

Introduction hacienda luisita

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Introduction Hacienda Luisita was once part of the holdings of Compañía General de Tabacos de Filipinas, Sociedad Anónima, better known as Tabacalera, which was founded on November 26, 1881 by a Spaniard from Santander, Cantabria and Santiago de Cuba, Don Antonio López y López. He was the first Marqués de Comillas and was famous for being an associate of the first Spanish Prime Minister with foreign blood, the Spanish-Filipino mestizo Don Marcelo Azcárraga y Palmero.

His relative on his Spanish side, Ricardo Padilla, married Gloria Zobel y Montojo (younger half sister of Mercedes Zobel de Ayala de McMicking, largest Zobel owner in the Ayala group of companies) and was an aide-de-camp of Juan de Borbón, Count of Barcelona, father of the current King of Spain, His Majesty Don Juan Carlos de todos los Santos de Borbón y Borbón-Dos Sicilias. The estate was named after Antonio's wife, Luisa Bru y Lassus.

Their son, Claudio López, the second to hold the title, donated some of the profits to the Jesuits to create the Pontifical University of Comillas, a university outside Madrid. López acquired the estate in 1882, a year before his death. López was a financial genius who parlayed his work adventures in Cuba and Latin America into a steamship, companies and trading businesses. He was the most influential Spanish businessman of his generation and counted the Prime Minister and the King of Spain as his personal friends.

Tabacalera was a private enterprise he founded with the sole intention of taking over the Philippine Tobacco Monopoly from the Spanish colonial government. This included the Hacienda Antonio (named after his eldest

son), Hacienda San Fernando and Hacienda Isabel (named after his eldest daughter) in Cagayan and Isabela provinces where the legendary La Flor de Isabela cigar was cultivated. Tabacalera's incorporators were the Sociedad General de Credito Inmobiliario Epol, Banque de Paris which is now Paribas and Bank of the Netherlands which is now ABN-AMRO.

The sugar and tobacco in the Philippines were the reason why the Lopez de Comillas family were able to donate such a huge pontifical university to the Jesuits on top of lavishing on their home, the Palacio de Sobrellano in Comillas and the Guell park (designed by Gaudi) in Barcelona. Don Alfonso Guell y Martos born in 1958, the fourth Marquis of Comillas, currently holds the title. He is also the Count of San Pedro de Ruisenada, the third to hold that title. Both are grandee status in Spain and as such can address the King as "mi primo" or "my cousin."

Contrary to what was expected, Spanish-owned Hacienda Luisita did not languish when the Americans took full control of the Philippine government. In fact, Tabacalera as a whole experienced prosperous times because of the legendary sweet tooth of the Americans. With Cuban sugar not enough for their domestic market, the Americans tapped the Philippines for its sugarcane requirements. At one point during pre-war Manila times, Hacienda Luisita supplied almost 20% of all sugar in the United States.

Luisita sugar became popular among Filipino (specifically Ilocano) expatriates in America just as much as Victorias sugar was popular among Manila's elite circles back home. The Americans also brought the centrifugal-based machinery which doubled the production of the estate and therefore

did not require the cane to be loaded by truck to Laguna to be squeezed in the haciendas there, including those of the Roxas y Zobel families. As this new technology swept in Luzon and the sugar mills consolidated, many wealthy families fell into foreclosure or combined their resources.

Some of the brave few like Honorio Ventura (who paid for Diosdado Macapagal's schooling), the De Leons, Urquicos, Lazatins and the Gonzalezes did just that--- which is how PASUDECO came into being. Structurally, there was little change in the hacienda; Tabacalera y Compania positioned Spanish-Filipino and American-Filipino encargados and administradores to manage the vast estate. Like all haciendas and tabacaleras in the Philippines, the Hacienda Luisita continued to operate during the Japanese occupation.

The Japanese were bent on ensuring that commodities such as sugar and rice be made available to the majority of the Filipinos, therefore avoiding any tempers of additional insurgencies and guerilla movements. The Spanish-Filipino administrators simply placed their subordinates, Japanese journeymen (who, like many impoverished Chinese immigrants from Fujian fled south to the Philippines for a better life) and Korean stevedores working as machinists in the centrifugal system, to the helm.

