

CROWNING THE LAND

The History of Philippine Packing Corporation



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Maria Teresa Colayco

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FOREWORD

It begins in the early twenties, with two Americans, standing on a plateau high in the mountains of northern Mindanao, and looking at a vast virgin land, stretching out as far as the eye could see.

The two Americans were the forerunners of a giant agro-industrial enterprise which would grow out of the pineapple planted on the Bukidnon plateau.

The story of Philippine Packing Corporation is the saga of two peoples combining technology and work skills to produce the pineapple and make it a top export industry. It begins at a time when the Philippines itself was beginning to flex its sinews as a nation anxious to be free from American domination, impatient to take its place as one of the sovereign nations of the world.

The task of author Maria Teresa Colayco, in chronicling the story of PHILPAK, was to relate the events which came to pass in the evolution of the company to the passing scene in which the Philippines developed itself into a nation.

So in these pages, while you follow the progress of PHILPAK and the pineapple industry through the past 60 years, you also come across the story of the Philippines and its people, in times of peace and of a devastating world war.

It is an interesting story, at times almost emotional — the 60 years of PHILPAK, its humble beginnings, its disappointments, its successes. It also recalls how Philippine history passed through the plantation of PHILPAK as it became the final departure point in the escape route of Philippine officials and American generals before the Japanese onslaught. It tells of the hardiness of its people; their heroism, and how a desolate land, crowned by the pineapple, finally became a kingdom of prosperity and of happy, developed communities.

Paul D. Roxas

DEDICATION

The story of Philippine Packing Corporation evolves around the pioneering spirit of two peoples — the Americans who came and saw what could be in the future of the land and the Filipinos who worked the land and made what could be a reality.

It was a long, hard struggle for the people of PHILPAK to crown the land, as it were. There was the back-breaking work of transforming the virgin land into producing its rich fruits, the anxious anticipation of picking the first pineapple, the canning of the fruit, and then the shipping of the finished product to other parts of the world. There was the heart-rending devastation which came when World War II reached the PHILPAK plantation, and again the patient, back-breaking work to rebuild after the war. But always through peace and war, the people of PHILPAK were united in their struggle for development.

Thus, it is only right that this book on the history of PHILPAK through its 60 years of existence should be dedicated to the people that made PHILPAK what it is today — the workers of the '20s, and through the decades, many of them sons and daughters, and grandchildren of the original Pioneers. They were the Filipinos and the Americans with the vision, and the zeal and courage to make that vision come true.



ACKNOWLEDGMENTS

On a clear morning, from a spot on the winding KD road that cuts across a part of the Philippine Packing Corporation fields in Bukidnon, the valley below is one vast stretch of verdant greenery, ringed by mountains, purplish in the distance, covered by an expanse of blue sky and puffs of white cotton clouds. The sight, one of breathtaking grandeur, hints of a land filled with the bounty of nature.

Down in the valley, it becomes clear that the greenery is made up of plants neatly laid out in parallel lines, their pointed leaves, clustered in a rosette around the fruit, stretching upward, with crowned stems catching the morning sunlight. These are the famous *Del Monte* pineapples, apt symbols of a cooperative venture that has transformed what was once unproductive, though fertile, soil into flourishing earth, a source today of livelihood and nutriment.

The venture dates back to the 1920's, when representatives of California Packing Corporation came to Bukidnon and there established the first pineapple plantation in the country. The enterprise they organized, the Philippine Packing Corporation, was in keeping with the Government's plan to settle sparsely populated areas and to promote productive undertakings. It was to become the cornerstone of the local pineapple industry.

To commemorate its six decades of operation and to share with friends and associates the highlights of those decades, Philippine Packing Corporation commissioned the writing of its corporate story: *Crowning the Land*. Basic data for the narrative covering the post-World War II period to the present came from corporate records such as Minutes of Directors' Meetings, Annual Reports, internal memoranda, and audited Financial Statements. However, no such records were available for the company's early years (the first decade and a half), as these had been destroyed during the Japanese Occupation of the Philippines. Thus, for the pre-War years, the monograph has had to rely on printed secondary sources and on a few Government publications relevant to the enterprise.

In a very real sense, this monograph represents the combined efforts of many people, without

whose help the story might not have been completed. I wish, therefore, to take this opportunity to acknowledge my indebtedness to them.

Special thanks are due the Management and Staff of Philippine Packing Corporation: in particular, Messrs. Paul D. Perrine, who recently retired as President and General Manager, and Luis F. Lorenzo, Executive Vice President, for their comments on the manuscript drafts and for sharing their insights into the company and the industry;

Messrs. Adrian Pabayo, Industrial and Community Relations Manager, Bonifacio Quiaoit, Plantation Operation Superintendent, and Navy "Hope" Alay, Barrio Assistance Program Coordinator, for providing not only a crash course on pineapple operations, but also an opportunity to see the Barrio Assistance Program in action;

Mr. Mariano Ll. Galicia, Jr., Regional Compensation Manager, and his staff, for compiling statistical data and tracking down assorted records;

PHILPAK retirees and friends, for sharing treasured photographs, thereby helping to make the past live again; and

Mr. Brian E. Haycox, the new President, for extending his wholehearted support to the project.

Additionally, I wish to express my appreciation to: the Reverend James F. Donelan, S.J., Professor and Director of Programs, Asian Institute of Management, who read the manuscript with a critic's eye for style; I am once again in his debt;

Mrs. Marcela F. Abadilla of the Public Documents Division, Philippine National Library, for providing access to relevant documents, including President Manuel L. Quezon's "Message to the National Assembly," August 15, 1938; and

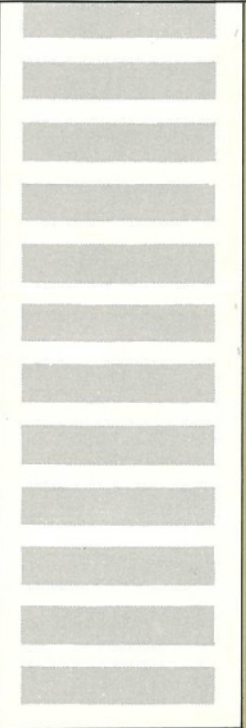
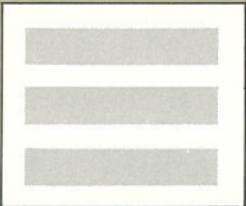
Philippine International Communicators, Inc., especially Miss Letty V. Matias, for coordinating the disparate research activities.

Finally, my deep-felt thanks go to all who, in one way or another, helped make this project into a voyage of discovery.

MARIA TERESA COLAYCO
1 November 1986

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CHAPTER ONE

R O L O G U E

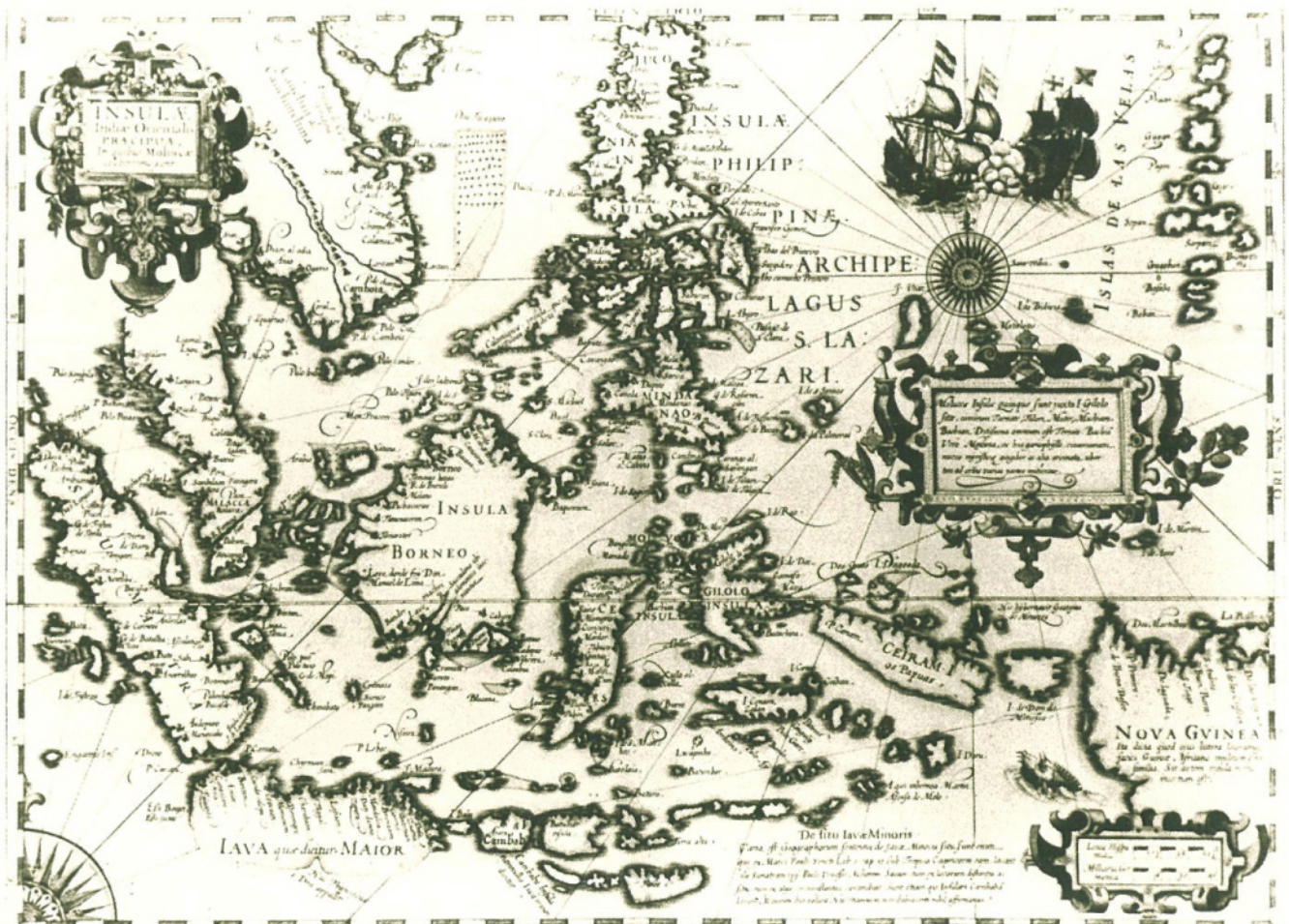
Since time immemorial, the exotic and the far off have intrigued men's minds. The Renaissance mariners provide history with outstanding examples of the lengths to which men go in the search of the unknown. Captivated by the silks and spices of China, India, and the Moluccas, impatient with the slow-moving land caravans on which these treasures were transported to Europe, the navigators sought a more direct and shorter route to the Indies, the fabled land of spices. Theirs was a bold period and they but raring to "launch out on trackless seas, fearless for unknown shores . . ."



Among the best known of this intrepid band of Renaissance explorers is Cristoforo Colombo, a Genoese sea captain who, in 1492, sailing westward to the Indies, found a new continent instead. In October of that year, while in the service of their majesties, Ferdinand of Aragon and Isabelle of Castille, Colombo made his first landing on one of the islands in the Bahamas. He claimed the island in the name of the monarchs. Cruising on, he discovered Cuba and Hispaniola (Haiti and the Dominican Republic) before returning home to Spain. That voyage of discovery, the first of many, gave Europe its initial important knowledge of the

Americas.

Columbus, the name by which he is better known in the English-speaking world, so fired the imagination of the other explorers that they, in turn, ventured out to the New World, thereby further expanding the boundaries of the known world. Columbus set a fast pace, making several voyages within less than a decade. On these subsequent explorations he discovered other islands in the West Indies including Puerto Rico, Jamaica, and Trinidad; he also touched part of South America. Ever the alert observer, he took note not only of the inhabitants and their customs but also of the flora in the region.



Map of the East Indies. At the right top corner are two war vessels firing at each other, one Spanish, the other Dutch.



Christopher Columbus, Italian explorer and discoverer.

While on the island of Santa Maria de Guadalupe or Guadeloupe, in 1493, Columbus and his party came across a fruit-bearing plant, native to the area. "Here for the first time Europeans tasted the pineapple . . ."¹ This was their introduction to a member of the *Bromeliaceae* family which was grown not only because it provided nutriment but also because it was a source of fiber.² About a decade later, in 1503, in the course of the fourth and last voyage of Christopher Columbus, his son Ferdinand, who had accompanied him, remarked that the Guaymi Indians who lived in the upper reaches of the Belen and the Veragua (along the coast of Panama) made wine from pineapple which they cultivated precisely for that purpose.³ Within the same century, another explorer would make a similar observation about the inhabitants of an island chain separating the Caribbean Sea from the Atlantic Ocean.

In 1597, an English courtier, seaman, colonizer and writer, lured by the prospect of finding gold in the Americas, set sail for the West Indies. The Englishman, Sir Walter Raleigh, who is also known as the man who introduced the potato and tobacco to England, wrote that in the West Indies pineapple was cultivated for food and wine-making.⁴

While Columbus and Raleigh provided some of the earliest written references to the pineapple, it was the Portuguese who were apparently the earliest to disseminate the plant to other tropical areas. By the end of the sixteenth century, the cultivation of the pineapple had spread "over most of the tropical areas of the world, including some islands of the South Pacific."⁵

Although the Columbus expeditions had opened a brand new world for Spain, they had not achieved their original goal which was to reach the Spice Islands via a newer and shorter western route. Thus, Spain, still at the zenith of her power, continued the search. Not long after, in 1521, Spanish ships with Magellan at the helm, found their way to these "western isles" — *las islas del poniente* — subsequently named "Felipinas" (Philippines) after Felipe II (Philip II) of Spain. Magellan's discovery was the prelude to Spain's successful claim to the islands.

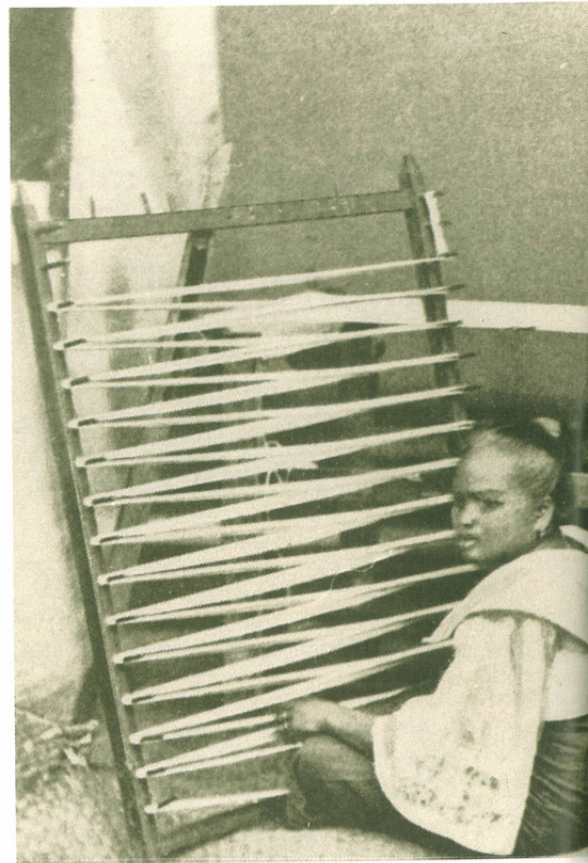
For the next two and a half centuries, from 1565 to 1815, Spain also forged close ties between the Philippines and Mexico, her colony in the Americas. The galleon trade between Manila and Acapulco provided a convenient connection.



The galleons, "the richest ships in all the oceans, ... were the most coveted prize of pirate and privateer." Their holds brought to Spanish America the silks and spices and other precious merchandise of the East. To the Orient, on the other hand, these vessels were "silver argosies," bringing precious silver from Mexico and pesos from Peru. To Spain, the galleons were a vital link binding the Philippines to her;⁶ to the Islands, they were another source of articles for commerce which included plants from the New World. One of these plants was the pineapple.⁷



A sketch of the *Bromelia Ananas*, the scientific name of the pineapple, by Fr. Manuel Blanco, 1880.



Filipino women weaving *piña* cloth, an important export product of the 1800's.

In a sense, the coming of the pineapple to these shores illustrates the linkages binding Spain, the New World, and mysterious Asia during the exploration-minded period that was the sixteenth century. As will be seen shortly, the development of the local pineapple would also reflect to some extent the two major cultural influences on the Philippines between the sixteenth and twentieth centuries.

Brought over at an early date, the pineapple was eventually cultivated in various parts of this country. By the seventeenth century, a visitor, William Dampier, did note that five islands of the Batanes group, in the northernmost tip of the Archipelago, grew a "few Plantains, Bananas, Pineapples, Pumpkins, Sugar-cane" along with other fruits.⁸ In the nineteenth century, Charles Wilkes of the United States Navy listed the pineapple among the fruits being sold at a market in Jolo, an island in Southern Philippines.⁹ A little later, in the same century, Fedor Jagor,¹⁰ a German traveller, also



observed the presence of the pineapple in Bicol which is in the southern portion of the island of Luzon. Thus, it would seem that by then the pineapple had found a congenial home in the Philippines. In some areas, in fact, such as parts of Palawan, the pineapple had become “thoroughly naturalized.”¹¹

Although the pineapple was acknowledged as a food crop, it won distinction during Spanish times as the source of fiber for *piña* cloth, an extremely fine and valued material. But for the plant to produce the required fibers, pineapples had to be planted close together so as to encourage the production of long leaves¹² from which the fibers were stripped.

Jagor’s first-hand observation of how the stripping was done in Bicol provides some insight as to why *piña* cloth is a “highly priced” material. Transforming a pineapple leaf into fiber was time consuming, requiring of the stripper dexterity as well as patience. In the initial stage of the process,

for example, the stripper had to scrape the outer surface of the leaf “with a potsherd; not with the sharp fractured edge but with the blunt side of the rim. . . . [until] the leaf is reduced to rags.”¹³

During the nineteenth century, when *piña* cloth was an important export commodity, *piña*-manufacture was concentrated in the Panay area, primarily in the Molo and Jaro districts of Iloilo. There, “*piña*-making was a home industry, and in the house of the [Chinese] *mestizos* and rich *indios* there were from six to a dozen looms at work making it.”¹⁴



Young maiden attired in *piña* top. Ca. 1890's.

Despite its role as raw material for the exquisite *piña* cloth and therefore contributory to a fairly important home industry, the pineapple never challenged the country's premier exports such as tobacco, sugar, and *abaca*. And as the last years of the nineteenth century made way for the twentieth, there was little indication of any forthcoming significant change in the status of the pineapple.

Yet, change there would be. Within the span of a few decades, the pineapple would attain new meaning as a food crop. In the process, the pineapple would also contribute to the economy in a way that could not have been imagined at the turn of the century.

Notes:

PROLOGUE

¹Samuel Eliot Morison, *Admiral of the Ocean Sea: A Life of Christopher Columbus* (Boston: Little, Brown and Company, [C. 1942; reprinted 1954]), p. 407.

²Lyman B. Smith, "Bromeliales," *New Encyclopaedia Britannica*, [1978], *Macropaedia*: VII, 324.

³Morison, *Admiral of the Ocean Sea*, pp. 623, 626.

⁴"Pineapple," *New Encyclopaedia Britannica*, [1978], *Micropaedia*: VII, 1014.

⁵*Ibid.*

⁶William Lytle Schurz, *The Manila Galleon*; Historical Conservation Society edition (Manila, 1983), p. 21.

⁷Conrado Benitez, "Philippine Progress Prior to 1898" in the Filipiniana Book Guild edition of *State of the Philippines in 1810* by Tomas de Comyn (Manila, 1969) p. 175.

⁸"Dampier in the Philippines," (London, 1697) in E.H. Blair and J.A. Robertson, eds., *The Philippine Islands* (58 vols., Cleveland: 1903-1909), XXXIX, 98.

⁹"Narrative of the United States Exploring Expedition" in Blair and Robertson, *The Philippine Islands*, XLIII, 156-157.

¹⁰*Travels in the Philippines*, Filipiniana Book Guild edition (Manila, 1965), pp. 103-104.

¹¹William H. Brown, *Useful Plants of the Philippines*. Technical Bulletin 10. Department of Agriculture and Natural Resources. (Manila: Bureau of Printing, 1951), 1, 360.

¹²*Ibid.*

¹³*Travels in the Philippines*, pp. 103-104.

