenants, city administrator Francisco Garganera and executive secretary Esteban Montado Jr., to prove that the mayor "attempted to offer him money and patronage in order to win his support." Ong said that had he accepted the

offer, he would have been the richest businessman in the city. But he refused the offer because his conscience would not allow it.

Ong was not alone in this opposition. He was supported by five others in the city council—Vice Mayor Mansueto Malabor, Dan Dolido, a Bombo radio announcer, Eduardo Peñaredondo, Rolando Dabao and German Gonzales. Known as the “Magnificent Five,” these five *kagawad* and vice mayor asked Ganson to resign because he had abused his power, interfered with legislature and endangered the business climate in the city. The last charge was a reference to Chinese-Filipino businessmen who complained against the fielding of Ganson’s checkers at the waterfront who required rice and corn dealers to pay for a mayor’s permit which was not necessary because they had already secured permits from the National Food Authority (NFA). The M-5, as they were known, charged Ganson of abuse of power because of an alleged “*tong*” collection from Chinese businessmen as a prerequisite for reopening closed establishments. The five also noted that Ganson refused to renew business licenses of businessmen in sectors of the city where election results showed he lost in their barangay precincts. Another charge sheet contained information about the illegal purchase of three secondhand motorcycles and a jeep using city funds, and registering the same under the names of private persons. Ong and company filed these charges before Secretary of Local Government Luis Santos in Manila who acted with dispatch. On August 12, 1988, Ganson started to serve his first suspension for 60 days.

Larry Ong ran for the position of vice mayor under the LDP (Laban ng Demokratikong Pilipino) ticket during the 1992 local elections. Speaker Ramon Mitra, the Party head, sent substantial campaign funds. Ong’s platform of government included the development of the city’s business, tapping the labor force from the poorer sector and opening of less developed areas in the city to expansion. He believed that as elected vice-mayor he would participate directly as the chief executives’ deputy rather than remain as city legislator whose task is only making ordinances instead of implementing them. From his observations, the business community became less apprehensive with the ouster of Ganson from the mayoralty. In fact, the Chinese Filipinos in Iloilo City openly supported him all the way in their fight against what they called a mini-dictatorship during the Ganson

years. He was a member of the Multi-Sectoral Group composed of hotel and restaurant operators, rice and corn wholesalers and retailers, manufacturing plant owners, food processors and other businesses who claimed they were fleeced of large amounts of money by Ganson’s henchmen and rah-rah boys. The Iloilo Chinese community helped defray the expenses for litigation against Ganson, advancing Ong’s plane fare, pocket money and other financial support up to the conclusion of the case against their nemesis. Even though Larry Ong lost in his bid for the vice-mayoralty, he claims that the four-year political experience made him more of a Filipino, a man who serves his country and his people.

By way of closing, let us be reminded that all Filipinos have some tinge of foreign blood. However, whether it be Malay, Indian, Chinese, Spanish, American, we are still essentially Filipino.

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3. Robert Lewis Gill, *The Legal Aspects of the Position of the Chinese in the Philippines: 1898-1946* (University of Wisconsin, dissertation, 1956), p. 276.
4. In 1992, Kaisa Para Sa Kaunlaran, an organization of Chinese Filipinos, started popularizing the term *Tsinoy* (short for *Tsinong Pinoy*) to refer to ethnic Chinese who were born and grew up in the Philippines, in contrast to the alien Chinese or new immigrants from China. In the late sixties, sociologist proposed the use of the word *Pinsino*. See Bernard C. Go, “The Pinsinos—Facts and Fancies in the Philippines,” in *Philippine-Chinese Profiles*, *op. cit.*, p. 235.
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THE LEADING CHINESE-FILIPINO BUSINESS FAMILIES IN THE POST-MARCOS ERA: A Socio-Political Profile

Temario C. Rivera
University of the Philippines

The Leading Chinese-Filipino Business Families

The six leading Chinese-Filipino business families included in this study—those of Lucio Tan, John Gokongwei, Jr., Alfonso Yuchengco, George Ty, Henry Sy and Andrew Gotianun—nearly all represent “new money” rather than “old wealth.”¹ Among the six families, only the Yuchengco clan can solidly trace its wealth to relatively well-established economic activities started before the second world war. Thus, the Yuchengco family’s longest existing core financial firm, the Malayan Insurance Company (non-life) can be considered as a successor of China Insurance & Surety Co., established in 1930 by Ernesto Tiaoqui Yuchengco.² In contrast, the Gokongwei and Sy families established their flagship firms only in the 1950s while the three other taipan families (Ty, Tan and Gotianun) established theirs only in the 1960s.

Four of the six leading Chinese-Filipino business families started their business operations in financial and commercial activities but two families, Tan and Gokongwei, initially gained their wealth through manufacturing activities. Tan’s core company is Fortune Tobacco which manufac-