This kept both the Japanese and the Spanish in good terms as both their interests were protected. As a matter of fact, even before World War II, the Tabacalera had in their payroll a good number of Japanese migrant workers doing odd jobs around Hacienda Luisita. (Before 1942, the Philippines was a first class colony in Asia while Hong Kong and Singapore were poor cities;

Tokyo and Japan as a whole was relatively closed from the outside world then).

When the Japanese Imperial Army marched into the country, these lowly migrant workers became valuable translators and managers. In conjunction with re-taking the Philippines from the Japanese, on January 25, 1945 General Douglas MacArthur moved his advanced headquarters forward to Hacienda Luisita. In the 1950s, the onset of the Hukbalahap rebellion led the Spanish owners of Tabacalera to sell Hacienda Luisita and the sugar mill Central Azucarera de Tarlac.

Ramon Magsaysay, then president of the Philippines, blocked the sale of the plantation to the eager and wealthy Lopezes of Iloilo. During those times the brothers Fernando Lopez and Eugenio Lopez as well as their cousins were one of the wealthiest in all of the Visayas Islands, save for a few Chinese Filipino families in Cebu and Leyte, as well as the Familias Aliadas de Villegas, Teves, Lopez, y Rodriguez (a family with origins from Santander, Galicia, & Asturias; as well as China - Teves).

Fearing the Lopezes might become too powerful after already owning Meralco, Negros Navigation, Manila Chronicle, ABS-CBN, various haciendas in Western Visayas and then the nearby PASUMIL consortium in del Carmen, Pampanga that they purchased from the Americans, the President offered the property to Jose Cojuangco, nicknamed "Pepe" through Magsaysay protege and Cojuangco's son-in-law, Benigno Aquino. Magsaysay also knew the Cojuangcos through his wife, Luz, of the prosperous Banzons, an old

Chinese Filipino family. Unfortunately, President Ramon Magsaysay died in Mount Manunggal, Cebu in 1957.

The sale was consummated in President Carlos P. Garcia's term, a close ally of then Senator Ferdinand Marcos and five years from the day President Magsaysay offered the land. The Jose Cojuangcos were wealthy in land and bank holdings and in Philippine pesos. They were not wealthy in United States dollars which was closely regulated then by the Philippine Central Bank. In fact, Pepe and his wife Metring were not able to send Pepe's younger brother Eduardo Sr. (Danding Cojuangco's father) to the United States for treatment for the mere fact that they could not exchange their pesos to dollars.

Eduardo Sr or Endeng Lalake later died of kidney failure. The Jose Cojuangcos acquired the property in 1958 through a loan from the Government Service Insurance System and a dollar loan from the Manufacturers Trust Company of New York, which was guaranteed by the Central Bank of the Philippines, with consent from Miguel Cuaderno, its governor. Pepe also reduced his stake in the Paniqui Sugar Mills, though he and his cousins still managed it on behalf of his aunt, Ysidra Cojuangco, the matriarch. Hacienda Luisita was the largest investment he ever made.

With the ink barely dry, he appointed not his eldest son Pedro but his son-in-law Benigno Aquino Jr as administrator. Pepe and Ninoy introduced an almost social welfare state: free medicines and check up, scholarships to colleges, free education, free food and equitable shares to the harvest, free child care and nutrition, free burials, a village with housing earmarked for the farmers,

even free gasoline to the tractoras. Like the Paniqui Sugar Mills, not a single workers' strike was instigated during their administration.

Pepe barely made any money from the Hacienda Luisita. Understanding that the value of the Luisita is in the farmers who till it, he chose to rehabilitate the Filipinos who before were almost slaves under the Tabacalera. He was able to sustain these losses due in part to his other more money making investments in the Bank of Commerce and First Manila Management which owned the Pantranco buses and the Mantrade group. As Ferdinand Marcos was elected for a second term in 1969, the reverse happened to Pepe.