Here [Tambong] I saw them preparing the fiber of the pineapple for weaving. The fruit of the plants selected for this purpose is generally removed early; a process which causes the leaves to increase considerably both in length and in breadth. A woman places a board on the ground, and upon it a pineapple leaf with the hollow side upwards. Sitting at one end of the board, she holds the leaf firmly with her toes, and scrapes its outer surface with a potsherd; not with the sharp fractured edge but with the blunt side of the rim; and thus the leaf is reduced to rags. In this manner a stratum of coarse longitudinal fiber is disclosed, and the operator, placing her thumb nail beneath it, lifts it up, and draws it away in a compact strip; after which she scrapes again until a second fine layer of fiber is laid bare. Then, turning the leaf around, she scrapes its back, which now lies upwards, down to the layer of fiber, which she seizes with her hands and draws at once, to its full length, away from the back of the leaf. When the fiber has been washed, it is dried in the sun. It is afterwards combed, with a suitable comb, like women's hair, sorted into four classes, tied together, and treated like the fiber of the *lupi*. In this crude manner are obtained the threads for the celebrated web *nipis de piña*, which is considered by experts the finest in the world.

¹⁴Edgar Wickberg, "The Chinese Mestizos in Philippine History," *Journal of Southeast Asian History*, V:1 (1964), 83.

CHAPTER TWO

*T*HE QUEST



Harry White (center) with plantation field personnel in 1928.

LITA AMIL

What today is a thriving food-based enterprise, a model in the Philippine agro-industrial landscape, had its beginnings across the Pacific, amidst somewhat inauspicious circumstances, some sixty years ago. Following brisk business generated by the First World War, the U.S. economy had suffered an unexpected slump in 1920, barely two years after the signing of the Armistice which had ended the War. Among those hardest hit were farmers who had gone into heavy debt to acquire land and equipment during the boom years. Although the recession was short-lived, the agriculture-based industries, unlike others, took a longer time to recover from the slump. Their numbers included California fruit and vegetable canners, one of which was California Packing Corporation or CALPAK.¹

It was not only a weakened economy which troubled CALPAK at the start of the Twenties. The enterprise also faced a serious threat to its pineapple-canning operations for which it relied heavily on produce from Hawaiian plantations. By 1920, there was a scarcity of farm land in Hawaii

and what was available commanded premium prices.² Although pineapple was a major crop of the Hawaiian Islands (a U.S. Territory since 1900) and, therefore, an important source of revenue, there was little that could be done to increase the acreage planted to the fruit. Most of the land being mountainous, the area which could be used for crop-growing was limited.

As if to compound the challenge facing CALPAK, there was "an epidemic of plant diseases and insect infestation that destroyed millions of dollars of plantings and, for a time, threatened the existence of the entire Hawaiian pineapple industry."³ It became evident, therefore, that it was to CALPAK's interest to look elsewhere for suitable pineapple-growing areas.

Rising to the challenge, CALPAK turned its attention to a number of tropical areas which might play host to the pineapple, in this instance, the Hawaiian variety. When it had narrowed the possible choices to one, the Philippines, CALPAK sent over its plant specialists to determine where the best plantation sites on these islands were located. Between 1921 and 1925, CALPAK's

agricultural experts, first, Louis Jongeneel, followed by H.A. White, both of whom were with CALPAK's Hawaiian Division, carried out extensive tests on selected sites throughout practically the length of the Philippine Archipelago, reaching as far north as Baguio in Luzon and as far south as Surata, Cotabato, in Mindanao. It was the experts' task not only to pinpoint the areas most suited to the pineapple cultivation but also to ensure that these sites would be adequate for the development of a profitable venture.⁴ In effect, this last meant that government support would be vital to the success of the enterprise. By law, public agricultural lands which were available for sale and lease were limited in size, a restriction which appeared to discourage the establishment of plantations. However, the Government was interested in establishing agricultural "colonies" as well as settlements in sparsely populated areas so as to have a better distribution of population and improve productivity.⁵



N. L. BAGAYAS

Juan Bagayas, a recruit from the Central Luzon Agricultural College, holds some of the early harvest from the experimental plot. The school, located in Muñoz, Nueva Ecija was an important source of skilled labor for the plantation.



Ox-power: lack of modern farm equipment and shortage of trained personnel hampered CALPAK's early efforts to cultivate pineapple in the Philippines.

To appreciate the Government's stand on the disposition of the public lands, as expressed in the basic laws of the first two decades of the 1900's, one needs to go back to the end of the last century, to the transfer of sovereignty over the Philippines from Spain to the United States.

In December of 1898, the Treaty of Paris brought the Spanish-American War to an end. By virtue of the treaty, the United States acquired the Philippines from Spain, despite opposition from the Filipinos. Following the latter's failed bid to gain independence during the Philippine-American War, 1899-1901, the United States established its sovereignty over the islands and governed the Philippines as a subject territory.

Until the mid-Thirties, the Philippines was administered successively under two basic acts — the Philippine Bill of 1902 (the first Philippine Organic Act) and the Jones Act of 1916 (the second Philippine Organic Act). Both Acts placed the public domain under the Philippine Government, to be administered and disposed of "for the benefit of the inhabitants" of the islands. At the same time, the United States Government and some of its early officials assigned to the Philippines, being sensitive to the possible charge of "exploitation," moved to restrict the size of public lands for sale



Early housing settlement (Camp I, December, 1928) for plantation workers who were mostly migrants from neighboring islands.



Early pineapple treatment.

and lease.⁶

Within the decade of the Twenties, at which time the CALPAK representatives were carrying out their exploratory assignment, a new public land law, Act No. 2874, approved by Governor General F.B. Harrison in 1919, was in effect. It set the limits on the public lands which could be purchased at 100 hectares, so far as individual Philippine or American citizens were concerned, and up to 1024 hectares in the case of corporations, sixty one per cent of whose capital stock had to be owned by citizens of the Philippines or of the United States. Leases were restricted to 1024 hectares, subject to the same citizenship requirements. Corporations which had less than sixty one per cent equity held by either Philippine or American citizen, could still apply to lease up to 1024 hectares of public land but only "with the express authority of the legislature." In all cases, leases were for a period of 25 years, renewable for another 25 years; where



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there were important improvements on the land, authority to renew the lease for another period not exceeding 25 years could be granted by the Secretary of Agriculture and Natural Resources.⁷

By the mid-Twenties, it was apparent that the Philippines was indeed suitable for pineapple-growing. It was time to go into more intensive plantings and decide where the crops could be grown. On January 11, 1926, Philippine Packing Corporation, a subsidiary of CALPAK, began its formal corporate existence with H.A. White as President and James McNeil Crawford as Vice-President and General Manager. The day of its birth also marked the beginning of a new agricultural industry for the country. But before either the venture or the industry could attain full maturity, both would have to hurdle a number of obstacles standing in the way of their development.

Following the establishment of Philippine Packing Corporation, PHILPAK or PPC for short, its men concentrated field plantings around Sarangani Bay in South Cotabato and in the Bukidnon area. Technical staff from the parent



Field Area planted to Hawaiian seeds (tops) in 1929. The tops were dark green and almost uniform in size.

company seconded to PHILPAK and personnel from the Bureau of Science focused their experiments on large-scale pineapple production. By 1928, after two years of field plantings, Bukidnon emerged as the best place for pineapple cultivation. The high plateau in Libona and Santa Fe was specially conducive to the growing of the crop. PHILPAK was now ready to undertake the first commercial plantings.

Before it could launch large-scale planting, however, PHILPAK had to negotiate for the plantation site. The site selected as best suited for pineapple growing in terms of "location and quality" involved some 4,324 hectares in Bukidnon which had been leased out to certain individuals since 1917 and their leases were not due to expire until 1942. Nevertheless, working with and through the department of Agriculture and Natural Resources, PHILPAK succeeded in getting the lessees to turn over their leases to individuals connected with PPC. Although the lease-

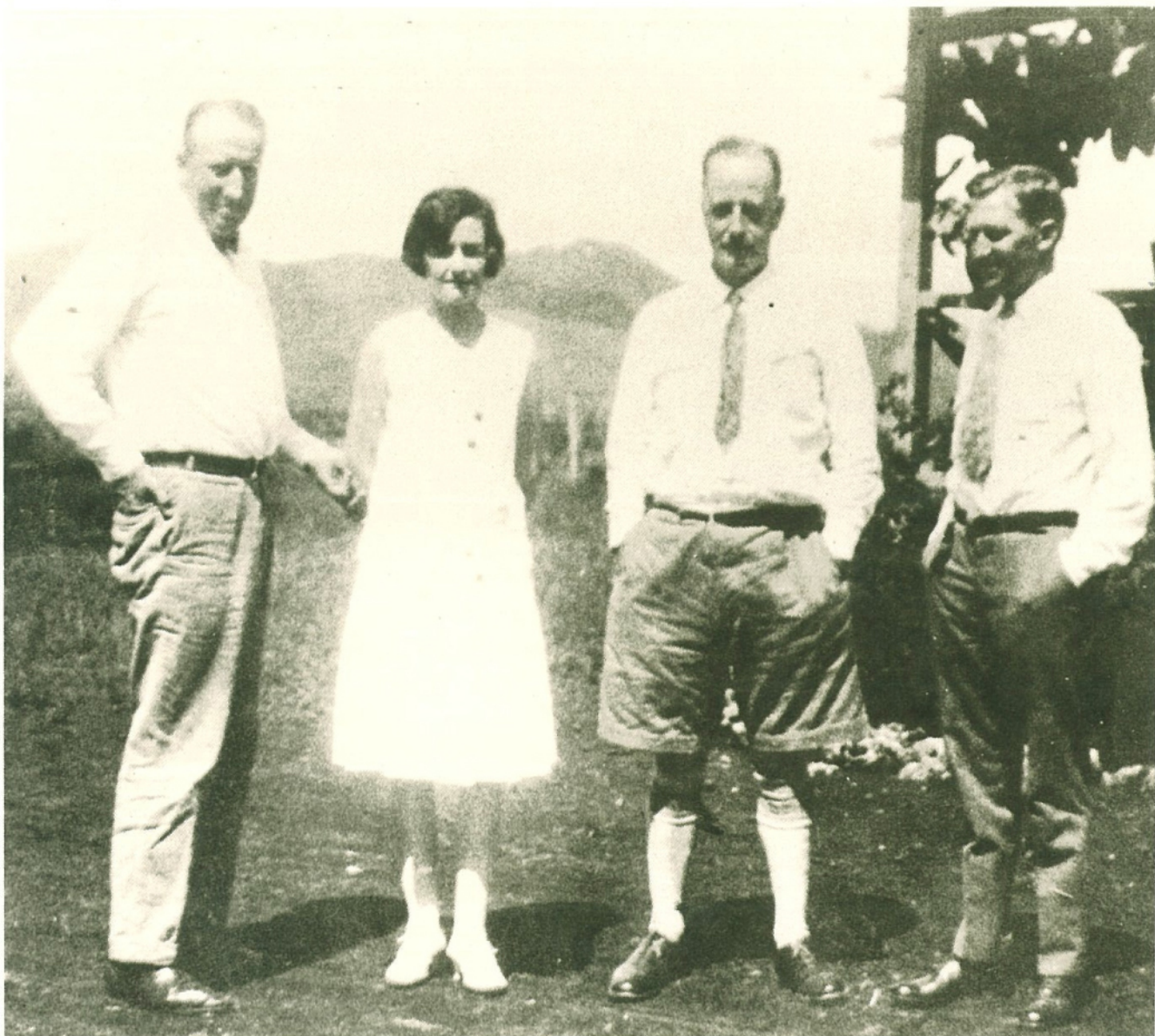
assignments were not formally effected until March, 1929, PHILPAK was able to commence planting on a commercial scale in 1928.

Meanwhile, the Insular Government's plan to hasten the development of public lands provided additional support to the fledgling pineapple venture. Basically, the plan involved the setting up of an "agricultural colony," using "wide areas of vacant agricultural land under arrangements which will provide capital without necessarily amending the present land laws."⁸ And so, when it established the first agricultural colony in Bukidnon, the Government, foreseeing the benefits that large-scale pineapple growing would bring to the country, made provision for the large tracts of land which PHILPAK would require.

If there had been any sense of urgency at all during the negotiations for the plantation site, this would have been due to the fact that from ground-preparation to first harvest takes about two years. Moreover, the success of the venture depended not



First fruits: Plantation workers display samples of pineapple grown on an experimental plot in Diklom Ranch, Bukidnon, in August, 1929.



Left to right: Neil and Anita Crawford with Ian MacGregor and Robert Warne at Diklom Ranch in December, 1928, shortly after the start of commercial planting.



N. L. BAGAYAS

Personnel of Experimental Office in 1929.

only on the growing and harvesting of sufficient tonnage but also on the harvest's being processed and canned. The plantation side of the operation was but one phase of the venture.

On April 22, 1929, Acting Governor General Gilmore, on the recommendation of the Department of Agriculture and Natural Resources, signed Proclamation No. 230 which set aside 14,052 hectares of public land in the district of Libona and Santa Fe, Province of Bukidnon, for an agricultural colony — the Bukidnon Pineapple Reservation. The Proclamation authorized "a corporation organized for the cultivation of pineapples [PHILPAK] to take up a smaller area within the reservation . . . finance homesteaders who will settle in the colony and raise pineapples." The farmers so financed had to

“hypothecate their land to the corporation as security for the advances but any lands foreclosed must be transferred to qualified public land applicants within five years.” Additionally, in order to assure a steady supply of raw materials, the farmers agreed to sell all their produce to PHILPAK.⁹

Thus, with the encouragement and support of the Insular Government, PHILPAK took the critical first steps towards development and growth.

Notes:

THE QUEST

¹William Braznell, *California's Finest: The History of Del Monte Corporation and the Del Monte Brand* ([San Francisco: Del Monte Corporation, 1982]), p. 63.

²*Ibid.*

³*Ibid.*

⁴Corporate materials on these early years including the period of the Pacific War are limited. Documents had been either lost or destroyed during the War. Sources regarding the preliminary work leading to the establishment of Philippine Packing Corporation in 1926 were:

Joint Preparatory Committee on Philippine Affairs [JPCPA] Report of May 20, 1938 (4 Vols.; Washington, D.C.: Government Printing Office, 1938), Volume II, Part 2, pp. 18-19;

Braznell's *California's Finest* (see p. 63) and Guido Ongpin's *Story of Philippine Packing Corporation* ([Philippine Packing Corporation, 1966], pp. 2-3).

⁵A.V.H. Hartendorp, *History of Industry and Trade in the Philippines* (Manila: American Chamber of Commerce in the Philippines, 1958), p. 497. See also Rafael R. Alunan, "Annual Report of the Secretary of Agriculture and Natural Resources [1929] in the *Annual Report of the Governor General of the Philippine Islands: 1929* (Washington, D.C.: U.S. Government Printing Office, 1931), p. 162.

⁶Hartendorp, *History . . .*, p. 497; Kunio Yoshihara, *Philippine Industrialization: Foreign and Domestic Capital* (Quezon City: Ateneo de Manila University Press, 1985), pp. 56-57.

⁷Hartendorp, *History . . .*, p. 498.

⁸Dwight F. Davis, *Annual Report of the Governor General of the Philippine Islands: 1929* (Washington, D.C.: U.S. Government Printing Office, 1931), p. 16.

⁹*Ibid.* See also Alunan, "Annual Report . . .," In Davis' *Annual Report . . . 1929*, p. 162.

CHAPTER THREE

A *VENTURE
LAUNCHED*



When the land requirements had been attended to and the planting going on as scheduled, PHILPAK turned its attention to the setting up of its canning facilities. Shortly after the start of commercial planting in the latter part of 1928, James McNeil Crawford, Vice President and General Manager, began the search for a suitable location on which to build the cannery and a dock. As an associate of H.A. White, Crawford had been engaged in test plantings since 1925 when he arrived in the Philippines and had gained some familiarity with the region. He now set his sights on Bugo, a little town on the northern coast of Mindanao, a few kilometers from Cagayan de Oro, capital of the province of Misamis Oriental which abuts the north-northwestern boundary of Bukidnon. In 1929, he contracted to purchase some seventeen hectares of land in Bugo. The cannery site, accessible by land and by sea, was a good choice. From the pineapple fields, some thirty kilometers away, the harvest could be easily transported to the cannery for processing, packing, and exporting.

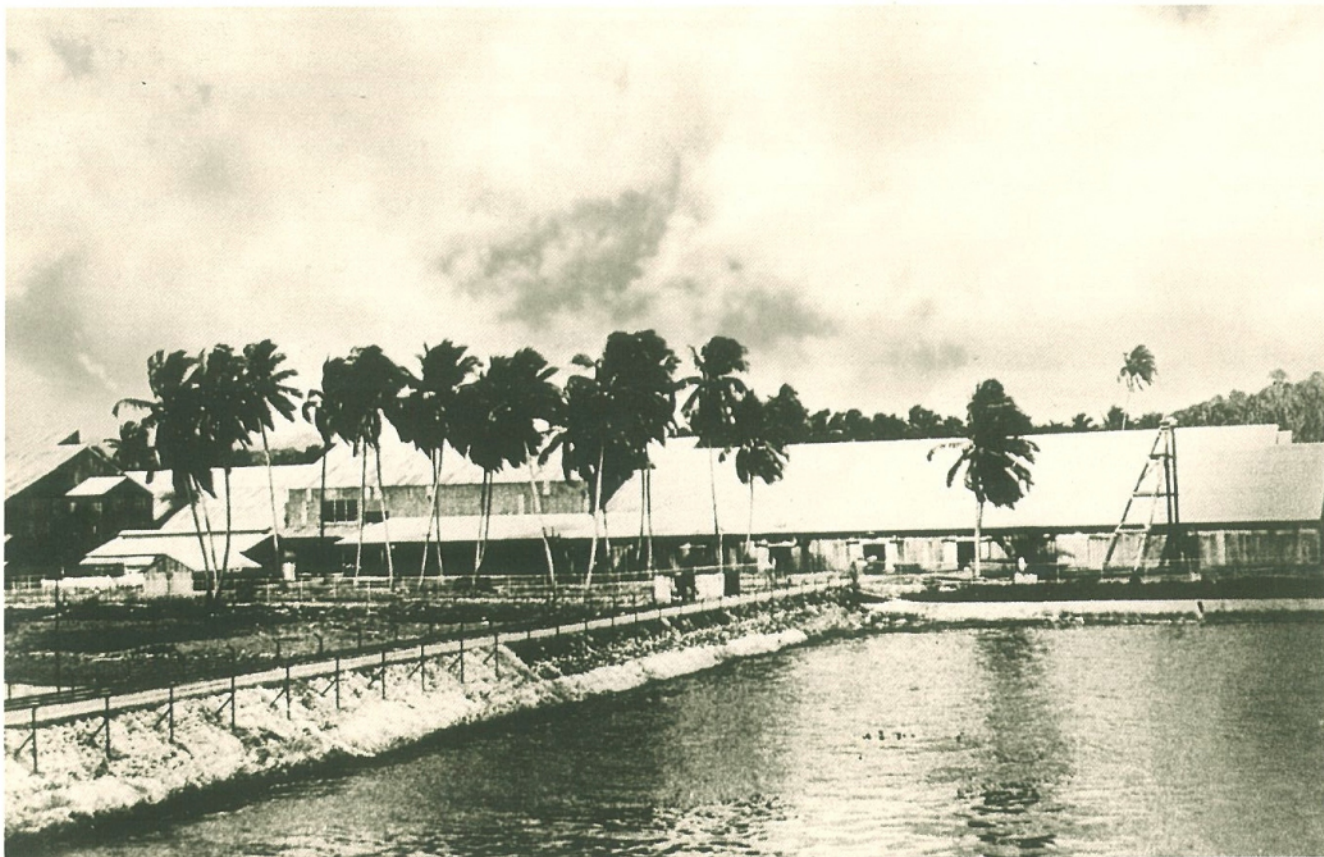
Following the land acquisition, construction work on the cannery and the dock began in earnest. By mid-year, 1930, the facilities were ready to operate. — The cannery alone had cost ₱1.5 million (\$750 thousand) to build. — On the 30th of June, the cannery processed the first commercially-grown pineapples.

Meanwhile, a PPC Community was taking shape; its initial members, the plantation workers and their supervisors. Bukidnon being a remote and sparsely populated region then, the company had to recruit workers from the neighboring island of Bohol. Consequently, the company had to provide living quarters for the migrant workers. The move made sense as the fields were in the middle of nowhere and transport was inadequate, if not altogether scarce. Thus began the development of the PHILPAK *camps*, a series of mini-communities established and subsidized by the company for its field personnel and, eventually, for their families as well. These *camps* were to play an important role



Aerial view of Bugo cannery in Cagayan de Oro taken in November, 1930.





Cannery and dock (above and below) in Bugo, Mindanao, just after construction was completed in 1930.

in the greening not only of Bukidnon but also of the neighboring areas.

By getting the workers to stay in the *camps* which, for easy identification, were chronologically numbered to reflect the sequence of their establishment, PPC could be assured of available manpower to meet the field schedules. An added benefit, one whose significance may not have been so obvious at the start, was that the practice was conducive to the building up of a sense of belonging. Camp life did help foster a spirit of loyalty which would come to the fore during critical stages in the life of the company.

