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Deficit Government

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DEFICIT GOVERNMENT: MEXICO AND THE PHILIPPINE SITUADO 1606-1804. By Leslie E. Bauzon. Tokyo: The Centre for East Asian Cultural Studies. No date, xiii, 207 pages, maps.

Deficit Government is a welcome attempt to analyze a problem that has been left untouched by Philippine historians, except in two or three essays written more than sixty years ago. Originally written as a doctoral dissertation, the present version partakes of the good and bad points of the former.

The heart of the study is the section entitled "Exact Nature of the Situado" (pp. 56-66). After briefly summarizing different opinions about the *situado*, Bauzon suggests that "a clue to the real nature of the Philippine situado can be found in a consideration of its origins" (p. 59). The situado, which he says can mean "subsidy, income, or appropriation," was actually the proceeds from the Manila-Acapulco galleon trade. No taxes or dues were imposed in Manila, but they were in Acapulco. This amount was returned to the Philippines in order to supplement the perennially insufficient income of the colony. Originally, therefore, the situado was derived from the duties imposed on the goods of the galleon trade, a concept which the author calls *situado-as-income*. He distinguishes this from the *situado-as-subsidy* when the "vicereignty of Mexico assumed responsibility for granting a total outlay for the chronically insolvent royal exchequer in Manila" (p. 61). This happened when the customs collection in Acapulco was not enough, either because there was a

temporary stoppage of commerce between the Philippines and Mexico [due to bad weather or the capture of a galleon by English pirates] or as a result of fears by Manila businessmen of harassment by officials at the other end of the line. . . (ibid.)

The other parts of the book discuss the socio-political situation that gave rise to the need for the situado; the uses to which it was applied; and the efforts to make the Philippines economically viable and self-sufficient. The essay closes with a brief observation that the last situado was brought to Manila by the last galleon which cleared Acapulco in 1815.

Bauzon deserves credit for the detailed research that produced the book. The title he chose is significant since it puts the situado in context. Rightly he insists that it was a measure to support Spain's economically unprofitable colony in the Far East. It is here, however, that a number of questions presents itself.

Following traditional usage, Bauzon uses the phrase "Spanish Empire" (p. 4, *alibi*). Actually, this is a misnomer. Neither Philip II nor any of his successors ever considered himself an emperor. The overseas colonies of Spain were part of the *Monarquía Universal Española*, which was integrated by two juridical entities: *las Españas*, or the totality of the peninsular kingdoms; and *las Indias* (also called *La Monarquía Indiana*, *Estado de las Indias*, *Reynos de*

las Indias). Incorporation to the Spanish monarchy, according to Castilian law, was union with either the *reino* (the kingdom or community), or the *corona* which ruled the kingdom. The first implied total union with subsequent loss of political personality; the second meant union through the person of the king, each political entity conserving its separate personality. The Indies, which included the Philippines, were united to the *Crown* and not to the kingdom of Spain and, within limits, preserved their political personalities.

This is more than legal hair-splitting. One consequence of this fact, for example, is a legal battle in 1686, when the president of the Royal Council of the Indies protested against the use of funds from New Spain to defend peninsular frontier lines. Earlier, in 1567, the Council of Lima (Peru) insisted that "each kingdom ought to be considered in and by itself," for which reason Peruvian funds could be used in the peninsula only after local needs had been satisfied.

The same thing can be said of the funds in Mexico. One had to prove that it was not illegal to use them for the Philippines. It is, therefore, not quite accurate to say simply, as the author does on page 53, that "the viceregal authorities in Mexico did not exactly relish their new obligation" to help the Philippines financially. One would have wished for a more nuanced statement, especially if we remember that the Spaniards were sticklers for the law and were extremely hesitant to move until it was clearly within the law.

A more basic reason for the need for an annual *situado* was the failure of the Philippine colonial government to exploit the natural resources of the islands. Unfortunately, the author takes this for granted and does not offer any detailed analysis of this issue — a decided weakness of the book — although closer examination of the records could have revealed the necessary data that mirror what historians call the seventeenth-century triple threat against the existence of the new colony (Muslim raids, the Dutch menace, the Chinese danger) that put the colony on a perpetual defensive state, to the detriment of any positive colonial planning. And, if we also keep in mind that the highly lucrative galleon trade occupied one's attention for only three or four months, leaving one free for the rest of the year, is it any wonder that the Spaniards stayed in Manila with its promise of quick wealth from the galleon trade and were uninterested in exploiting the agricultural wealth of the rest of the country? This is still a closed chapter in Philippine history, and a detailed analysis of this issue, at least for the seventeenth century, would have enhanced the present essay under review.

In a study of this kind, one is surprised to find that Bauzon apparently still subscribes to a number of historical clichés which, on closer examination, cannot be defended or ought to be modified. Just to take one example. On pages 100-101, Bauzon mentions the "friar's abuses" which nullified the *Pax Christi*

and, willy-nilly made the Philippines "more militarized as the centuries wore on." The statement continues to say Hispanic peace in the Philippines was maintained "literally by blood and fire methods because the Filipinos were becoming less and less docile and more and more assertive of their rights." One would wish specific facts were available to support such a magnanimous conclusion. And, finally, to assert that the

Mexican *situado* to the Philippines contributed to the friars' despotic authority by keeping them financially well-off, even as the subsidy kept that underhanded galleon trade going, from which the religious orders likewise derived immense monetary benefits

without offering the evidence is to open oneself to the charge that he is writing, not history, but propaganda.

In more than one way, then, this book is a disappointment. In places, the English style hobbles the thought. One hopes that a reedition improve both the content and the style of writing.

Jose S. Arcilla, S.J.

UPON THE WILLOWS AND OTHER STORIES. By Rowena Tiempo Torrevillas. Manila: New Day Publishers, 1980. 192 pages.

Rowena Torrevillas comes upon the Philippine literary scene with impeccable credentials. She is the daughter of Edilberto and Edith Tiempo who have already made their mark on Philippine writing in English. She has a Master's degree in creative writing from Silliman University and is on her way to a doctorate. She has been a consistent winner in the Palanca Literary Awards, the Philippines' most prestigious awards for literature. This is her first volume of published fiction, and her first volume of poetry, *East of Summer*, is soon to be published. For a writer still in her twenties, her literary debut is impressive.

Three of the five stories in this collection have won Palanca Awards — "Sunday Morning" in 1978, "Behind the Fern" in 1979, and "Prodigal Season" in 1980. "Sunday Morning" has clear echoes of Walter Van Tilburg Clark's "The Portable Phonograph" with its post-Armageddon setting and the ritual "Listening" to a carefully preserved recording of the "Messiah." But Mrs. Torrevillas has tried playing with too many themes and the story does not hang together very tightly. "Behind the Fern" succeeds much better for the author has focused on one character, and is obviously much more at home with the simpler structure. "The Fruit of the Vine" plays with a familiar Filipino theme — the conflict of country and city, of the soil and of increasing urbanization, and the clash of values that follows upon that conflict.