At Bank of Commerce, where he and his brother Juan "Itoy" Cojuangco and nephews Ramon Cojuangco (later of PLDT; son of relative Antonio Cojuangco Sr) and Danding Cojuangco (eldest son of deceased brother Eduardo Cojuangco Sr) each owned equitable stakes, the last three factions planned a coup d'etat by toppling him from the presidency of the said bank. The three did not want Pedro (Pepe's first born) to be bank president which was against the aging Pepe's wishes. To avoid a scandal, Pepe Cojuangco sold his remaining shares in Bank of Commerce, almost equal to 28%, to his relatives.

Thus Pepe lost his one of eventually three lifelines in nurturing the Hacienda Luisita. As the 1970s crept in and immediately after Benigno Aquino Jr imprisonment on false charges, Pepe's business empire began to wane. He was unable to purchase new machines and new technology for the aging sugar mill that stands in the middle of the estate because of the

government's refusal to Pantranco's appeals for higher charges as compared to its competitors who have since been permitted so.

Business critics believed it was Marcos's way of pressuring Pepe to influence his son-in-law from attacking him and his wife, First Lady Imelda Marcos (who recently built the Cultural Center of the Philippines and whom Ninoy labeled as the new Evita Peron). His close business associate in First Manila Management of the Pantranco / Nissan Philippines / Mantrade fame, Manuel Lopa, died in 1974.

With his death, the FMMC-Mantrade companies lost their immunity from the Marcoses (Manuel was a close personal friend of Speaker Daniel Romualdez, Imelda's uncle). Ambassador Benjamin Romualdez, brother of Imelda, then coerced Pepe and his son-in-law, Ricardo "Baby" Lopa (Manuel's son) into selling the collection of 38 companies under First Manila Management to him. Baby and his wife Teresita Cojuangco, together with Pepe and the rest of the Lopa heirs, had no choice but to sell. The second lifeline disappeared with this extortion.

In 1976, First United Bank, the banking concern Pepe built on his own after his ouster from the family owned Bank of Commerce which he saved from bankruptcy decades ago, was sold for an amicable amount to his nephew, Danding Cojuangco, who was then close to President Marcos, with both mothers being Ilocanas notwithstanding. The poorest branch of the Cojuangcos, the Eduardo branch, has become the richest through the sheer genius of Danding. Though this third lifeline disappeared in good terms, the

Jose Cojuangcos were left with nothing but a half-rehabilitated and barely earning white elephant of a hacienda.

Practically all of his farm workers mourned his death. Many flooded his funeral Mass to see him off. Pepe Cojuangco died on August 21, 1976, five years from the day of the Plaza Miranda bombing. His wife, Demetria Sumulong-Cojuangco, died due to colon cancer (the same disease that killed daughter Cory Aquino). Both died disappointed and broken-hearted. Their children and grandchildren zealously took key positions in the holding company to save the hacienda from the creditors, all of whom wanted to slice Luisita away save for Chinabank of Binondo, who defied the anger of President and Mrs.

Marcos by continuing to help them. Chinabank was partly owned by the Dee, Sycip and Lim families. With Ninoy and his wife Cory Aquino in exile in Boston, the remaining children took drastic steps in ensuring that the hacienda continued to exist and operate. To maximize the productivity of sugar and therefore profitability, a certain level of economy must be reached. Thus the Jose Cojuangcos tried their best to keep the Luisita in one piece. They refurbished and re-used old 1950s era farm machines and tools, doubled capacity production maintained low expenses.

There were a lot of reasons why Luisita remained in Cojuangco hands. One, it helped that Danding Cojuangco was the de facto kingpin of Tarlac and his kind mother Josephine Murphy Cojuangco was still cordial to them. For Marcos to touch Hacienda Luisita he also would have to force Agrarian Reform into the Ysidra Cojuangco haciendas which were under the

supervision of Danding Cojuangco. Thus, many haciendas around Luisita were hacked to smaller pieces such as those of the De Leons[disambiguation needed], Escalers, Urquicos, Arrastras, Quiasons and Gonzalezes[disambiguation needed] but not those of the Cojuangco.