But recruiting people in sufficient numbers for plantation work and establishing *camps* for them to live in was only part of PPC's staffing concern. The company had to provide personnel for the cannery and the central office as well. (The central office, first located on the plantation site, had been transferred to Bugo in time for the start of cannery operations.) Fortunately for the recruiters, news of the cannery's opening had attracted applicants from all over the islands. At the same time, PPC had been able to hire some graduates of the Central Luzon Agricultural School in Muñoz, Nueva Ecija. The School, being also a vocational training institution, was a source of skilled labor too.¹

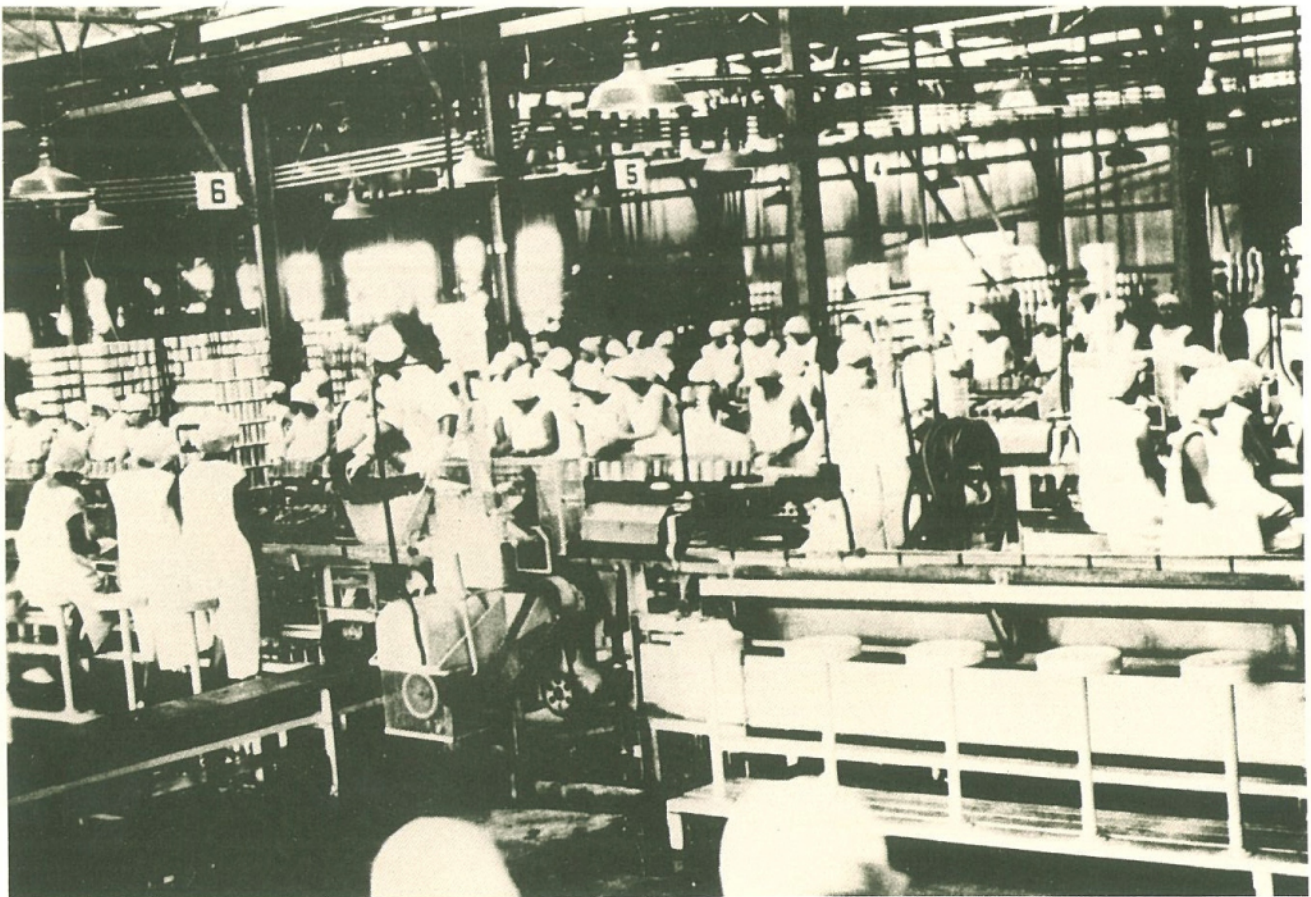


Yet, despite PPC efforts, as the cannery opening approached, the personnel complement was far from complete. The company had need of pineapple “trimmers” and “packers” for the processing facility. It also wanted to hire women for these positions. But in rural Misamis, it was still considered out of the ordinary for women to work in a factory, not to mention for a foreign company.

Many years later, long after her retirement from PPC, the first “forelady” of PHILPAK, Filomena Valdehuesa Cosin, would recall² that families were reluctant to allow their girls to work in the “American factory.” But all this changed when Miss Valdehuesa was recruited into the company. How this came about and how others came into the fold is an interesting study in cross-cultural relations.

Persuaded by the Tagoloan Mayor, who had become a friend of Crawford, and who later was drafted to help recruit women workers, Valdehuesa went on a house-to-house campaign with PHILPAK’s General Manager. In every home, she made the same appeal to parents — please allow your daughters to give the job a chance. Then with some twenty or thirty recruits, she reported for work in time for the first canning day. Appointed “lady foreman,” Valdehuesa was made responsible not only for supervising the women’s work but also for bringing them home to their parents at the end of each working day.

By 1930, four years after its establishment, PHILPAK could rightly claim that theirs was an integrated operation. But admirable though the



Trimming and packing tables inside the cannery.

achievement was, what it required was perhaps even more noteworthy.

The plantation site was crucial to the success of the venture. But determining where the plantation would be was difficult work. As earlier mentioned, a major first hurdle was to test-plant all over the islands, in remote and far flung areas, where climate and soil conditions varied. Another obstacle was how to evaluate the environment and the test crops, prior to more intensive planting and final selection of the plantation site. Thus, when the company decided to locate the plantation in Bukidnon, the reasons for the choice were clear. — Bukidnon's wide level highlands, fertile soil, and cool climate were ideal for the growing of crops such as the pineapple. (The area, however, was not suitable for rice-growing and had been largely

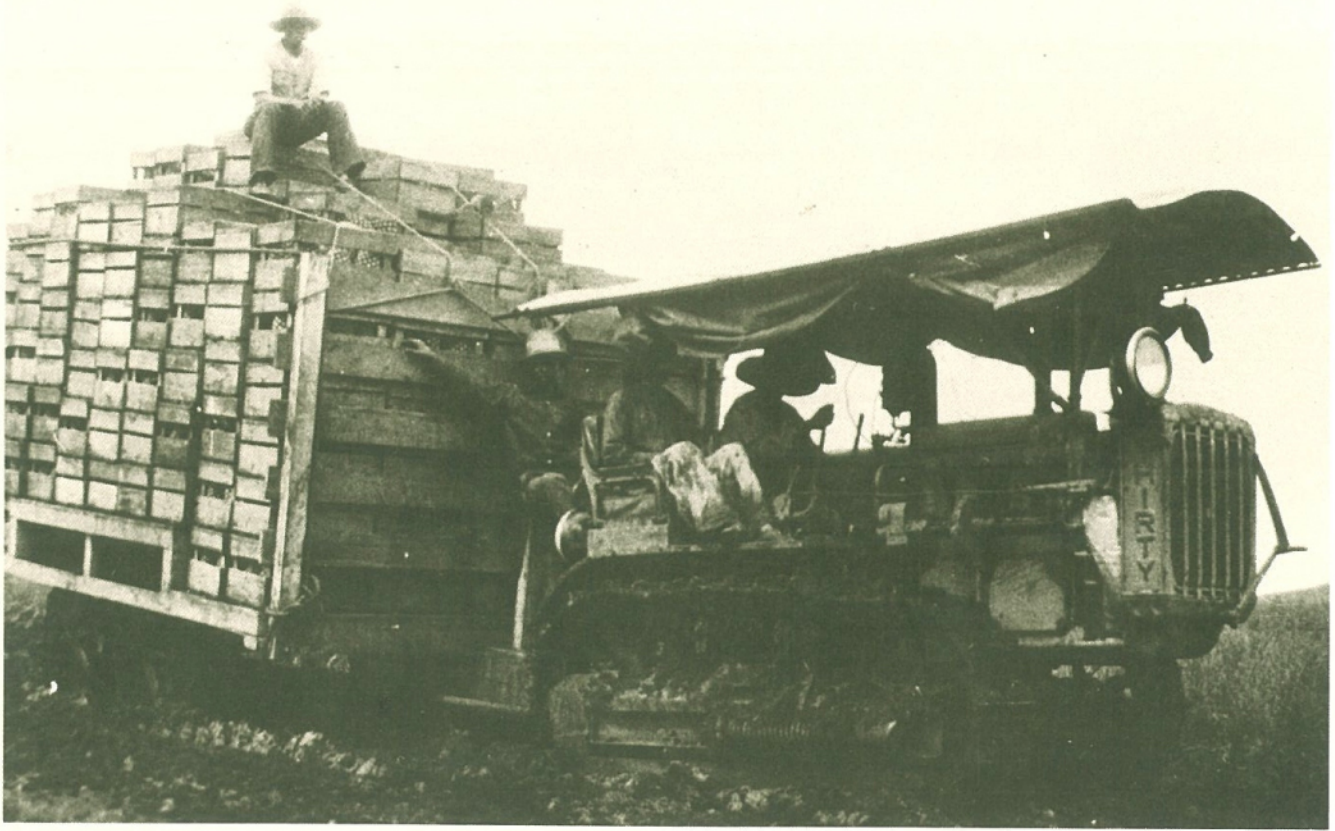
uncultivated.) Moreover, Bukidnon lies outside the "typhoon belt" and is sheltered from the eastern monsoon by the high mountains which it shares with Agusan del Sur. As a result, the climate is relatively pleasant all year round and the province is blessed with adequate sun and rain.

The obvious natural advantages of locating the plantation in Bukidnon notwithstanding, credit for transforming unproductive wilderness into verdant fruit-bearing fields must still go to the men of PHILPAK. Their task was to prepare the ground, lay out the plots, ready the soil for the seedlings from Hawaii, and nurture the plants to maturity. And they succeeded. That first canning day in June, 1930 provided the initial proof of their success.

The first four years of PHILPAK's existence had coincided with a prosperous period (1925-1930) in



PPC's American expatriates with their families . . . ca. 1930's. Front row: Tom Warne, Jack Warne, Nicky Caldis, Dick Wadsworth, Kenzie Nicoll, Gary Nicoll, Florence Phillips. Seated: Dorothy Warne with son Douglas, Joan Taylor with son Francis, Maria Caldis, Marge Speir, Betty Brown, Vi Wadsworth, Elsie Nicoll, Praxides MacGregor, Mabel Phillips. Back row: P.D. Caldis, Norris Wadsworth, Ian MacGregor, B.B. Brown, Frere Pipe, Robert Warne, Clyde (Tiny) Taylor, Jim Nicoll, Roberty Dye, Frank Speir, Lawrence (Merc) Phillips, Ivan Brown.



Fruit-hauling in 1931.

Philippine economy. In the United States, however, a parallel tide of prosperity had led in 1928 to a stock market boom which came to an abrupt end with the Crash of '29. Widespread bankruptcy and large-scale unemployment followed. Inevitably, the Philippines would be affected by the shattering collapse of the American economy. So would PHILPAK. But as the company entered the threshold of the Thirties, there was little hint, as yet, of impending trouble.

In Mindanao, the PHILPAK plantation and cannery activities were in full swing. The company was apparently so satisfied with the state of its pineapple operations that it could afford to consider broadening the scope of its activities. Either that or it wanted to spread its risks, bearing in mind the troubled U.S. economy. Whatever the major reason, in August of 1930, the company undertook a survey of the local tuna supply. The study took over a year to complete, but the results must have been encouraging because PPC then put up a pilot fish-canning plant. By December of 1931, the Company had decided to go into the tuna business, on a trial basis. The experiment lasted through the greater part of 1932.³

By this time, the country was feeling the pains attendant on a vanished prosperity. Trade suffered

its first real set-back since the establishment of American sovereignty over the islands.⁴ Pineapple exports to the United States see-sawed dramatically between 1931 to 1935: from 1,590,909 kilos in 1931 to 2,590,909 kilos in 1932, then dipping to just a little over 1,363,636 kilos in 1933, up next to 3,045,455 kilos in 1934, dropping down to 1,181,818 kilos in 1935.⁵ In the midst of economic uncertainty, American sugar and dairy interests lobbied in Washington against Philippine "competition."⁶

As the depression continued to deepen, U.S. mills and factories either shut down or operated part-time. By 1932, a quarter of American farmers had lost their farms.⁷ There seemed little chance that Philippine canned fruit exports would improve their position in the U.S. market. In 1933, PHILPAK shut down its pineapple canning facility, laying off most of the plantation workers. A skeleton crew of thirty was all that was left of the plantation work force that had run into the hundreds. (Ironically, the expected harvest that year ranged from 20,000 to 25,000 tons, the biggest ever.) However, few cannery workers were laid off.

If for the PHILPAK cannery workers, the impact of the depression was somewhat cushioned, this was due in large part to the on-going tuna operations.

By early 1933, the company had already gone into commercial tuna fishing and canning operations. Using three fishing boats, two of which were purse-seiners and the third, a large pole-fishing clipper, the company concentrated its fishing activities in the southern Mindanao fishing grounds, and in the Sulu and Celebes seas. Barely a year later, however, in 1934, PHILPAK called a halt to operations. Costs were too high and the catch was insufficient.

By the time PHILPAK decided to stop its tuna operations, the U.S. market for canned pineapples was picking up. Thus, as the cannery phased out tuna processing, it resumed the processing of pineapples. However, not until 1936 did the exports begin to show an unmistakable improvement.

Meanwhile, the Philippine Independence Law, popularly known as the Tydings-McDuffie Law, had been enacted two years earlier, in 1934. The Law not only authorized the drafting of a Philippine Constitution but it also provided a definite guarantee of independence. Following the holding of a constitutional convention (1934-1935) and the ratification of the constitution which it authored, the Commonwealth of the Philippines was inaugurated on November 15, 1935 with Manuel L. Quezon as President and Sergio Osmeña as Vice President. The Commonwealth, a self-governing⁸ institution, was to administer the country during the ten-year interim prior to the granting of independence in 1946.

The Philippine Constitution of 1935, in providing for the conservation and use of natural resources, including public lands, specified in Article XIII, Section 1, that "their disposition, exploitation, or utilization shall be limited to citizens of the Philippines, or to corporations or associations at least sixty *per centum* of the capital of which is owned by such citizens, subject to any existing right, grant, lease or concession at the time of the inauguration of the Government established under this constitution." The clause recognizing existing rights, grants, leases or concessions already granted had been added to prevent any injustice.⁹ Additionally, as stipulated by the Philippine Independence Law, the following was incorporated as "part of an ordinance appended to the



Manuel L. Quezon and Sergio Osmeña after their inauguration in 1935 as President and Vice-President respectively, of the Commonwealth of the Philippines.



Constitution" . . . : "Citizens and corporations of the United States shall enjoy in the Commonwealth of the Philippine Islands all the civil rights of the citizens and corporations respectively, thereof."¹⁰

It is against the perspective of a changing political landscape that PHILPAK's second decade must be evaluated.

In 1937, the company's canned pineapple exports literally jumped to 10,981,540 kilos valued at \$1,672,849. The improvement followed seven years of struggling with depressed prices which were the result of an international recession. (From \$0.1958 per kilo in 1930, the price for canned pineapple had dropped to \$0.0924 per kilo in 1931, then slowly edged up to \$0.1518 per kilo in 1937). During the period under review, PHILPAK exports had ranged in value from a low of \$96,044 in 1930, the first year of canning, to a high of \$501,523 in 1936.¹¹

With better prices forthcoming for its canned fruit products and the venture's chances for success vastly improved, PHILPAK concentrated its efforts once again toward consolidating its position as a pineapple grower and processor. Consolidation



First PPC forelady Filomena Cosin (Seated: 2nd from left) went on a house-to-house campaign to convince women to work in the factory.

required not only intensifying efforts against various pests and diseases afflicting the pineapple, a function of the agricultural research department, but also working out a longer term arrangement

with the Government regarding plantation land under lease. Given a two-year time lag between pre-planting and harvesting, the approaching expiry in 1942 of the leases on land held either by PHILPAK directly, or by some of its associates in their individual capacities, merited serious attention.

As earlier indicated, the first lands planted to pineapple in 1928 (five parcels totalling over 4000 hectares) had been leased previously to certain individuals in 1917. These lessees, in turn, had assigned their rights to PHILPAK associates in 1929. Inasmuch as the viability of the enterprise, not to mention the development of the pineapple industry, hinged on the availability of large tracts of land for cultivation, the matter of a long-term lease on land already under cultivation was of vital importance. Fortunately for PHILPAK, the newly established Commonwealth Government was convinced not only that large-scale pineapple growing was beneficial to the country's economic development but that this was best left to private

enterprise.

The Government's attitude towards promoting economic growth may be deduced from remarks made by President Quezon during the inauguration of the Chamber of Commerce of the Philippines Building in July, 1938: "The only sound basis for a national economy is productive enterprise. Experience counsels that this field be left largely to private initiative. This is a postulate of the profit system . . ."¹²

While the President took steps to promote Filipinization of business, particularly in the retail trade, he also assured foreign business in the Philippines that they could expect fair treatment. He assured businessmen that "business may rely on the sustaining arms of the Government. It may feel secure against injustice or revolutionary change."¹³

Government's concern with fair treatment and its awareness that the pineapple industry provides certain economic benefits to the country enabled PHILPAK to continue operating in the Philippines.



Bugo cannery and dock in 1935. The processing and canning operations became urgent concerns of PHILPAK management as soon as the first co



EMILIANO TORRES

Pioneers of PPC plantation shop in 1932.



Del Monte recreational club-house for employees.

On August 15, 1938, President Quezon, in a message to the National Assembly, informed that body of the status of the pineapple industry and of the role of PPC in developing the former. Reviewing the steps which had led to the establishment of PHILPAK in northern Mindanao, Quezon noted the extent of the company's major contributions to the economy. — Employment for over a thousand people; training in the scientific and large-scale cultivation of pineapple; the use of refined sugar in the processing operation, thereby boosting further the sugar industry; the establishment of an experimental station which, in cooperation with the National Government, endeavored to grow other crops suitable to the Province of Bukidnon; and the construction of infrastructure facilities, such as roads and a telephone communication system, within the areas where the company operated.

Referring to the Insular Government's support for PHILPAK which had encouraged the company



al plantings began in 1928.

to establish a cannery, "in the belief that they would be permitted to occupy such lands as may be necessary" in order to feed the cannery sufficient quantities of pineapple and, thereby, "recoup their investments and make a reasonable profit," President Quezon then outlined his plan whereby the company and the industry could attain growth.

The Quezon plan authorized an agency of government, the National Development Company,¹⁴ to lease from the National Government, "all the lands that may be necessary for the development of the pineapple industry and for the National Development Company [NDC] to [then] enter into a suitable agreement with the Philippine Packing Corporation in regard to this industry."

Authorized by Commonwealth Act No. 182 as amended by Commonwealth Act No. 311 "to hold public agricultural lands in excess of the areas permitted to private corporations, associations, and persons by the Constitution and by the laws of the Philippines, for a period not exceeding twenty-five years, renewable by the President of the Philippines for another period not exceeding twenty five years," the NDC thus entered into an operating agreement with PHILPAK on the 18th of August 1938. The agreement covered certain parcels of public land, with a total area of approximately 10,000 hectares, in the Municipal District of Tankulan, Province of Bukidnon. The agreement also stipulated that upon the execution by the Government of the new leases, PPC's old leases would be cancelled.

As the Thirties drew to a close, PHILPAK could look forward to devoting itself wholeheartedly to growth and development.

Notes:

A VENTURE LAUNCHED

¹Details on the recruitment of personnel were drawn from Ongpin, *Philippine Packing Corporation*. . . , p.6.

²Interview of Mrs. Filomena Valdehuesa Cosin, in PPC magazine, *Tid-bits*, XXXI: 5 (September-October, 1979), 4, 6, 7. Mrs. F. Cosin retired as "General Forelady" in 1961, having completed 31 years of service at PPC. When she started working in 1930, women were paid at the rate of ₱0.05 per hour. However, she herself received ₱0.12 per hour.

³Operational details on tuna fishing and canning found in this and succeeding paragraphs were taken from Ongpin's *Philippine Packing Corporation*. . . , pp. 9-10. Supplementary details were derived from JPCPA, *Report*. . . , Volume II, Part 2, pp. 13-15.

⁴Hartendorp, *History*. . . , p. 25.

⁵JPCPA, *Report*. . . , Volume I, Part 2, p. 88. Export data were originally in lbs.

⁶Hartendorp, *History*. . . , p. 25.

⁷Frank Freidel, "History of the United States: The United States from 1920 to 1945," *The New Encyclopaedia Britannica*, [1978], *Macropaedia*: XVIII, 989.

⁸However, the United States retained certain sovereign powers during the transitional period, such as control over foreign policy. See Horacio de la Costa, S. J., *Readings in Philippine History* (Manila: Bookmark, 1965), p. 265.

⁹See Joaquin Bernas, S. J., *A Historical and Juridical Study of the Philippine Bill of Rights* ([Loyola Heights, Q. C.]: Ateneo University Press, 1971), p. 41.

¹⁰*Ibid.*

¹¹Cf. JPCPA, *Report*. . . , Volume I, Part 2, p. 88.

¹²In Hartendorp, *History*. . . , p. 50.

¹³*Ibid.*

¹⁴NDC was organized as a semi-government corporation in 1919 and was converted into a government corporation in 1936. Cf. Commonwealth Act No. 182.

CHAPTER FOUR

*T*URMOIL!

There's many a "slip, twixt cup and lip" and many a snag, even in the best laid plans. So it was for PHILPAK, mid-way through its second decade.

An operating agreement with the National Development Company in 1938 had assured the company of the needed area for commercial pineapple cultivation for 25 years. At the time the agreement was signed, the company's agricultural operations were based on a 5-year cycle. The cycle called for some 600 hectares to be planted to pineapple each year, or a total, over 5 years, of about 2,000 to 2,400 hectares. Although PHILPAK's operating agreement covered a large area, only 50 to 70 per cent of the land could be cultivated, "owing to the number of large and small ravines, typical of Bukidnon."¹

During the period under review, the fields planted in 1937 were expected to bear fruit in 1939. The following year, 1940, the fields were to be planted to "cover crops for soil conservation and improvement in 1941." Only during the latter part of 1942 were the areas to be replanted to pineapple. At the end of this cycle, the same pattern of cultivation was scheduled for duplication during the next five years.²

In terms of scheduling and in keeping with the objective of assuring the venture's viability, it was to PHILPAK's corporate interest to cultivate as much land as was available to it. Considering the time span — two years — for the pineapple to bear fruit, the state of the technology then, and nature's own timetable for rest and recovery, increasing the yield was ultimately related, if not dependent, on the area cultivated. With one planting cycle nearing conclusion at the start of the Forties, PHILPAK must have anticipated initiating another cycle, over an expanded hectarage, as a boost to its development efforts. Relatedly, the company could also increase its processed products or canned pineapple packs as had been possible in previous years.³ In 1941, it put up the first single-strength juice pack, producing about 1.5 million cases of fruit and juice at year end.⁴ However, despite all efforts, the next planting cycle, with all that it



Brig. Gen. Richard J. Marshall, Gen. Douglas MacArthur and Maj. Gen. Richard K. Sutherland stayed at the Del Monte Compound in Bukidnon for several days before departing for Australia.

encompassed, was not to be. Already, political cross-currents of an international scale were building up. Before long, these would drastically change the country's course and just as drastically alter that of PHILPAK as well.

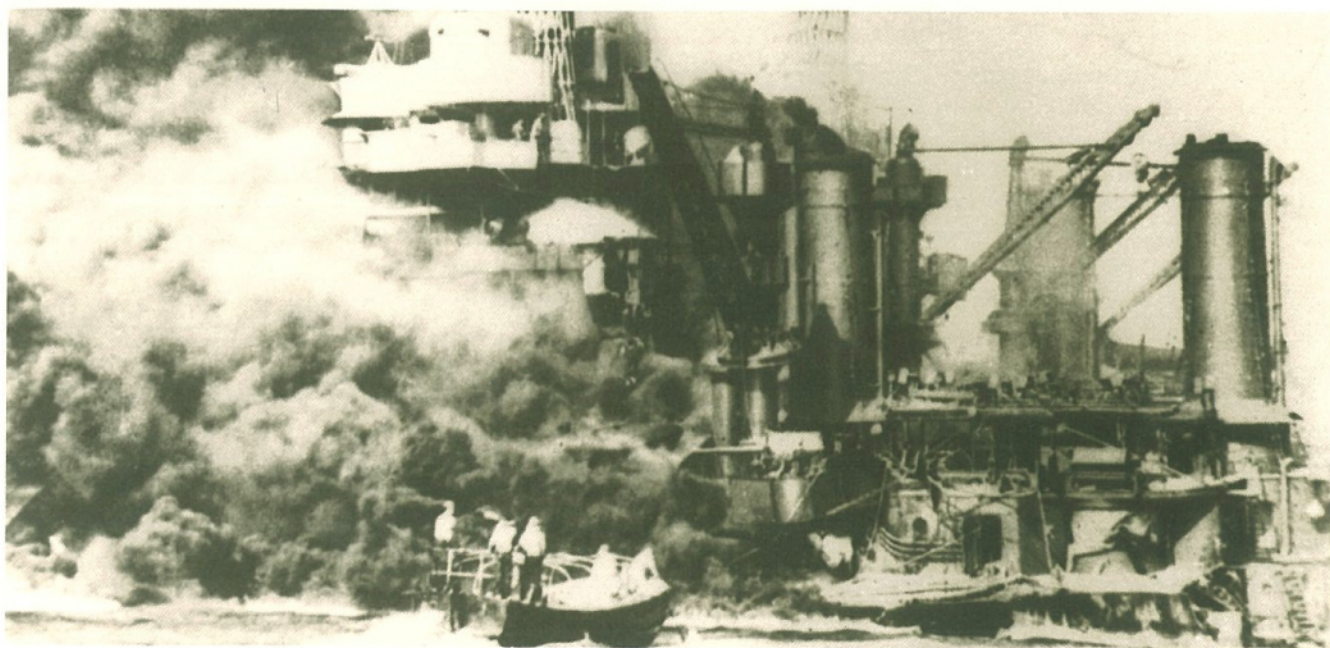
On the 7th of December 1941, a Sunday, (it was then about 0230 hours, Monday, the 8th of December in Manila), Japanese planes launched a dawn raid on Pearl Harbor, crippling the U.S. fleet in port. A few hours later — shortly after noon, Philippine time — the Japanese successfully carried out another sneak attack. This time, the target was Clark Field near Manila. At the end of the raid, the airfield was unrecognizable. The bombing had destroyed most of the aircraft based at Clark.⁵ War had come to the Philippines . . .

Prior to the outbreak of hostilities, Japanese incursions into neighboring territories had already raised warning signals about an increasingly



expansionist Japan. But whereas the United States had taken little action during the Japanese invasion of Manchuria, preferring to “seek security through isolation,” it imposed an embargo on scrap iron and steel when Japan invaded IndoChina in 1940. In the latter case, it seemed apparent that Japanese action was geared towards establishing a base for an attack on the East Indies.⁶

While U.S.-Japanese relations had become considerably less friendly even before the IndoChina incursion, not until September of 1940 did the two countries come close to war. By then, Japan had signed a triple alliance treaty with Germany and Italy, in retaliation against the American iron-steel embargo. Despite worsening relations, however, Japan still entered into negotiations with the U.S. in the spring of 1941, even as it prepared for war in the event that the negotiations fell through. By November of the same year, the U.S. “knew that a military attack was likely.” Although the U.S. government expected the attack “to be against the East Indies and possibly the Philippines,” America was still “caught by



An American battleship suffers a direct hit during the bombing of Pearl Harbor, December 7, 1941.

surprise when Japanese planes struck at Pearl Harbor” that first Sunday in December, 1941.⁷

For the Philippines, the Clark Field bombing heralded the forthcoming Japanese occupation of the country. By year-end, 1941, a joint force of Philippine and American troops, commanded by General Douglas MacArthur, had withdrawn to Bataan and Corregidor for a last ditch stand. At about the same time, President Quezon and his chief aides, including Vice President Sergio Osmeña, had been evacuated to Corregidor, where they joined General MacArthur, in order to prevent their capture by the enemy.

On the second of January 1942, the Imperial Japanese Forces took control of Manila, the country’s capital. By April, Bataan had fallen. A few weeks later, in May, the defenders at Corregidor, then under the command of Major General Jonathan Wainright, surrendered to the Japanese.

Although some 900 kilometers away from Corregidor, PHILPAK did not escape the rigors of war. The company’s experience during the period 1942-1945, from the start of hostilities, through the invasion and occupation of Mindanao, and the final liberation of the island, has both a personal and institutional dimension to it which may partly explain PHILPAK’s strong sense of history.

The institutional dimension of PHILPAK’s wartime experience derived from the airfield built on company land. Referred to as Del Monte Field,⁸ the airstrip served as a get-away point, a refueling base, or simply as aircraft haven during the early days of the war. Late in 1941, the landing strip had been expanded, on orders of General MacArthur, as had the strips at Nichols Field (on the outskirts of Manila) and at Clark. These steps were taken to accommodate the Boeing B-17s, the “Flying Fortresses” of the air force which had already gained fame with their superb performance against the Germans in the European war theatre.⁹

Interestingly enough, had all the B-17s at Clark, instead of only half their number, been flown to Del Monte (then beyond the range of Japanese fighter planes) in late November, 1941, as ordered by MacArthur, none would have been at Clark



Merc Phillips, PPC volunteer for the US Army, was killed by enemy forces while monitoring movements of Japanese ships.

during the raid of December 8.¹⁰

Early in 1942, after the debacle at Clark and with Nichols Field out of commission, Del Monte Field was left as the country’s only major airfield. It assumed greater significance by February when the U.S. Government decided to bring out of the country Commonwealth President Quezon, General MacArthur, and their respective parties. Politically, their capture by the Japanese would have meant a stunning blow to the United States, considering that the Philippines was still an American colony.¹¹

Escape from Corregidor involved leaving by submarine or PT-boat for the still unoccupied Visayas or Mindanao, and then flying out from the only big operating airstrip in northern Mindanao.¹² From late December until May when Corregidor fell to the Japanese forces, Del Monte Field and PHILPAK were to be actively involved in the war effort.

But before either MacArthur or Quezon arrived in PHILPAK, the company welcomed Jesus Villamor, the Filipino ace pilot after whom Nichols Field was subsequently to be named. (Today, it is called Villamor Air Base, the site of the Philippine Air Force Headquarters.) The hero of many an air battle, flying aging aircraft, Villamor was pulled out of Corregidor in late February for duty in Mindanao. The new assignment meant working out of Del Monte Field where he was to stay until mid-April.¹³

Years later, Villamor would write of those days: "From Del Monte Field . . . I flew a Stearman on a few reconnaissance missions and spent the off-hours at the plantation near the pineapple factory. I was quartered in a cottage like the one I used to stay in during my peacetime vacations, but now the amenities were gone; all that was plentiful was pineapple juice."¹⁴

About mid-March, General Douglas MacArthur and his party arrived at the PHILPAK domain, after a thirty-five hour trip aboard a leaky PT-boat on a tortuous diamond route to avoid enemy ships along the way. "Sputtering eastward across the Mindanao Sea in the early hours of Friday [the 13th of March 1942], they [MacArthur and his party] made a landfall near the Del Monte pineapple plantation at 6:30 a.m. . . ." The party was welcomed by Brigadier General William F. Sharp, PHILPAK-based commander of the Visayas-Mindanao Force, U.S.F.I.P., who informed them that the company's guest lodge and clubhouse were ready for their use.¹⁵

The road from the landing site on the coast to the plantation, a distance of about twenty six kilometers, was lined with troops. Word immediately spread to the surrounding *barrios* and towns that MacArthur had landed. No sooner had the visitors sat down to a breakfast of pineapples at the clubhouse than the first caller appeared. She had walked all of forty kilometers to seek news of her son fighting in Luzon.¹⁶

During the four days of MacArthur's stay at Del Monte, there were other callers. Among them was Edward Haggerty, S.J. the Rector¹⁷ of a small



Japanese soldiers lower the American flag in Corregidor, Bataan.



Major General Jonathan Wainwright of the U.S. Armed Forces in the Philippines (left) surrenders to General Masaharu Homma (right) in Bataan.

college, the Ateneo de Cagayan, predecessor of Xavier University which, in the postwar period, would be joined by PHILPAK as a "partner" in expanding educational opportunities for the people of northern Mindanao.

On the evening of March 16, two "Flying Fortresses" arrived from Australia to pick up the General and his party. Shortly after midnight, on March 17, the plane bearing MacArthur lumbered down the Del Monte runway and flew off into the darkness.¹⁸

Upon arrival in Australia, MacArthur read out a statement to waiting reporters, the most famous line of which was "I came through and I shall return." This message reached the people of Bukidnon as it did the entire Filipino nation. The phrase "I shall return" was subsequently found on "poles and fences around Del Monte, on the walls of *barrio* schools and stamped on the mail."¹⁹

But despite the will to fight and the determination to win the battle, time was running out. Soon it was Quezon's turn to leave the Philippines. Like MacArthur before him, the President's last stop in the country, prior to exile from which he was never to return, was Del Monte.

The Quezon party took off from the airfield aboard three bombers bound for Australia.²⁰ From there they headed onward to Washington, D.C., their final destination. — Less than four years earlier, the President had authorized the National Development Corporation to hold public land which in turn was serviced and operated by PHILPAK. The move was part of the Government's efforts to develop a modern pineapple industry. No one could have foreseen the day Quezon would stop by the plantation, the cornerstone of the industry, not to observe the fertile fields with satisfaction, but merely to await transport which would bring him out of his beloved country forever.

Meantime, the airfield remained actively involved in the war. Medium bombers (the B-25s) and "Flying Fortresses" (the B-17s) coming in from Australia harrassed the Japanese, using Del Monte as their half-way haven. The B-25s attacked Japanese shipping in the north while the B-17s assailed Clark.²¹ By mid-April, however, following the fall of Bataan, Australia-based planes used the airfield mainly to ferry key personnel, officials, airforce pilots and the like out of the islands in anticipation of mounting a counter-invasion to

liberate the country. On April 14, Villamor left PHILPAK for Australia.²²

On the 10th of May, upon orders of General Wainwright, William Sharp, by then a Major General, and his men surrendered to the Imperial Japanese Forces in Bukidnon,²³ bringing an end to PHILPAK's institutional participation in the war.

All this while, from the start of hostilities in December, 1941 to the surrender of the Visayas-Mindanao Force, U.S.F.I.P., PHILPAK, as a corporate entity and as a community of men and women, had provided active support to the army. The company had given Sharp and his men free run of its facilities on the plantation as well as on the cannery site. These facilities included, as elsewhere noted, an airstrip and a dock. Company personnel, on the other hand, offered, on a voluntary basis whatever services they could perform to boost the war effort.

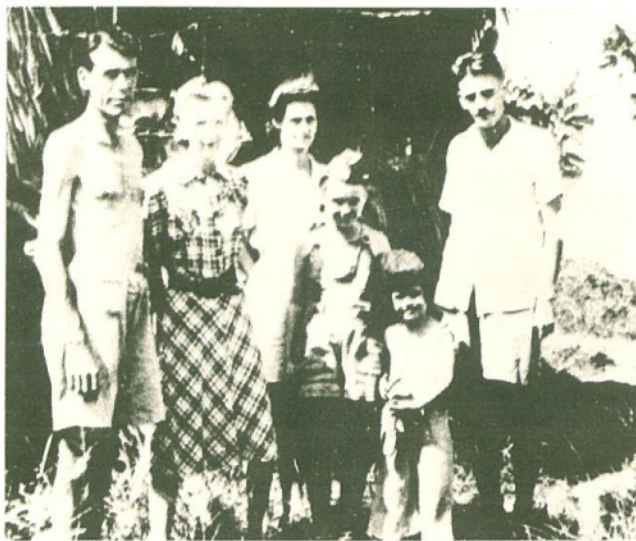
The focus of the entire PHILPAK community, like that of the entire Philippines, was on the war. The cannery had been shut down since shortly after the bombing raids began. Plantation activity had been reduced to minimal maintenance work. For a time, PHILPAK Assistant General Manager Norris Wadsworth "and a few other stalwarts" had maintained a "temporary camp in a canyon near the plantation" from which they could "ride circuit day after day in an effort to protect PHILPAK's properties from the renegade bands that had been looting and pillaging all over the island since the outbreak of the war."²⁴

With operations at a standstill and the frequency of the bombing raids increasing, many families were evacuated to safer ground on the hilly outskirts of Bukidnon. Soon, company workers themselves took to the hinterlands; some subsequently joined the guerrilla movement.²⁵ Almost simultaneously with the arrival of the first Japanese soldiers on the island, an active resistance movement had begun.

When the Filipino-American forces surrendered in May, 1942, the exodus to the hills was a *fait accompli* insofar as the company's local employees were concerned. For PHILPAK's expatriate staff and their families, however, the surrender of the

troops also meant turning themselves in to the Imperial Japanese Forces. Seven of the staff, headed by then President and General Manager James McNeil Crawford, and members of their respective families (the group totalled fifteen in all) were immediately interned at the former Army base hospital in Impalutao, Bukidnon. Here they were to stay but briefly.²⁶

From Impalutao, J.M. Crawford, his wife Anita, and their children²⁷ were sent to the Internment Camp at the University of Santo Tomas (UST) compound in Manila. — The UST Camp was the biggest civilian camp in the country. On "opening" day, January 4, 1942, the Camp received some 300



Santo Tomas Concentration Camp, 1944. PHILPAKers Joe and Helen Brooks (left) pose with Violet and Norris Wadsworth, their daughter Terry (center), and an unidentified friend outside the Wadsworths' makeshift living quarters.

internees, consisting of American, British, and other "enemy alien" civilians residing or trapped by the war in Manila and its immediate environs. By mid-January, the camp was home to over 3,300 men, women and children.²⁸ — The Crawfords were to spend the duration of the war at this camp. In due time, other PHILPAKers were to join them. But none of the others reached the UST Camp in as direct a manner as did the Crawfords.²⁹



Facade of the University of Santo Tomas main building. The complex served as internment camp for PPC American employees during World War II.

Max White and his infant son Douglas,³⁰ came via Negros where White and his pregnant wife had fled hoping to find refuge in February, 1942. Instead, his wife died in childbirth and White and the newborn baby roughed it in the mountains of Negros until June when they were captured and brought to UST.

Norris Wadsworth, his wife Violet, and their daughter³¹ landed at the Santo Tomas Camp only in January, 1944, after moving around from one makeshift camp to another. So did Mr. and Mrs. Joseph Brooks, Mr. and Mrs. Howard Curran, Hugh Curran, and Howard Dennison.³²

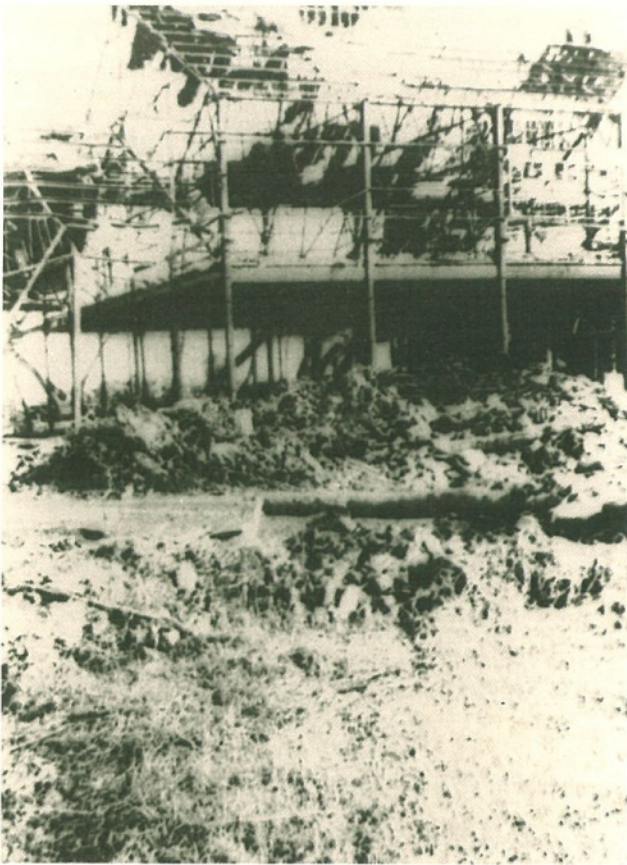
Another PHILPAKer, Fred Lambert, must have been one of the first internees at UST. The outbreak of the war had caught him in Manila. In a vain attempt to get back to the cannery, he had booked passage on an inter-island vessel. His voyage ended abruptly when the ship struck a mine. Fortunately, he was rescued and brought back to shore. However, when the Japanese took Manila, he was among the American civilians brought to the City's Internment Camp.³³

Living at the Camp was a daily struggle against malnutrition, poor sanitation, and the lack of basic

necessities. Perhaps the hardest to bear was the uncertainty of it all. For nearly three years, there seemed little chance of becoming free once again.