Two, it helped that the price of sugar spiraled so high because of President Marcos and Roberto Benedicto manipulating the sugar prices primarily in Negros Occidental. Third, Ninoy Aquino was not in the Philippines lambasting President Marcos in the underground movements. For as long as the Marcoses heard less of Pepe's son-in-law, the less government pressure there was on the Jose Cojuangcos. Most importantly, it helped that most of the farm workers who remember Pepe understood the frugality measures his children had to implement.

On Pepe's death anniversary and that of the bombing of Plaza Miranda, Ninoy Aquino was gunned down in broad daylight, August 21, 1983. Upon the installation of his wife, Cory, Pepe's daughter, the property was folded into the Hacienda Luisita Incorporated established on August 23, 1988. [1] In compliance with the Comprehensive Agrarian Reform Program which at this time around did not exempt anyone whether or not they were close to President Marcos before, nearly 5, 000 hectares of Hacienda Luisita were placed under a stock distribution agreement between the landowners and farm workers.

President Aquino wanted to make sure that all farmers' rights are recognized. If the farmers agreed for a stock distribution agreement then the plantations would also remain intact. Many haciendas, including those

assembled by Ysidra Cojuangco a century before, did not qualify or the farm hands there refused the offer. Thus, the majority of all Cojuangco lands disappeared while a Cojuangco was President of the Philippines. This caused a silent rift within the Cojuangco clan.

All the lands where sugarcane and molasses were derived to feed the Paniqui Sugar Mills were hocked to appease the government program and those of the angry farm workers. Hacienda Luisita was saved by the perseverance of Cory's siblings and the fact that most of the farm workers signed the agreement, counting that one day the life in Hacienda Luisita would be just as good as the time when Pepe and Ninoy used to managed it. However, development and new technology did not arrive in Cory Aquino's term. She barred any relative from starting any new businesses.

Furthermore, she forbade many among her siblings and cousins from retaking the family businesses lost in the 1970s unless it was sold back to them (as with the case between Romualdez selling back First Manila Management to the Lopa clan) or was awarded to them by the PCGG or Presidential Commission on Good Government. The old sugar mill in the middle of Luisita remained rickety and with holes in its roofs. After 1992, Cory Aquino stepped down from the Philippine presidency. That was also the time that elder brother Pedro "Pete" and sons Melecio "Mel" and Fernando "Nando" entered the hacienda hoping to make it profitable.

Mindful of the farm workers, they instituted very slowly the fiscal reforms to achieve this goal. This partly explains why every year from 1988 until 2008 the Hacienda Luisita and its Central Azucarera de Tarlac posted hundreds of

millions of losses. Only in 2009, buoyed by the huge demand for sugar and the unpredicted fluctuating prices of Brazilian sugar, did the family corporation post a profit. The various siblings stopped contributing money from their own non-hacienda corporations for the benefit of Pepe's hacienda, which was a huge sigh of relief for them.

On the other hand, the management style of the Pedro Cojuangcos lacked the charisma of the deceased Ninoy. His United States educated children, Mel and Nando, continue to strive to placate the needs of the farmers while balancing the budget. Sadly, when profit arrived so did the workers' strikes. The unrest was blamed on the allies of current President Gloria Macapagal Arroyo who were shocked to see Cory Aquino joining anti-Arroyo rallies. Some blamed Danding Cojuangco since owning the hacienda would complement San Miguel and Ginebra's ethyl, molasses and sugar needs. This was refuted by Danding himself and his cousins believe in him.

In 2005, the Department of Agrarian Reform canceled the stock distribution agreement, citing that it had failed to improve the lives of more than 5 000 farmer beneficiaries. Hacienda Luisita Incorporated appealed this decision, but in May 2006, the Presidential Agrarian Reform Council rejected with finality the motion of Hacienda Luisita Incorporated to reconsider the revocation of the stock distribution agreement. However, the Supreme Court issued a temporary restraining order, stopping the Presidential Agrarian Reform Council from parceling out the land to the workers.