To maintain order in the place as well as to provide systematic liaison with the Japanese authorities, the Camp dwellers set up committees or departments to handle basic needs such as sanitation and health, division of labor, discipline, food, and recreation. They elected representatives to committees; at other times, they asked for volunteers; occasionally, they appointed. — Camp records of 1943 show, for example, that J.M. Crawford was named chairman of the Committee on Order. He also was appointed to a committee assigned to study the possibility of repatriation, "with particular reference to the removal of women and children, the aged and the sick, from the combat zone."³⁴ Wadsworth, on the other hand, served for a time as Labor Controller. As such, he was called upon in October, 1944 to coordinate with the Office of the Japanese Commandant regarding work loads and skills of the internees.³⁵

The third and last year at Camp was the worst one of all. "The history of the Camp during 1944 was a record of privation and suffering on the part



Sections of war-damaged cannery (above and below) in 1945.



of the internees, and cold-blooded, methodical abuse on the part of the Japanese. No sooner had the Prisoners of War Division taken over control of the Camp, than the treatment given internees grew [more] strict and harsh."³⁶ In September, however, Manila experienced its first raid by American bombers. Other raids followed. Although the internees suffered with every report of American progress through the islands by having their food rations further reduced and by being treated even more harshly by the Camp authorities, for the first time, in a long while, liberation now appeared closer at hand.³⁷

Freedom finally came for the internees on the 3rd of February 1945. That day an advance party of the First Cavalry Division, rushing in from the northern gates of the City, skirting mines and tank traps on Manila streets, successfully gained the release of the Camp residents. "Nearly 3,800 internees, sobbing, laughing and shouting were free . . ." at last.³⁸ The men of PHILPAK were among the lucky ones.

The "personal" aspect of the PHILPAK experience, however, was not confined only to individual privation, loss of liberty, or confinement in internee camps. It also included carrying out intelligence work, even engaging in actual combat when the situation called for it, either as a guerilla or as a volunteer officer. PHILPAK's volunteer in a special forces unit of the U.S. Army was Lawrence "Merc" Phillips, Plantation Superintendent from 1938 to 1941.

On home leave in the United States, as was another PHILPAKer, John Hilstrom, Phillips volunteered for "hazardous duty" in the Philippines when the war broke out. The army then sent him to Australia for training. When the training was over, he was brought to Mindoro via submarine. Together with a detachment of Filipino and American volunteers, Major Phillips landed on the northern tip of Mindoro, along Paluan Bay, in October, 1942.

Nearly thirty years later, Ceferino Villar, former Philippine Insurance Commissioner, while on a visit to PHILPAK, would reveal that he was among the

men who had welcomed Phillips to Mindoro. Recalling that there were no Japanese troops on the island at the time, Villar added that after Phillips and his group had unloaded their radio equipment from the submarine, they stayed a while with the Villar family.³⁹

After orienting themselves with enemy troop movements in the surrounding areas, the Phillips group then proceeded to the Calavite mountains to set up a series of radio stations for monitoring Japanese ship movements. Theirs was an excellent vantage point as they could observe the activity on the sea lanes leading to Manila. Thanks to their reports, the enemy lost some "200 ships of various tonnages" in the areas of Mindoro Strait.

In 1943, by then aware of their presence, the Japanese combed the Calavite mountains in search of Phillips and his band. Forewarned, the group fled towards Abra de Ilog. However, their luck had run out. Other troops in the area ambushed the men as they forded a river.

In Phillips' death, the PHILPAK management suffered its only loss. The company, however, lost quite a number among its personnel; thirty-eight died fighting for their country.⁴⁰

Throughout the three years of Japanese occupation, there was no PHILPAK to speak of. Its management staff were prisoners of war, its personnel, on the run, either actively fighting in the underground or supporting the resistance movement, even as they struggled to survive. The plantation was abandoned, the pineapples left to rot in the sun;⁴¹ the cannery, burnt down and in ruins. The once verdant fields had reverted to wilderness. What had been the hoped for Promised Land was now but the ghost of a promise.

Notes:

TURMOIL!

¹JPCPA, *Report . . .*, Volume II, Part 2, "Proceedings of June 16, 1937": Remarks of H.A. White to the Committee, Volume II, Part 2, p. 16; H.A. White, "Supplemental Brief of the Philippine Packing Corporation," July 19, 1937, Volume III, Group 2, p. 1287.

²*Ibid.* See also "Brief of the Philippine Packing Corporation," June 11, 1937, in the JPCPA *Report . . .*, Volume III, Group 2, pp. 1283-1284.

³In 1936, canned pineapple packs, the "first under normal conditions" (as opposed to those produced during the Depression years), totalled 277,131 cases. In 1937, total packs were expected to reach 450,000 cases and indications were that 1938 packs were to be in excess of 500,000 cases. JPCPA, *Report . . .* Volume II, Part 2, p. 17; Volume III, Group 2, pp. 1282-1283.

As for the areas under cultivation, these had been expanded as well during the 1930's. Cf. JPCPA, *Report . . .*, Volume I, p. 87.

⁴Ongpin, *Philippine Packing Corporation . . .*, p. 12.

⁵De la Costa, *Readings in Philippine History . . .*, p. 272; William Manchester, *American Caesar: Douglas MacArthur* ([New York: Dell Publishing Co., Inc., C. 1978]), pp. 237-238.

⁶Freidel, "The United States," pp. 991-992.

⁷*Ibid.*, p. 992; Manchester, *American Caesar*, cf. Chapter 4, particularly pp. 187-188, 198, 218-219, 221.

⁸Edward Haggerty, *Guerrilla Padre in Mindanao* (New York: Longmans, Green & Co., Inc., 1946), p. 227. Cf. Manchester, *American Caesar*, pp. 218, 221.

⁹Manchester, *American Caesar*, p. 218.

¹⁰*Ibid.*, p. 221.

¹¹*Ibid.*, pp. 288-289.

¹²Jesus Villamor, *They Never Surrendered*. As told to Gerald S. Snyder. With an introduction by John Toland. (Quezon City: Vera-Reyes, Inc., [1982]), pp. 56-57. Cf. Haggerty, *Guerrilla Padre*, p. 7.

¹³Villamor, *They Never Surrendered*, pp. 57-61.

¹⁴*Ibid.*, p. 57.

¹⁵Manchester, *American Caesar*, pp. 292, 295, 299-301. See also Villamor, *They Never Surrendered*, p. 58.

¹⁶Manchester, *American Caesar*, p. 301.

¹⁷Haggerty, *Guerrilla Padre*, pp. 7-9; Manchester, *American Caesar*, p. 302.

¹⁸Villamor, *They Never Surrendered*, p. 59; Manchester, *American Caesar*, p. 311.

¹⁹Villamor, *They Never Surrendered*, p. 59.

²⁰*Ibid.*

²¹*Ibid.*, p. 60, 63.

²²*Ibid.*, p. 61.

²³Haggerty, *Guerrilla Padre*, pp. 15-18.

²⁴Braznell, *California's Finest*, pp. 99-100.

²⁵*Ibid.* Cf. Ongpin, *Philippine Packing Corporation*, p. 14.

²⁶Braznell, *California's Finest*, pp. 99-100:

²⁷Frederick H. Stevens, *Santo Tomas Internment Camp: 1942-1945*. With a foreword by Gen. Douglas MacArthur. Limited Private Edition. ([U.S.A: Stratford House, Inc., C. 1946]), p. 505.

²⁸*Ibid.*

²⁹Braznell, *California's Finest*, p. 100. Unless otherwise indicated, details on PHILPAKers activities during their internment are from Braznell, pp. 99-101.

³⁰See Stevens, *Santo Tomas*, Census listing on p. 528.

³¹*Ibid.*, p. 527.

³²While the UST Census at war's end also includes Joseph and Helen Brooks (Stevens, p. 502), there is no mention of the other names. However, there is a Howard Curran, a Hugh McCullum Curran, Sr. and Jr. listed among the internees at Los Baños Internment Camp some 64 kilometers south of Manila. They could have been among those transferred to that location from UST.

³³See *Tid-Bits* II: 15 (March, 1950), p. 2.

³⁴Stevens, *Santo Tomas*, pp. 20-21, 52, 406, 418.

³⁵*Ibid.*, p. 457.

³⁶*Ibid.*, p. 58.

³⁷*Ibid.*, pp. 68-69.

³⁸*Ibid.*, p. 363.

³⁹As reported in *Tid-Bits*, XXIII: 4 (March 31, 1971). Details on Phillips found in the following paragraphs are also from the same write-up.

⁴⁰Braznell, *California's Finest*, p. 100.

⁴¹Haggerty, *Guerrilla Padre*, p. 65.

CHAPTER FIVE

*R*ENEWAL



On the 20th of October 1944, barely two and a half years after the fall of Corregidor, American forces led by General Douglas MacArthur landed in Leyte. Accompanying them was Commonwealth President Sergio Osmeña who had succeeded to the presidency upon the death of President Quezon in August of that year. Thus was launched the liberation of the Philippines, its message of hope and freedom broadcast by MacArthur from the shores of Leyte.

"I have returned. By the grace of Almighty God, our forces stand again on Philippine soil — soil consecrated in the blood of our two peoples . . .

"At my side is your President, Sergio Osmeña, . . . with members of his cabinet. The seat of your government is now therefore firmly re-established on Philippine soil.

"The hour of your redemption is here . . ."

And so it was. On July 5, 1945, MacArthur could announce that "The entire Philippine Islands are now liberated."² Meanwhile, Manila had been "secure" since early March; Bukidnon, since May.

In June, while on a brief tour of battlefields in southern Philippines, MacArthur and some members of his staff, including the Commander of the Eighth Army, Gen. Robert Eichelberger, stopped at the PHILPAK compound in Bukidnon. MacArthur wanted to see the Del Monte clubhouse where he had spent four harrowing days in March, 1942, while on his way to Australia.

Of that visit, Eichelberger wrote: "After considerable search we found the site — but only the site. Bombs had demolished the building; only the foundations, now overgrown by vegetation, remained to remind one that there once had been riches and luxury in northern Mindanao. And that, though man has only a short memory, nature has none."³

Months later, the same dismal scene greeted the CALPAK men who had come from San Francisco to help rebuild Philippine Packing Corporation. But despite the ravages of war, a revitalized enterprise would soon emerge from the ruins, and barren fields, turn fertile once again.

But before the work of reconstruction could begin in earnest, there was need to attend to the care of the recently released PHILPAK internees. Thus James McNeil Crawford and his staff were repatriated for a lengthy convalescence, returning to Bukidnon in 1946. In their absence, CALPAK's Clyde Taylor was assigned to start the rehabilitation of the facilities.

In terms of facilities and equipment, there was nothing that PHILPAK could salvage at war's end. When the hostilities were over, except for the land in Bugo, all company property still in use as of May, 1942 had been either lost or rendered valueless. But in one respect, the company was considerably lucky. Many of the pineapple plants had survived the



J.M. Crawford (left) PHILPAK President and General Manager, and Roy Lucks (right), CALPAK President with Calixto Garamay, a supervisor at the cannery, during a service awards ceremony.

JESUS GARAMAY



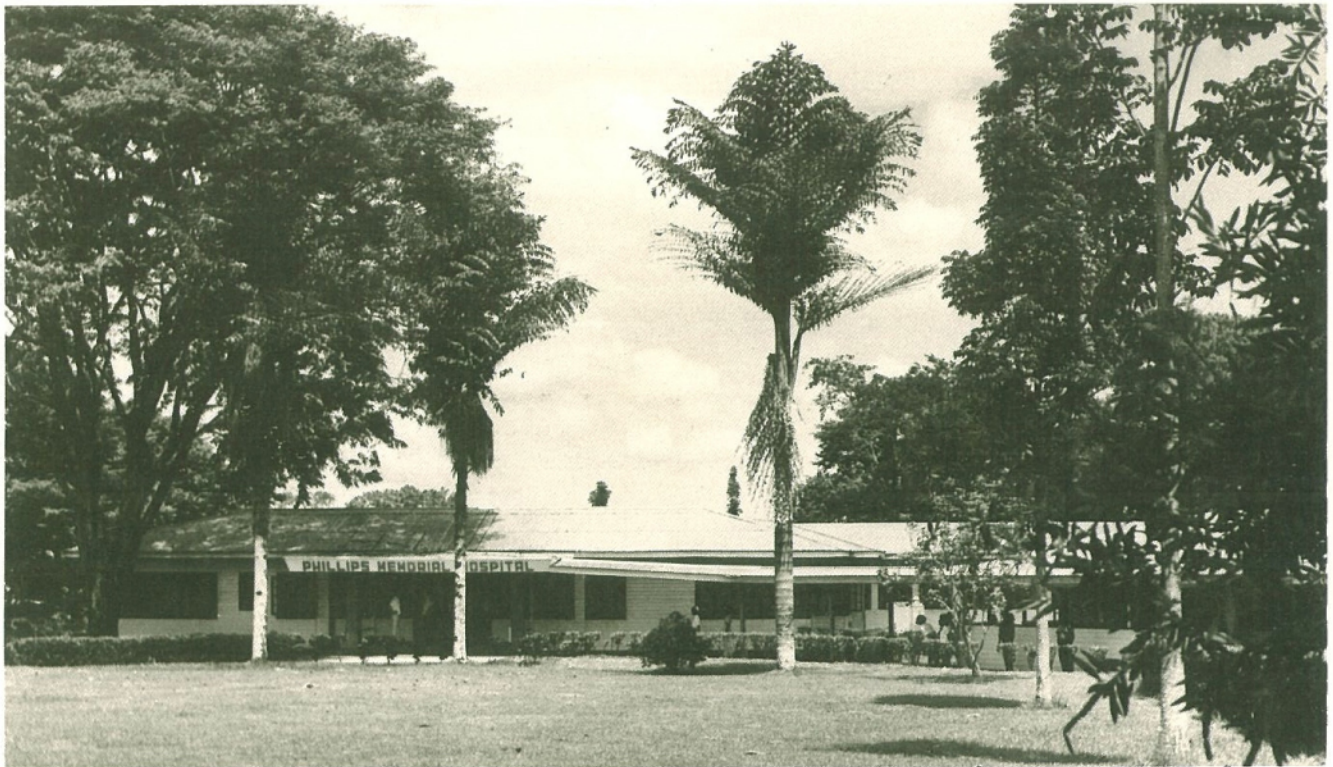
First harvest after the war. There were enough plants to start new seedings in 1946.

war.⁴ And from the slips of these old plants, company workers managed to get enough seeding material to begin replanting in early 1946. By then, PHILPAK had a new Plantation Superintendent, Calvin Crawford, who despite the surname, was no relation to J. M. Crawford, PHILPAK President at the time.

The two years immediately following the liberation of Bukidnon were particularly trying. Japanese stragglers hiding in certain areas of the plantation harassed field workers, thereby further compounding the task of rehabilitation. Nevertheless, the company managed to get on with the work at hand. By February of 1948, the first pineapples were ready for picking. At about the same time, the rehabilitation of the cannery was practically completed; the Utah Construction Company had undertaken the major part of the work. By the middle of February, the cannery became operational. At this juncture, rehabilitation and development expenses, as distinguished from expenses directly applicable to crop growing, amounted to ₱2,031,908.

In 1949, there were significant additions to the PHILPAK complex. That year, staff and camp houses were built; two docks at the Bugo property were constructed; and a power and lighting system were installed. Moreover, there were newly purchased trucks available for the transport of men and goods. Things were beginning to look up.

Even while the PHILPAK management busied itself with the innumerable demands of rebuilding, it did not neglect the needs of its workers. Thus, the mid-century period also witnessed the establishment of the Phillips Memorial Hospital (named after the late Lawrence "Merc" Phillips) to serve not just the company employees and their dependents but the surrounding community as well. Concerned as it was with providing first-rate medical services and maintaining an equally first-rate facility, PHILPAK invited the Sisters of St. Joseph of Newark, New Jersey, to run the hospital. The Sisters of St. Joseph were to stay on for twenty-five years. From 1948 to 1973, they would serve the community not merely as hospital administrators but as valued members of the PHILPAK extended



A 50-bed hospital, named after Merc Phillips, was built after the war.

family, promoting sound health habits as well as meaningful relationships, thereby enriching the lives of those around them.

Still in keeping with its social philosophy, the company also concerned itself with the need of its personnel for housing and school facilities. Among its first projects were the construction of an 8-room elementary school building within one of the Plantation camps and the building of houses for some 40 of its field workers. Additionally, in view of the shortage of food, the PHILPAK management helped provide nourishment for its people by purchasing rice and corn whenever these were available. It even hired people to look around for the scarce grains. At the same time, to supplement these staples, the company also imported canned fish and other canned foods which were then rationed to its personnel.⁵

In a related development, PPC purchased cattle from nearby areas not simply for breeding purposes but in order to be able to provide meat for the community. Early on, the management had recognized the need to re-establish the herd which had been decimated during the war.⁶ But where to look for the cattle was a problem. At a time when there was no telecommunication system to speak of, the company had to rely on local contacts for the pertinent information. PPC obviously had the right contacts because it was able to track down a source in Zamboanga del Norte. How the company then

brought the first heads to the plantation site provides an interesting sidelight on the early post-liberation period.

Reminiscing about those days, nearly four decades later, ⁷ Calvin Crawford, who was charged with the task of building up a herd, recalled that he had heard of an American old-timer, John Roemer, owning some cattle in Sindangan. During the war, the animals had been let loose in the hills. But when the war was over, they had been rounded up and put in corrals. Crawford then got in touch with Roemer, struck a deal with him, and bought a fairly large number of the latter's cattle. His next worry was how to bring the animals on to Bukidnon. "Roemer did not . . . have [even] a lead rope with which to bring the herd down to some transport and then on to Bugo." Fortunately, Crawford had access to some. He and his men fashioned halters out of the available cordage and provided Roemer with the essential lead rope.

Delivering the rope to Roemer was in itself an adventure. An army pilot, Bob Brenner, was stationed at the plantation. He flew Crawford around the area so the latter could get his business done. (There was a dearth of transportation then.) Using a small two-seater L-5, the two men flew to Sindangan on the western coast of Zamboanga but were unable to land because of strong cross-winds. Crawford then decided to throw the rope down to the waiting Roemer whose men scrambled for the

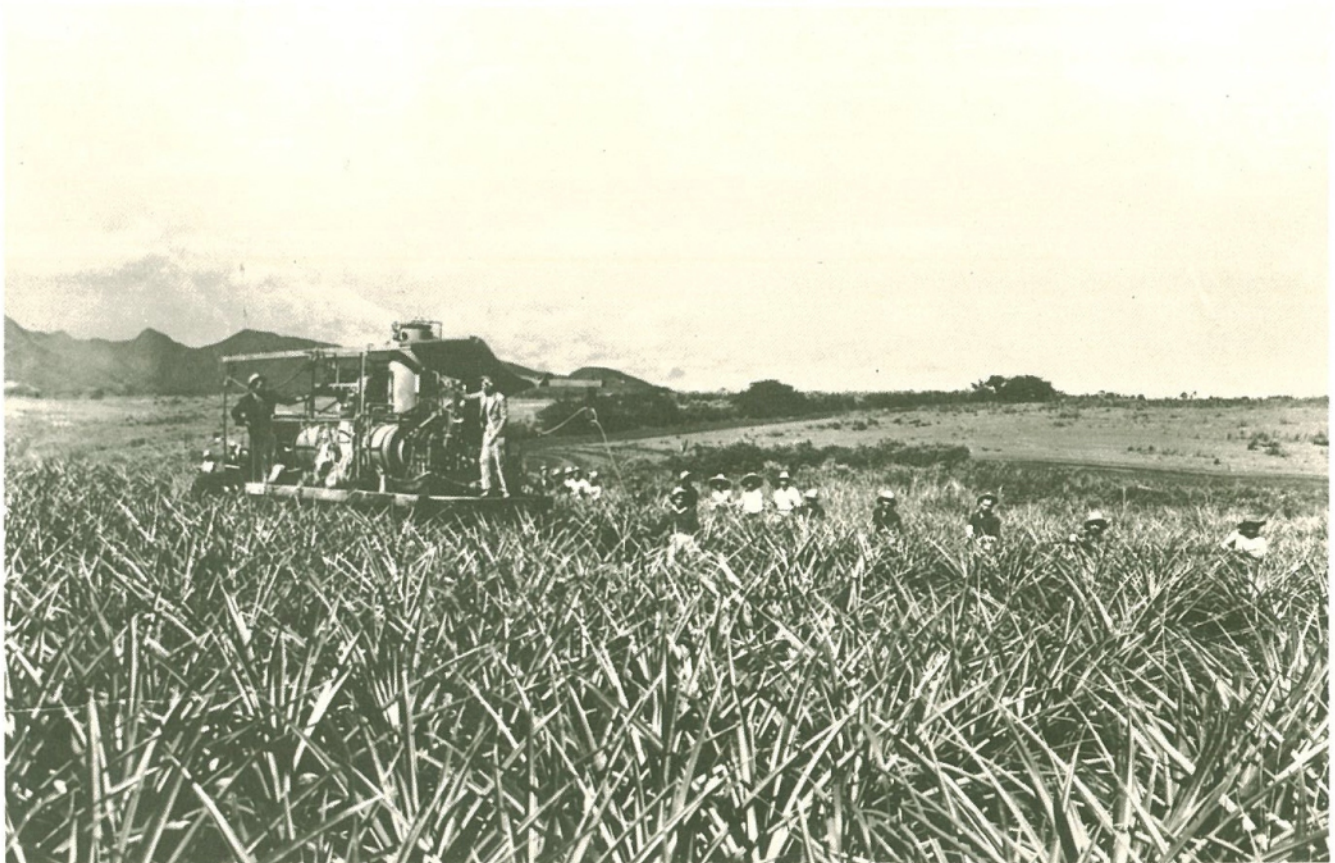
line. The cattle were then lashed together, as a herd, to a carabao who plodded down the road from the corral to the beach where they awaited the transport which would bring them first to Bugo, then to the plantation in Bukidnon. On his return to the plantation, Crawford arranged for a landing craft to ferry the herd to Bukidnon, forty to fifty heads a trip.

The animals from Sindangan formed the nucleus of the PHILPAK herd which was subsequently supplemented by cattle purchased from neighboring areas. Eventually, the company would also import breed semen and develop cross-breeds, producing some good beef and milk animals. With its first post-war acquisition of cattle, the company not only contributed to the local food supply, it also laid the groundwork for the modern cattle-breeding and

feedlot operations of the succeeding decades.

Meanwhile, on the fourth of July 1946, sovereignty was duly transferred to the Republic of the Philippines by the United States, as provided for by the Tydings-McDuffie Act of 1934. But coming as it did, immediately at the end of the war, independence imposed some heavy burdens on a crippled Philippines. A devastated economy and a ravaged land were hardly the cornerstones for a sovereign nation. Thus, in the struggle for survival and stability, the task of reconstruction and of binding the wounds of war were to absorb the country's energy through the next decade. No activity of the body politic could remain unaffected for long.

One aspect of the country's rehabilitation program involved developing the ability to face up



In an effort to increase production, the company adopted the latest technology, including mechanized fertilizer spraying or boom spraying.

to serious threats to the post-war economy which was predominantly agrarian. This meant the adoption of some far-reaching economic measures within the decade following the gain of independence. Some of these measures, in turn, had a direct bearing on the continued viability of PHILPAK. Among such measures were the trade agreements between the Philippines and the United States and the imposition of import and exchange controls.

Exchange control, begun in 1946 by the Philippine Government, was deemed necessary in order to maintain the stability of the peso. By 1949, the Government had to take stronger measures. The appalling shortage of goods and services had resulted in heavy importations which ran so far ahead of exports that the country experienced a serious balance of payments deficit. With international reserves reduced to critical levels, the Government imposed controls on imports and foreign exchange transactions. The measure halted the drain of dollar reserves by putting a limit on the importation of non-essentials while at the same time stimulating domestic production through the proper use of foreign exchange.⁸

For PHILPAK, one immediate result of the currency controls was the end of the open account operations between the company and its California-based affiliate. The open account arrangements had been especially useful during the rehabilitation of the cannery as it simplified the acquisition of machinery and equipment from abroad. But from the end of 1949 on, in terms of purchases from its American affiliate, PHILPAK was just another importer, subject to the requirement of applying for a license in order to remit payment for dollar obligations abroad. Additionally, import licensing and its attendant bureaucratic requirements caused the inevitable, if occasional, delays in canning and packaging operations as well as in plantation schedules. Cans, labels, cartons, and fertilizer were among the more common product materials affected by import licensing delays.

However, the measures with the greatest impact on the future of PHILPAK were the Philippine



The rehabilitated cannery after the war. Reconstruction work started from scratch.

Rehabilitation Act and the Philippine Trade Act, both passed by the United States Congress in 1946, and the Laurel-Langley Agreement which took effect in 1956. The first of these, the Philippine Rehabilitation Act, provided for, among other things, the payment of \$400 million in war damages. The second, the Philippine Trade Act, "extended the free trade arrangement between the [Philippines and the United States] . . . for another eight years [after independence], to be followed by a twenty-five year period of gradually increasing tariffs on American goods entering the Philippines and Philippine goods entering the United States."⁹ Although both Acts were intended to substantially assist the new nation in restoring its crippled economy, recovery was neither rapid nor solid.



independence, they could look forward to economic progress and a rising standard of living have not been realized.”¹¹ Even as the Bell Mission acknowledged the efforts of the Government to deal with the economic disorder by the imposition of controls, it observed that “at best,” these measures could only delay the breakdown in the economy. “A permanent solution to these [economic] problems will be found only through a determined effort on the part of the people and the Government of the Philippines, with the aid and encouragement of the United States, to increase production and improve productive efficiency, to raise the level of wages and farm income, and to open new opportunities for work and for acquiring land.”¹²

Five years later, in 1955, the Philippines and the United States agreed to revise the Trade Act of 1946. The revision, embodied in the Laurel-Langley Agreement, removed U.S. controls over the economy of the Philippines and over the management of its currency. However, the Agreement extended the effectivity of basic provisions in the Trade Act such as reciprocal duty-free treatment and parity rights for Americans to 1974. For the next twenty years, the Agreement governed trade relations between the Philippines and the United States, using the instruments of tariff and investments. Through tariff incentives, the Agreement sought a stable exchange of goods between the two countries. Through the parity clause, American investments were encouraged in the country since U.S. citizens were given the same rights as Filipinos in the use of natural resources.

As earlier noted, the future of PHILPAK was linked to the Rehabilitation Act as well as to the Trade Agreements between the Philippines and the United States. By virtue of the Act, the company was entitled to claim for damages sustained as a result of the war. It did just that in 1947, filing its initial claim with the U.S.-Philippine War Damage Commission. Documentation for the total claim was not completed until 1949, however, at which time the company asked for war damages amounting to ₱4,597,462.01. Although the Commission approved

In his “Message on the State of the Nation to the Second Congress,” the new President of the Republic, Manuel A. Roxas, noted that “the effectivity of the Rehabilitation Act was made contingent on the acceptance by the Philippines of the so-called ‘parity clause’ of the Trade Act, whereby American citizens and corporations acquired the same rights as Philippine nationals in the exploitation of the country’s natural resources. The Filipinos, judging that the state of their economy gave them no choice, accepted the condition and amended their Constitution accordingly.”¹⁰ In 1950, a U.S. economic survey mission headed by Daniel W. Bell issued a report which was far from reassuring. “The high hopes of the Philippine people that with peace and

the payment of ₱3,356,033.78 to the company, a portion of which, or 25 per cent, was disallowed by law, the latter did not receive the full amount of the balance. Furthermore, the payments, were made in installments. The first partial payment, in the amount of ₱1,007,510.12, was made in 1950; the second, for ₱754,882.67, in 1951.¹³

Insofar as the trade measures were concerned, PHILPAK had correctly anticipated that American competitive packers of canned pineapple and other canned fruits would oppose the entry of Philippine canned pineapple into the United States, once negotiations for the revision of the Trade Act of 1946 went into high gear. It felt confident, however, that on the basis of the trade in canned foods between the Philippines and the United States, the former was in a favorable position to deflect U.S. canners' protests and thereby protect its export pineapple industry. Philippine food imports from the United States consisting of dairy products (mostly canned milk), fish and fish products, cocoa, coffee, tea, vegetables and vegetable preparations were in much larger quantities than its exports. In 1950, these imports were valued at slightly over ₱56 million and in 1951, at over ₱70 million. On the other hand, pineapple and pineapple juice, the only canned foods that the Philippines exported to the United States, had a value of ₱19.4 million and ₱15.3 million in 1950 and in 1951, respectively.

PHILPAK's grasp of the situation vis-a-vis the continued duty-free entry of Philippine pineapple exports to the American market proved to be accurate. The Laurel-Langley Agreement extended the necessary tariff protection, giving the company a sufficient breathing spell to enable it to absorb the pertinent tariff burden in due time. In another bit of good fortune, there were no quotas imposed on pineapple exports to the United States. By this time, pineapples had become one of the Philippines' ten principal exports. However, with the foresight that is needed by an organization seeking to promote its viability and development, the company took immediate steps towards long-term growth.

To insure that growth, PHILPAK addressed itself to both short-term and long-range objectives. One of the company's immediate concerns during the Fifties, in view of the import and exchange controls, was to reduce dependence on imported product materials and to promote import substitution. In the light of this concern, the company set up a new can-manufacturing plant in Bugo, in 1953. The new facility, capable of making all the needed sizes of can bodies, did away with the importation of whole cans, requiring only can ends and the tin plates with which to fabricate the bodies.



Pineapple-orange and grapefruit testing in 1959.

In 1954, the company put up a vinegar plant for the production of *Del Monte* pineapple vinegar for local distribution. The following year, it established a plant for the manufacture of tomato catsup; two years later, in 1957, the company installed a pineapple juice concentrate plant. Meanwhile, PHILPAK had been designated as the sales broker in the Philippines for all CALPAK products. Thus, the newly opened (1953) Manila sales office which was promoting the locally produced canned pineapples and canned juice, added the handling of CALPAK products to its responsibilities. In so doing, the Manila office took a significant first step



PURISIMA BIBANCO

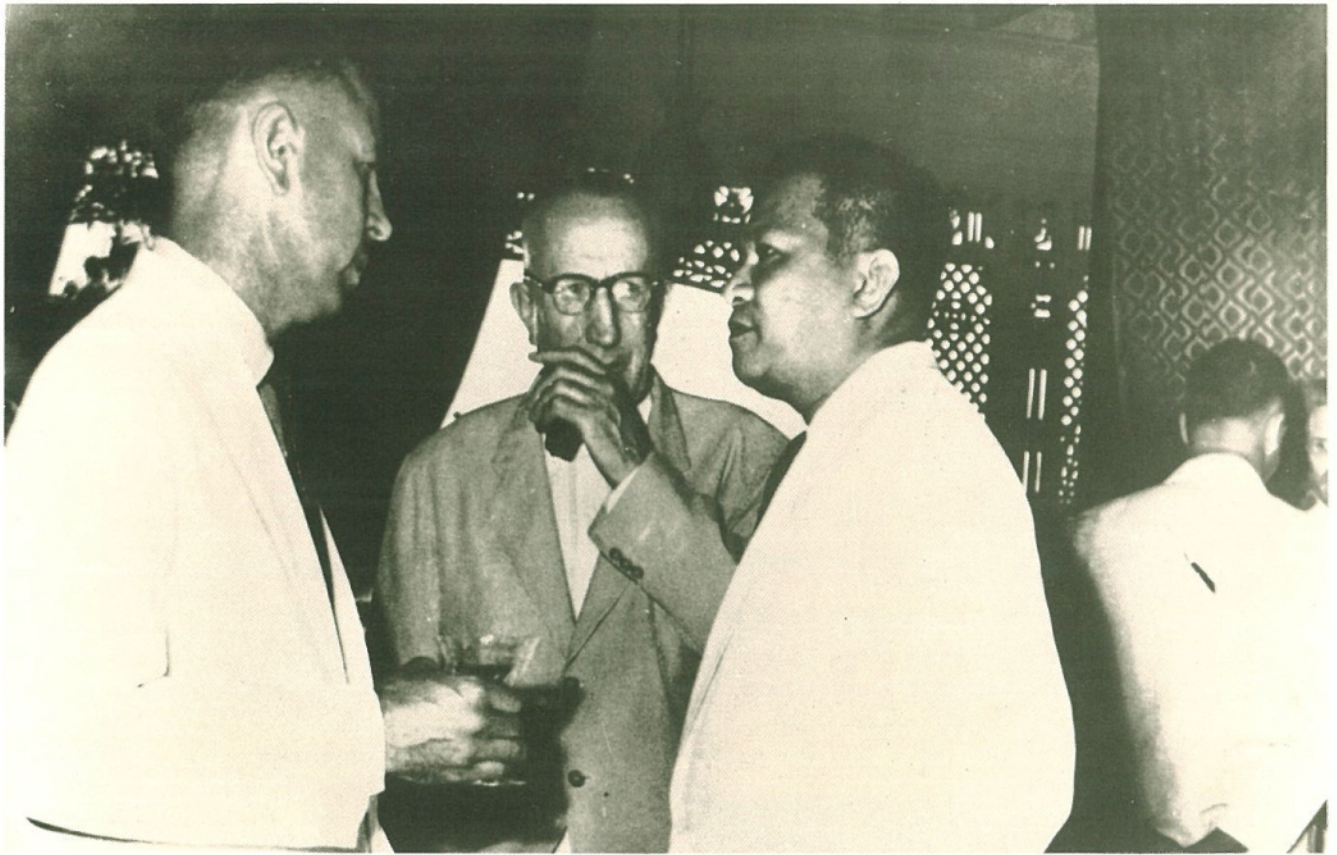


Roads like this one in the plantation were cleared for transporting harvested fruits.

towards establishing an Asian network for both PHILPAK and its California-based affiliate. The full significance of this move, however, was still to be appreciated. Nevertheless, it was evident, even then, that by 1957, within the brief span of four years, the company had made remarkable headway towards achieving a more solid footing for its post-war sales operations.

Concerned as it was with achieving success, the enterprise engaged in the appropriate research. Some of these activities, directed to improving operations, included soil conservation through appropriate planting schedules and the use of the right fertilizers; a non-stop effort to control plant disease; and the careful selection of planting materials in order to produce plants which are resistant to fruit disease and yield good-shaped fruits with smaller cores (the market's preference). In addition, the company conducted experimental plantings of tomatoes, coffee, cassava, and cacao to determine which other crops were suitable for growing in the area. This move was in line with the Government aim of making the country as self-sufficient as was practical in the growing and processing of all the food that it needed.

By this time, PHILPAK was already preparing to seek an extension of its operating agreement with the National Development Company. The agreement, which was due to expire in 1963, involved land leased by the NDC from the



President Ramon Magsaysay with Cal Crawford and JM Crawford at a Del Monte party in 1957.

government totalling 7,823 hectares, of which 5,351 hectares were arable. In 1955, the company formally requested for a renewal of the agreement. By then, it could lay claim to having boosted pineapple within the ranks of the top ten non-traditional exports of the country. The company's foreign sales from February, 1949, following its first year of production since the end of the war, to the period ending in February, 1954, had already reached an aggregate total of \$52.8 million (P105.6 million at the then prevailing exchange rate of P2 to \$1). Of these exports, 96 per cent represented canned pineapple and juice shipped to the United States. During the same period, annual exports ranged from a low of \$3.6 million recorded for the fiscal year ending in February, 1949, to a high of \$11.5 million for the year ending in February, 1954. As for pineapple production, these had increased to approximately four times the average pre-war production. In the communication of March 25, 1955 addressed to the National Development Company, PHILPAK pointed out that the remaining years available to the enterprise under the terms of the contract were now limited to but two planting cycles. A complete cycle consisted of four years,¹⁴ with the first harvest crop being ready

at the end of two years and the second, or ratoon crop, coming at the end of the next two years. (The company did not grow a third crop from the same plant.) Under the circumstances, therefore, it was not possible to plan for the long term.

The negotiations for the renewal of the agreement came to an end in February, 1956. At that time, the President of the Philippines, Ramon Magsaysay, on the recommendation of his cabinet, approved the extension of the lease held by the National Development Company on land set aside for pineapple-growing. Following the Presidential approval, NDC and PHILPAK concluded an operating agreement for another twenty-five years, counting from 1963.

By getting an extension of the lease on the pineapple lands in Bukidnon and then renewing its own operating agreement with PHILPAK, the National Development Company insured the continuity of the pineapple industry. The phenomenal growth of the industry in the succeeding years would, in turn, reflect an enlightened partnership between an agency of government and a private enterprise.

Thirty years after its establishment, Philippine Packing Corporation was clearly far removed from

the pioneering enterprise that it was in the 1920's. The lush vegetation of Libona and Tangkulan in Bukidnon, where once there had been but clumps of weeds and wild grass, or patches of rocky ground, the neatly laid out homes and backyard gardens in the camps, the elementary school with its 800 pupils, and the high school with its 100, both located in Camp Phillips, the community hospital, the modern cannery, the tractors, busily criss-crossing the plains, the workforce of some 3,700 men and women — all these graphically illustrated how much the company had grown since its beginnings. Equally important, the changes in the environment also reflected a revitalized organization confident of its ability to thrive.

Notes:

RENEWAL

¹General Douglas MacArthur, as cited in De la Costa, *Readings in Philippine History*, pp. 278-279; cf Manchester, *American Caesar*, pp. 449, 452.

²In Manchester, *American Caesar*, p. 502.

³*Ibid.*, p. 503.

⁴During the war, the pineapples served a purpose other than providing nourishment. At a time when the Japanese Army had first claims on the limited stocks of gasoline, the rotting pineapples on the PHILPAK plantation, popularly referred to as the Del Monte Plantation, were converted into alcohol-fuel for trucks used by guerrillas and civilians as well. See Haggerty, *Guerrilla Padre*, p. 65. But there were enough plants growing wild that did provide seeds for the first post-war planting.

⁵Derived from the transcript of an interview of Mr. Paul D. Perrine, then PHILPAK President, by Mr. M. Marabut, 6 May 1986.

⁶Derived from a cassette tape recording by Mr. Calvin Crawford, former President of PHILPAK, for Mr. Adrian Pabayo, PHILPAK Industrial and Community Relations Manager, on 1 March 1986. An article, "Pineapple Waste Converted into Cattle Feed," in *Tid-Bits* (September-October, 1985) had inspired the recording.

⁷*Ibid.*

⁸Cf. *Central Bank of the Philippines: January 3, 1949; January 3, 1974*. Published by the Central Bank of the Philippines on the occasion of its 25th Anniversary. (Philippines: 1974), pp. 36-37. See also *Banking in the Philippines*. Published by the Bankers Association of the Philippines ([Manila: 1957]); A.V.H. Hartendorp, *Short History of Industry and Trade* (Manila: American Chamber of Commerce of the Philippines, 1953), p. 196.

⁹"Message on the State of the Nation to the Second Congress," in *Important Speeches, Messages, and other Pronouncements of President Manuel A. Roxas*, as cited in De la Costa, *Readings in Philippine History*, p. 283.

¹⁰*Ibid.*

¹¹U.S. *Economic Survey Mission (Bell) Report*, cited in De la Costa, *Readings in Philippine History*, p. 285.

¹²*Ibid.*

¹³In 1964, the company wrote off the balance of ₱1,371,121.50.

¹⁴Today, the full cycle consists of approximately 40 months. Land preparation takes up 6 months. The first harvest crop is ready some 18 months after planting; the ratoon crop, some 14 months after planting.

CHAPTER SIX

A

*TIME FOR
GROWING*

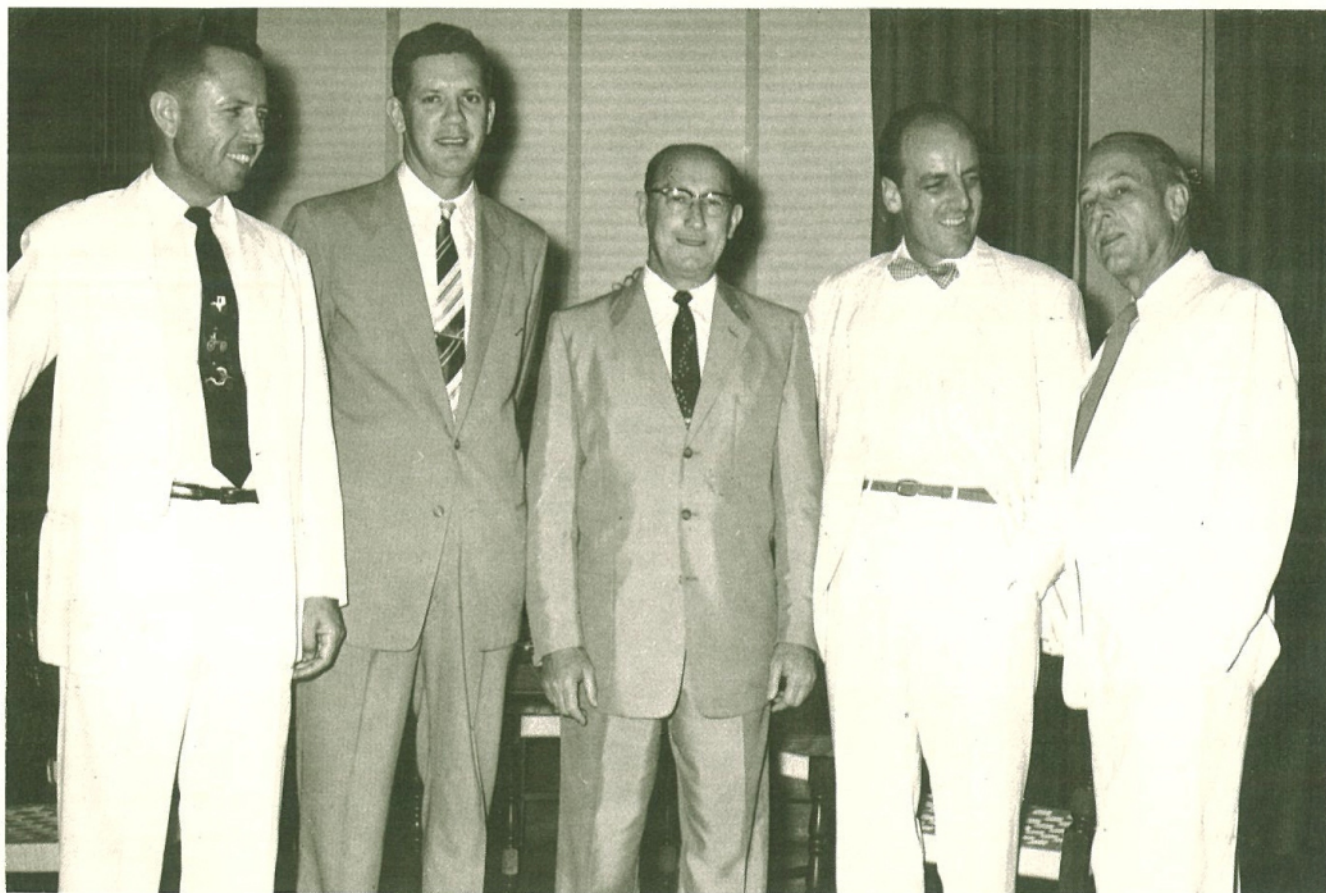
To every thing there is a season, and a time to every purpose under the heaven.



With the self-assurance of a strong and healthy organization, PHILPAK entered its fourth decade prepared to expand its area of operations. Fully aware that continued progress depended on its ability to produce better and varied products, the company initially focused its attention on the efficient use of available resources. Next, it looked around for opportunities where the company could engage in new or related activities. All the while, PHILPAK undertook to take stock of itself, both as a corporate entity with specific objectives and as an investor operating in a foreign land. This audit of corporate goals, based on a healthy respect for the symbiotic relationship between the company and the host country, has been a recurring practice

throughout the company's life.

Operationally, some significant changes took place at PHILPAK towards the end of the Fifties. In August of 1958, the company organized the Research and Development Department to develop new products and to "handle miscellaneous projects." Following its establishment, the Department undertook initial studies on cattle feedlot operations, using pineapple pulp as the main element of the feed. The Department also test-planted a variety of tomatoes in four different areas (three of these were in Mindanao, the fourth was in Luzon), to determine where the tomatoes would grow best. During the same period, the Department was equally busy processing tomatoes, on an experimental basis.



PPC officials Cal Crawford, Paul Perrine and Frank Cullen (2nd from right), with CALPAK Vice President Curtis Turner (center) and Manila Bulletin Editor Floyd Wilkins (right) in the early 50's.



The success of experimental plantings of tomatoes in the late '50s indicated the suitability of the soil. Today, tomato is one of PPC's main crops.

Within a few years, the R and D Department was to prove invaluable to the company. Departmental studies enabled PHILPAK to broaden its sphere of activities, building on existing resources. A case in point was the development of pineapple waste as cattle feed. In the latter part of the Fifties, the company was troubled with a waste disposal problem when pulp from the cannery began to accumulate on the beach behind the factory. While seeking a solution, the research people discovered that by pressing pineapple peelings, cores, and other pineapple waste into bran, and then adding some locally-grown maize and coconut by-products, they produced a nutritious and apparently tasty cattle-feed. This discovery not only provided a solution to what was becoming an ecological problem, but it also resulted in a new business operation — cattle raising. The company took the first step towards that end in 1959 when it set up the feedlots.

Two years later, in 1961, cattle operations had become a profitable venture. To provide for the requirements of the feedlot, on a continuing basis, trench silos were constructed to hold the pineapple

pulp. Thus, when the cannery was shut down, the silos became the source of feed for the animals. With the assurance of an adequate feed supply, it then became a practical matter for the company to segregate a feeder stock from a breeder herd.

The feeder stock which consisted of cattle that had been purchased primarily for fattening in the feedlot or for local slaughter came from Bukidnon, Misamis Oriental, and neighboring Bohol. In 1960, the company shipped 656 heads of fattened steers to Manila, providing that market with 277,662 lbs. of good beef. That same year, breeding cows increased from 397 to 553. For the breeding animals, however, the emphasis was on increasing the herd size and on improving the breed as well. The management used Brahma-Brown Swiss and Brahma-Santa Gertrudis crosses to upgrade the herd.

At about the time that PHILPAK was gearing up for changes in its operating life, the company experienced another kind of change. In 1958, James McNeil Crawford, "Neil" to friends and associates, retired as President.¹ He had been with the company from the start, had helped launch it, and, wielding what perhaps may have been the single most powerful influence on the enterprise during the pre-war period, had helped achieve the company's transformation from a relatively small pineapple grower and processor to one on the threshold-stage of a modern agro-industrial venture. In recognition of his pioneering role in the establishment of Philippine Packing Corporation, in 1954, President Carlos P. Garcia conferred on Crawford the Presidential Award of the Golden Heart. The Award also acknowledged Crawford's contribution to "productive efforts which have immeasurably enhanced the Islands' economy. . . ."

On the retirement of J. M. Crawford, Calvin C. Crawford assumed the presidency of PHILPAK. (He was the third in that position.) By then, C. C. Crawford had been in the Philippines nearly 12 years and, like his predecessor, had begun his career with CALPAK's Hawaiian Division. Their common start provided a thread of continuity which made for a smooth transition, as did their shared



L. F. LORENZO

Upon his retirement as PPC president in 1954, James McNeil Crawford received the Golden Heart Presidential Award from Philippine President Carlos P. García.

appreciation for the role of PHILPAK in the Philippine setting. Both men were fully aware of the company's contribution to the local economy and took pride in it. Both were equally concerned with looking after the PHILPAK extended family.

Striving for greater productivity, the company adopted the latest applicable technology. Thus, at the plantation, during the pre-planting stage, for example, the company concentrated on deep and thorough plowing. At the same time, for greater efficiency in field development and maintenance, as well as in crop-gathering, the enterprise turned to the use of mechanized fertilizer-sprayers and boom harvesters.

Since land preparation and field lay-out were key elements for increasing yields, these two aspects of plantation work were kept under close supervision. In 1959, the shift in planting density from 34,421 plants to 42,632 plants per hectare for the same area resulted in an increase of approximately 8.6 tons per hectare (from 62 to 70.6 tons) in plant crops. In addition, plants were laid parallel to the roads, wherever boom harvesters were to be used. But for fields which required harvesting by hand, plant lines were at right angles to the field roads in order to make it easier for the pickers to gather the fruits.



PPC also experimented on guava planting for its pineapple-guava fruit juice

Anticipating times of plenty, when surplus harvests could not be accommodated at the cannery, PHILPAK also began to lay the groundwork for a fresh fruit market. In 1959, 612 tons of fresh pineapples were sold in the market. From this modest start a sizeable business developed and some twenty years later, the company would sell over 47,000 tons of fresh pineapples.

In the interim, the search for other products continued, even as new drink packs, *Pineapple-Grapefruit* and *Pineapple-Orange*, were introduced to the consumer public in 1960. That very year, the R and D Department also launched a pineapple-breeding program, undertook a feasibility study on an independent can manufacturing plant in Manila, developed a satisfactory mixture of fruit cocktail,

and prepared experimental packs of sweet-mixed pickles. Making use of data derived from its earlier experience in tomato-growing and processing, the Department conducted further studies on the tomato and its by-products.

Following the Department's lead, the plantation began the experimental planting of papaya, banana, and passion fruit (ingredients for the *Tropical Fruit Cocktail*). The plantation also engaged in tomato-breeding, on a pilot-plant basis.

In 1962, construction work on additional facilities began in Bugo. In 1963, equipment for can-end manufacturing and machinery for fresh tomato processing were installed. That same year, four new products were introduced: can ends, *Tropical Fruit Cocktail*, *Pineapple-Mango* chunks, and processed fresh tomatoes.

In a related move, also in 1963, PHILPAK organized the General Crops Department (GCD), preparatory to the commercial production of tomatoes, passion fruit, bananas, and papayas. Following its establishment, the new department was assigned not only to the growing of these selected crops but also to the managing of the livestock operations. By this time, however, livestock operations included the management of neighboring ranches, an arrangement which gave the company first option on all animals produced by the herds under its care.

With the herds increasing in number, all available pulp from the cannery was utilized as feed. As the beef herd grew, so did the milking animals, an integral part of the herd. PHILPAK personnel and their families were the immediate beneficiaries of this growth as they were then assured of a ready supply of fresh milk.

On the administrative front, new developments were also taking place. In the last quarter of 1959, the main office moved from Bugo to Manila. The transfer involved the relocation of the offices of the President and of the Treasurer to the Capital and the creation of the position of Mindanao Manager. (Oliver A. Schulz was the first to occupy the post.) Coinciding with the move was the designation of Paul D. Perrine as the Manila-based Marketing



L. F. LORENZO

These plants are approximately 18 months old.



Loading bananas: Hijo Plantation in Tagum, Davao del Norte.

Manager, in charge of Far East sales. In his new post, Perrine became the representative of both PHILPAK and CALPAK. And through Perrine and the Manila regional office, PHILPAK thus became directly involved in the promotion of CALPAK's *Del Monte* products in Asia, an important first step for expanding PHILPAK's own export reach. Target markets were Hong Kong, Japan, Vietnam, Thailand, Malaysia, and Singapore. As for the Philippines, in 1959, PHILPAK moved 1,313,419 cases of canned fruits and juice, the largest volume as yet.

Meanwhile, the country was moving towards the lifting of import controls which had been in force since 1949. The Government launched a gradual decontrol program in April, 1960. As a result, except for certain decontrolled items such as canned fish, the cost of imported canned goods went up considerably. During the latter half of 1960, the applicable exchange rate for some imports went as high as ₱4 to \$1. (The official exchange rate which was applicable only to essentials was ₱2 to \$1). In 1961, the demand for imports grew even more, "fueled by a speculative build-up of business inventories in anticipation of higher import costs under full decontrol."² On January 21, 1962, in a bid to reduce speculation and to stimulate business, the Government abolished controls.

By 1963, decontrol was exerting its own form of pressure on the country's foreign currency reserves. The peso-dollar exchange rate hovered between ₱3.89-3.90 to \$1. Credit was tight and, with few exceptions, bank accommodations were rare. Costs of locally manufactured goods went up and prices rose correspondingly. Confronted with the high cost of money, PHILPAK closely reviewed production costs, well aware that its competitive edge in the market depended on an economical and efficient operation.

However, efficient operations alone could not assure PHILPAK of a progressive future. Only too conscious of the risks, the company put a premium on research work, on keeping abreast of technical developments in agriculture³ and related fields, as well as on the maintenance of strict quality control measures in production. Considering the value which the company placed on technical excellence and its interest in having a broad-based enterprise, PHILPAK continued its development drive in the Sixties.

By 1965, the company could boast of a few more achievements. Personnel-wise, the year stood out for the local contribution to management. PHILPAK had its first Filipino Plantation Manager in Luis F. Lorenzo. At the same time, the company provided an affiliate, Kenya Cannery Ltd., a new

CALPAK subsidiary, with a Factory Manager, Vicente H. Lim, PHILPAK Plant Operations Manager prior to his new assignment. Lim was the first Filipino to undertake an overseas assignment for the parent company.

The year 1965 was equally notable for setting a number of records. One such record was the export of fresh fruit on a commercial scale, a first for PHILPAK. Another was the production of the first packs of tomato juice and the setting up of a pilot plant for sweet-mixed pickles. By this time, two small farms were already planted to banana and papaya and plans for the growing of pickle crops such as cucumber and cauliflower were being finalized. (Two years later, in 1967, a new pickle facility would be operational.)

Confident about its continued viability, the company prepared for a future beyond the fifty years for which it had been originally chartered. On the 13th of September 1963, nearly thirteen years before the expiry of its charter, PHILPAK's stockholders moved to extend its corporate life for another fifty years. But by the time the application for extension was filed with the Securities and Exchange Commission, another Chief Executive would be at the helm of the company.

In 1966, Cal Crawford opted for early retirement, after having served in the company since 1946. But even before his retirement, the wider community to which both he and PHILPAK belonged had already taken the measure of the man, as it was reflected in



Papaya peeling and cutting. Banana and papaya were grown successfully on a commercial scale.



MEMBERS OF THE BUGO OFFICE
WITH MR. PAUL D. PERRINE, PHILPAK PRES. & GEN. MANAGER MR. I.
BOEA OFFICERS: E. A. PAGUIDOPON - PRES. A. P. CASINO - VICE PRES. N. P. ISRAEL - SECRETARY

the progressive management of the company. In March, 1962, Xavier University, Cagayan de Oro, speaking for the "people of Northern Mindanao" as it were, conferred on Crawford the degree of Doctor of Agricultural Management, *honoris causa*, acknowledging "the rich and lasting contribution made to this region" by Philippine Packing Corporation. Referring to the higher than the legal minimum wage scale of company workers, the housing and medical benefits given them, the University noted that these provided a "compelling tribute to the vision and spirit . . . of Mr. Crawford."

Paul D. Perrine succeeded Crawford as President. Prior to his appointment to the new post, Perrine was in San Francisco as CALPAK Marketing Manager for the Far East and Latin America. But unlike his predecessors, Perrine's association with Philippine Packing began in the Philippines, in 1947. He had come with the American liberation forces in 1945 and upon his discharge from the Army, he had joined the U.S. War Department as a

War Claims Investigator. Less than a year later, he had been hired by PHILPAK, assigned to various functions including Purchasing, Personnel, Shipping, and Storeroom Inventory Control. Since then, except for a brief stint of less than a year at CALPAK, Perrine's association with the local company has been uninterrupted.

In the nearly two decades of service prior to his assumption of the presidency, a period during which he had familiarized himself with company operations, Perrine had played an especially strong role in sales and marketing. In the process, he had come to realize that PHILPAK was still to attain a significant presence on the international market scene. This perception appeared to have influenced the direction of growth which the company was to pursue within the next few years. Under his stewardship, the transition of the company from food-grower and processor to a full blown, diversified agro-industrial enterprise would be achieved.

By year-end, 1966, PHILPAK also acquired a new



Mindanao Manager, George H. Richardson, Jr. Thus, the company entered the fourth decade of operation with a new top management team to steer its course. There were other developments as well, many of which were indicative of how the enterprise would fare in an environment characterized by rapid technological change and subjected not only to local but also to global economic pressures.

By mid-year, 1967, in keeping with moves to improve productivity, planting density at the pineapple plantation had increased to 52,611 plants per hectare, up from 42,632; a Scientific Research Department had been established, one geared to providing answers to the immediate problems of production personnel, and 12 new product items had been introduced to the domestic market. The latter included *Fiesta Fruit Cocktail*, Philippine Style Vinegar, Banana Sauce, Whole Peeled Tomatoes, 7 drink items, and 2 pickle items. Additionally, 5 other items had been sufficiently developed for introduction the following year. Busy

though it was with a continuing drive for greater productivity, PHILPAK did not fail to consider the needs of the greater community of which it was a part. Thus, in August of 1967, the company launched the initial phase of the *Barrio*⁴ Assistance Program.

Organized through the initiative of then Plantation Manager, Luis F. Lorenzo, with the full support of Perrine and the cooperation of the company's senior managers, the *Barrio* Assistance Program, or BAP, aimed to improve the social and economic conditions of surrounding areas. Directed towards maintaining good community relations, the company sought to help the neighboring residents improve their means of livelihood by providing not only technical assistance but also earning opportunities via programs such as the livestock dispersal program. At the same time, the company undertook to provide medical assistance through a mobile clinic and to train community leaders who would eventually take over the various projects. Initially, the BAP focused its attention on two

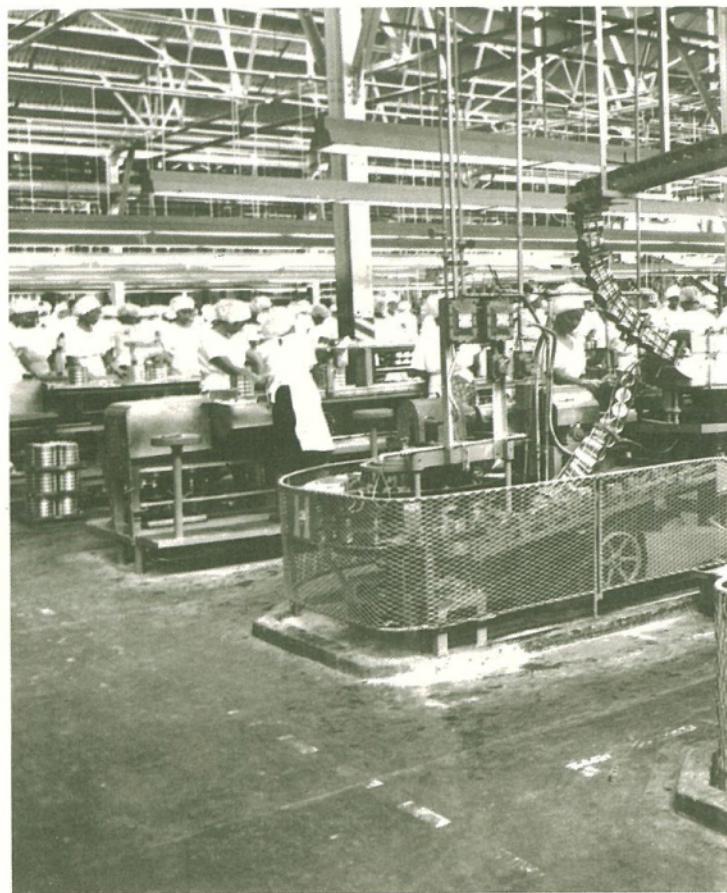
barrios, one in the municipality of Libona, the other, in the municipality of Manolo Fortich, both in the province of Bukidnon.⁵

Meanwhile, in a practical move to simplify corporate identification, PHILPAK's parent company, California Packing Corporation, had changed its name to Del Monte Corporation. The California firm had decided on the name change since it was more frequently referred to by its better known brand name, than by its original corporate name. By this time,⁶ too, the parent firm had given PHILPAK the right, on a non-exclusive basis, to use certain Del Monte trademarks in the Philippines.

As the Sixties drew to a close, the General Crops Department was already engaged in the commercial growing of staples, other than pineapple, for PHILPAK canned products. By 1969, operating out of Misamis Oriental, the Department was raising bananas, papayas, tomatoes, passion fruits, and pickle ingredients such as cucumber and cauliflower. This operation, however, was to pale beside another in which the company would engage on the eve of the new decade.

In 1968, PHILPAK initiated large-scale banana contract-growing operations in the province of Davao, thereby opening a new front for the company. As in pineapple growing, the new venture required expertise and technology, not to mention large capital outlays, all of which PHILPAK could and did supply, wholly, in some instances, partly, in others. Moreover, as a technical service company, PHILPAK entered into contractual arrangements with growers in a bid to insure the quality and volume of production. When the need arose, PHILPAK also guaranteed bank accommodations for the individual farms with which it had a contract.

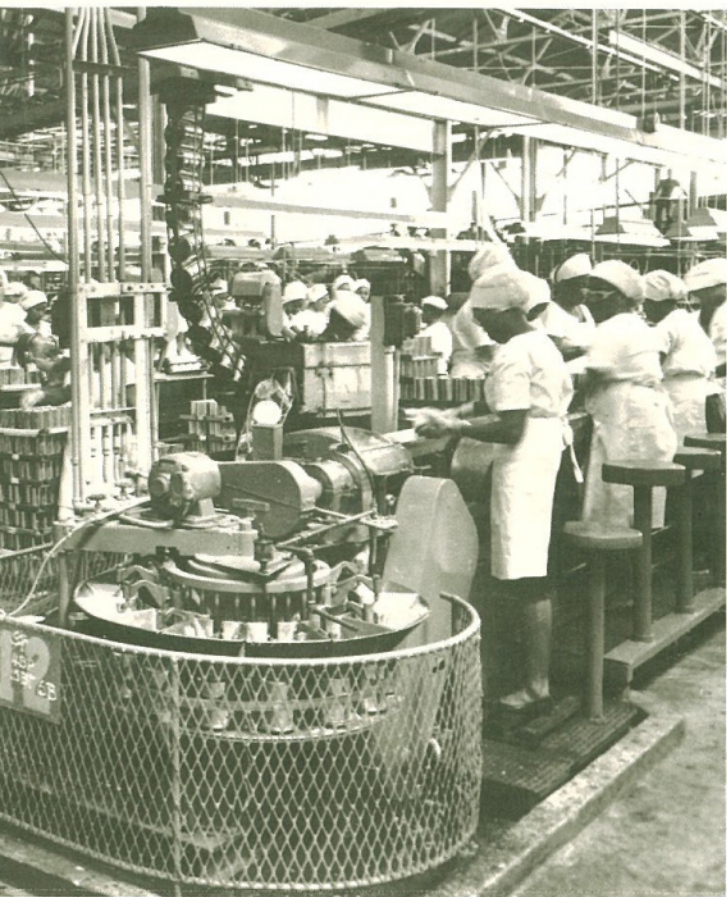
By 1972, the total area planted to bananas reached 4,598 hectares. (The producing hectares, however, were only 3,709.) To insure export-quality fruits, the Quality Control Department had been enlarged and was fully operational. However, that same year, the Project suffered a major setback when the worst drought since 1957 hit Mindanao.



Canning operations in full swing. Canned products at this time included fruit cocktail, pineapple-mango chunks and processed fresh tomatoes.

In Davao, the first dry spell lasted some six weeks, from July to August, followed by an even longer stretch of fifteen rainless weeks, starting in mid-December and ending in March of 1973. No planting was possible during the dry periods and by July of 1973, production had declined, on an annualized basis, to 1,939 boxes of bananas per hectare. In marked contrast, following the rains which came in October, production per hectare climbed to 4,934 boxes, computed on an annual basis. Less than two years later, in early 1975, the total area planted to bananas, by then encompassing nine farms,⁷ had expanded to 5,308 hectares, of which 5,076 were producing hectares.

The Banana Project began at a time when the country was undergoing major social changes. Mass protests from students and from the labor force, paralleled by demands for reform from the citizenry, had ushered in the decade of the Seventies. The deteriorating peace and order, and an unsound economy had found expression in mass actions. A general malaise had infected the country and the body politic mirrored the prevailing skepticism regarding the ability of government to effect reform.



Warehouse/storage for the increasing variety of PPC products. In photo are cartons of canned tomato catsup and bottled vinegar.

goods raised prices to even higher levels. On September 21, 1972, the incumbent President, Ferdinand E. Marcos, imposed martial law on the entire country.

Despite a period of wariness, an offshoot of the political developments, industry and trade eventually settled down to operating within the constraints established by the new dispensation. For PHILPAK, continuing operations under the new guidelines meant, among other things, branching out into the growing of rice.

In 1974, there was an acute shortage of rice in the country. The Government mounted a drive encouraging the public to cut down on their rice consumption by using substitute cereals. In Manila, some of the first class restaurants made it a point to serve a combination dish of rice and corn, highlighting their support of the drive. But even more important, the Government issued General Order No. 47 requiring all profit-bearing corporations with 500 employees, or more, to supply rice to their personnel either by growing the cereal or by importing the same through a government agency. In this manner, the Government expected to provide the workers with rice, a basic food commodity, at subsidized pricing with the difference between the actual cost of production or of importation and the government-decreed price of rice to be borne by the pertinent companies.



First Filipino plantation manager Luis F. Lorenzo (6th from left) with plantation staff and supervisors in 1963.

EMILIANO TORRES

In 1970, the Government allowed the peso to "float" in accordance with the law of supply and demand. The peso-dollar cross-rate moved from P3.90 to about P6.25 to \$1. Imports, local prices, and cost of services went up. By mid-1972, a cycle of unusual natural calamities struck various parts of the country: torrential rains and floods in Central Luzon, the southern Tagalog provinces, and the Metro Manila area; in Mindanao and the Visayas, it was withering drought. The resulting production shortfall and the disruption in the distribution of



Employee housing at the plantation (photo taken in 1972.) Providing workers with incentives to enhance their quality of life.

Handling the growing of rice just as it would any of its other operations, PHILPAK moved immediately to evaluate the initial requirements of such a project. In this case, the company had to weigh the advantages of alternative sites for rice-growing before deciding on a particular area in Bukidnon. Subsequently, the company negotiated an agreement with Central Mindanao University to develop an unused portion of the University land reserve in Musuan. The arrangement, mutually beneficial to the contracting parties, enabled the company to extend further assistance to its employees by way of a partial rice subsidy while complying with the requirements of G. O. 47. As for the University, the arrangement provided their students with on-site training as well as the opportunity to share research findings with the technical staff of PHILPAK.

Already a mature and stable organization at this stage, the company was in a good position to face the challenge of the coming years. Its corporate response was to illustrate an adaptability and a pragmatism that were to prove equal to the demands of a swiftly changing environment.

Notes:

A TIME FOR GROWING

¹There is no available record on the precise year, much less the exact date, in which JM Crawford became PHILPAK President. As earlier mentioned, pre-war records of the company were destroyed during the Second World War. The extant Minute Books, save for the minutes of an adjourned annual stockholders' meeting in 1940 and that of another meeting in 1941, go back only to 1946. Even at that, there are gaps in the files.

However, Mr. Paul D. Perrine's information is that JM Crawford assumed the presidency in 1938.

²*Central Bank* . . . , p.39.

³Some indication of how the company regarded the relationship between research and agricultural productivity may be seen in a talk delivered by Calvin Crawford on television, during a program of the Free Enterprise Society of the Philippines, July 22, 1963 (cited in Ongpin, *Philippine Packing*, pp. 39-41). C. Crawford referred to "research" as "the key to agricultural, industrial, and all economic progress. The scientific knowledge of how to produce a crop must be learned before the crop can be grown with any degree of efficiency. . . . Agricultural research must be conducted on a permanent basis, for the need is continuous."

⁴*Barrio* is one of the smallest political units, governed by a council which is headed by a *Barrio* Captain.

⁵Libona and Manolo Fortich were selected as the initial beneficiaries of the *Barrio* Assistance Program because they were the most receptive to the Program. — Prior to putting the Program into action, PHILPAK, with the assistance of Xavier University, surveyed some fourteen *barrios* in the surrounding areas in order to discover how the residents felt about community assistance and self-help projects. Of those surveyed, only two — Libona and Manolo Fortich — were interested. But within a year from the introduction of the Program, the other twelve *barrios* came to the company expressing interest in being included. In those days, the assistance consisted basically of showing the residents better ways of growing their traditional crops and of providing fundamental medical attention. Lorenzo was personally involved in developing a "small farmer approach" to tomato growing. Many of today's small growers, in Mindanao as well as in Manila, who supply the tomato requirements of PHILPAK owe their training in tomato cultivation to the Program. (Details were derived from Marabut's interview of P.D. Perrine, 6 May 1986.)

⁶The agreement between CALPAK and PHILPAK was dated December 17, 1959.

⁷1)Hijo Plantation; 2) Marsman Estate Plantation; 3) Lapanday Agricultural and Development Corporation; 4) Soriano Plantation; 5) F.S. Dizon & Sons; 6) Farmington Agro-Developers, Inc.; 7) Evergreen Farms, Inc.; 8) Delta Farms, Inc.; 9) Nova Vista.

CHAPTER SEVEN

N *EW*
HORIZONS

H

alfway through the Seventies,
PHILPAK operations had spread
out over different geographic

areas: in Bukidnon, home to the pineapple plantation and the livestock operation; in Misamis Oriental, the locale of scattered farm lands utilized for the growing of the "general crops"; in Davao, site of the banana farms; and in Bugo, which played host to the cannery, the can-making facility, and the docks. Over in Luzon, Manila provided a centrally-located base for the Home Office.

Thus, as the company neared its golden anniversary, it became apparent that PHILPAK had become more than the pineapple grower and processor that it was originally. The broadened scope of its activities and its emergence as a major supplier of fresh and processed food products in the international market indicated a marked development trend for the company. The next few years would provide a graphic illustration of how far PHILPAK had travelled since it was organized in 1926.

The successful launch of the Banana Project amidst political and economic distress paralleled PHILPAK's moves, during the same period, to boost sales of old staples and to introduce new food products locally. Through an aggressive promotion drive conducted nationwide, market share in pineapple solid packs and in pineapple juice increased despite the shrinking market. Focusing on import substitution, the company pushed the locally-produced pickles and products such as catsup, tomato sauce, and tomato juice. Following this approach, *Fiesta Fruit Cocktail* and *Tropical Fruit Salad* filled in for the *Del Monte Fruit Cocktail*, an imported commodity. On the whole, the strategy paid off, except in the case of its "Philippine style" vinegar. This particular product made little progress in the market because of a proliferation of cheap branded vinegars with regional strengths.

Between 1973 and 1975, the company introduced six more products to the domestic market. One was a variation of the *Fiesta Fruit Cocktail*; three were tomato products, including a *Hot* tomato catsup;



The cannery circa 1975. Rebuilt and expanded to accommodate the commercial manufacture of new products.



Tuna-fishing in Zamboanga.



the other two consisted of *Spicy Tuna Flakes* and a pickle relish for a local cheese manufacturer. However, the export market was not totally neglected, as PHILPAK shipped *Grand Cayenne Pepper* to Singapore.

PHILPAK's entry into the processed tuna business may be attributed to the efforts of its New Product Research Department. In 1971, the Department engaged itself in the buying of shrimps and prawns, tuna and swordfish, for shipment to Puerto Rico and Japan. When the Department had readied its pilot plant for canning tuna, it actively pursued tuna-buying in the Zamboanga, Basilan, Panguratan, and Jolo areas. Toward year-end 1972, the staff had an acceptable market pack ready. However, the tuna project was to be short-lived. In 1978, the company sold all the assets of its tuna operations in Zamboanga and phased itself out of the project.

Twice, since its establishment, PHILPAK had gone into the tuna business. Both times, the company failed to achieve the required levels of profitability. Following the second unsuccessful try,

the company opted to disengage from the venture.

For PHILPAK, the Seventies stood out as a time of achievement, the tuna venture notwithstanding. But of its many accomplishments during the decade, the company's successful management of its landholdings was perhaps the most striking.

Land is basic to agriculture. It is equally fundamental to an agro-industrial enterprise, the cornerstone of its operations. The significance of this truism had not been lost on PHILPAK, especially in the light of the approaching expiry of the Laurel-Langley Act in 1974. For the termination of the Act meant an end to the parity rights that had been granted earlier to American citizens, corporate as well as individual.

In the 1920's, as previously mentioned, PHILPAK had purchased land on which it had constructed a cannery and other facilities, including the docks. They had also purchased other small parcels of land in Bukidnon as well as in Misamis Oriental. But mindful of the time limits on the holding of land, as defined by the Laurel-Langley Act, the company had begun to dispose of various pieces of real estate

by the middle of the 1960's. They had either sold the assets outright or donated them. In some cases, the transactions also involved a lease-back agreement with the buyer or the donee. But the major transfers of land-holdings took place only in the 1970's.

The most significant transfers of assets were achieved by way of donation. The first of these involved an area of about 1,000 hectares, located in Cagayan de Oro, which had a fair market value of P2.28 million. — The company donated the property, acquired during the effectivity of the Laurel-Langley Act, to the Xavier Science Foundation. — The second, consisting of several parcels of land in Bukidnon and in Cagayan de Oro, also totalled some 1,000 hectares. Valued at P2.42 million, the asset was bequeathed to the National Development Company. However, because of some legal technicalities governing the transactions, the transfers took effect only in May of 1975, in the case of the Xavier Science Foundation, and in September and in November of 1976, insofar as the National Development Company was concerned. (Presidential Decrees Nos. 697, 698, and 762 enabled NDC to receive tax-free donations.)

Like many established foreign businesses, Philippine Packing Corporation had been closely monitoring developments in the economic and political fields. Thus, considering the changes that were taking place, its decision to dispose of its landholdings was both rational and pragmatic.

On June 30, 1975, PHILPAK had concluded an "Amended Agreement" with the National Development Company regarding the original agricultural land (8,195.08 hectares) under lease from the Government and planted to pineapple since the establishment of the company. However, the Agreement did not take effect until July 15, 1975 when the National Economic and Development Authority or NEDA had approved it.

The Agreement was a trendsetter. The terms included a "guaranteed annual minimum profit payable" to the NDC, pegged to an estimated annual production, with "automatic increases when

the annual production exceeds" a specified minimum level and with no reduction in the guaranteed minimum profit, in case production fails to meet the minimum target. At P909,705.00 per annum, the new guaranteed minimum profit represented an improvement, on a per ton basis, of nearly ten times the rate agreed upon in the 1956



Tomato-harvesting. Land, carefully tilled, and fruits, lovingly nurtured, made for high quality products.

Agreement. The latter had guaranteed a minimum profit of ₱0.50 per ton of pineapple; the 1975 Agreement, on the other hand, guaranteed a ₱4.33 minimum return per ton.

While acknowledging that the Amended Agreement was “more advantageous” to the NDC than the original operating agreements, the NEDA,

in the resolution approving the Agreement, added yet another condition: that the guaranteed minimum profit payable “shall be escalated every five years.” The same resolution also stipulated that the “maximum increase in any five year period shall not be more than ten per cent,” but that “in no case shall the guaranteed minimum profit suffer any diminution.”

The escalation clause was soon to be superseded by events. On January 11, 1981, by virtue of Presidential Decree 1766, the National Government transferred ownership of the 12 parcels of land totalling 8,195.08 hectares to the National Development Company. Inasmuch as the area in question was the subject of an operating Agreement between NDC and PHILPAK, the former proposed a change in the 1975 Amended Agreement. PHILPAK was amenable to the proposal “as a further expression of its commitment and desire to contribute to the economic development of the Philippines.” Consequently, on the 14th of July 1982, the parties drew up a “Revised Agreement” which raised the “guaranteed annual minimum profit payable to NDC” from ₱909,705.00 to ₱2,423,788.21, retroactive to July 15, 1980. On the 20th of July 1982, the company concluded a lease agreement with the National Development Company covering essentially the same parcels of land.

Despite the various claims on its corporate attention, the company kept a close watch on its primary activity, the growing of pineapple. In June of 1974, it had begun a Pineapple Expansion Program by means of “Crop Grower-Producer Contracts” in the Libona and Sumilao areas in Bukidnon. This arrangement added 3,500 hectares to the pineapple land inventory. As for the growers, those with 1,583 hectares received advances on the “guaranteed minimum profit” that had been mutually agreed upon.

But even without the additional hectareage, pineapple tonnages had been growing nearly fourfold since the early post-war days. Improved land preparation, the use of certain pineapple clones, higher density plantings, not to mention the

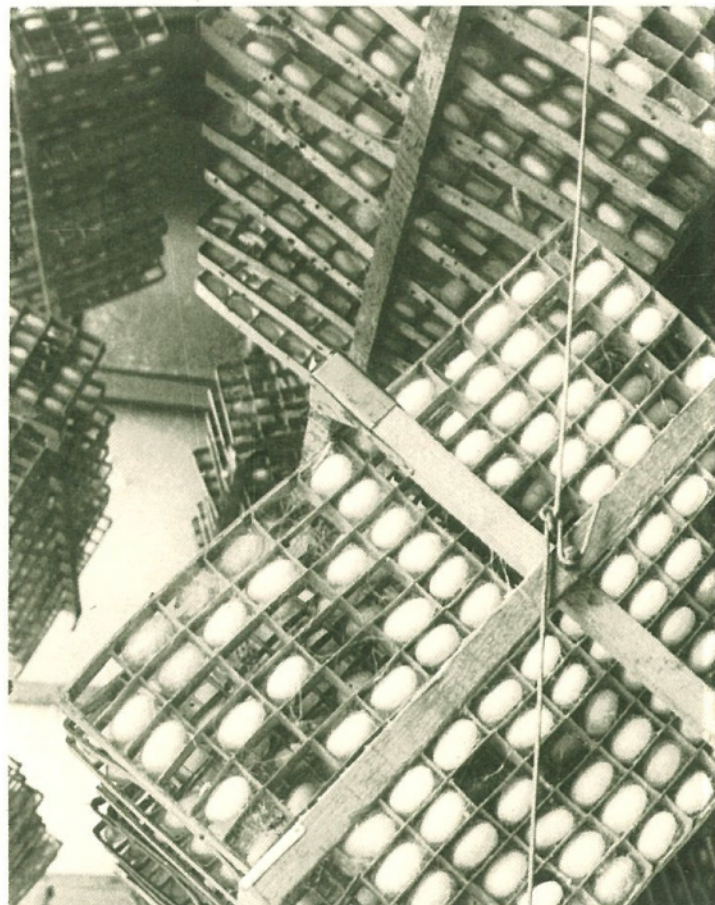


use of modern equipment in cultivation and in harvesting, were but some of the reasons for growth.

With respect to the “general crops” and the livestock operations, PHILPAK used an approach similar to that in the pineapple division. The stress remained on scientific agriculture, with research and technology as basic to the operations. Indicative of its success in the “general crops” operations was the more than adequate supply of papaya to meet the requirements of the cannery in 1975 and the increased banana tonnages achieved without opening up new fields. That same year, however, cattle supply for the feedlots dropped significantly as hoof and mouth disease afflicted the country’s livestock. By October of 1975, Bukidnon appeared to be the only non-infected area in the entire Philippines.

Taking immediate steps to counter the spread of the disease, PHILPAK set up rigid controls, disallowing the entry of animals from outside the province into the feedlot and the ranch area. But the possibility of infection was not the company’s only worry. The quality of cattle coming from Bukidnon ranches had also been deteriorating because of inbreeding. Hence, a shortage of adequate stock for livestock operations was cause for concern as well. Taking the lead towards finding a solution, the company initiated a Bull Exchange Program whereby it undertook to provide bulls to neighboring ranches for the improvement of their stocks.

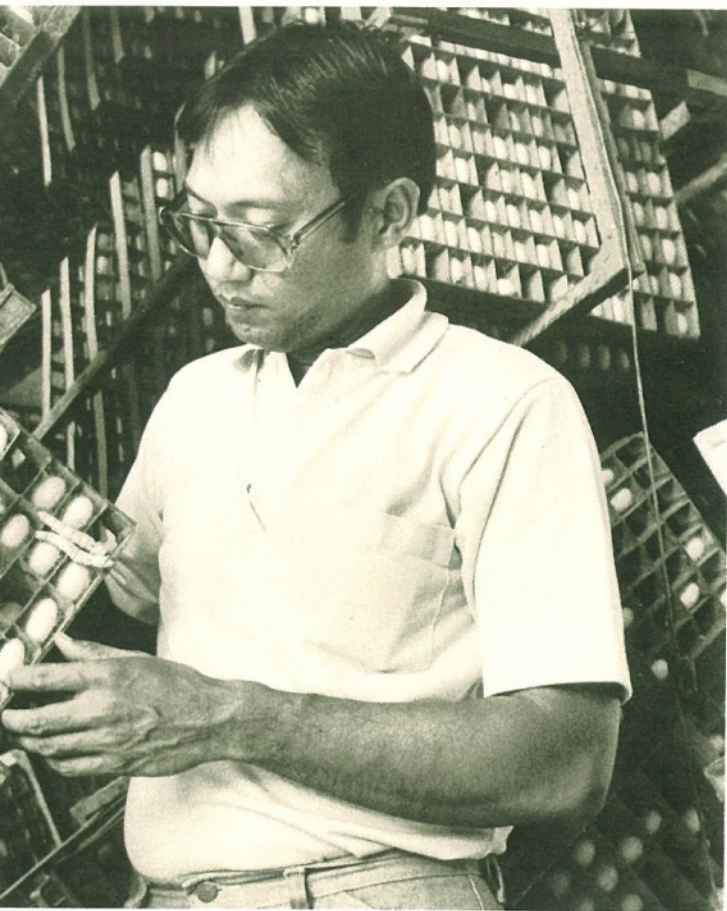
To the extent that an organization operates within a particular environment, it must keep itself attuned not only to the changes going on around it but also to the patterns of such change. In terms of the pineapple industry in which PHILPAK pioneered, the options for growth are limited by what the market can absorb, by shifts in consumer preferences, and by what competition can offer. Aware of these constraints, the company directed its development efforts during the latter half of the Seventies both to maintaining its premier position locally and to extending its market reach beyond these shores.



(Above and below) PPC engaged in experimental silkworm rearing (sericulture)



Innovation characterized the development efforts. The company engaged in experimental work in silkworm-rearing (sericulture) and in mulberry propagation (moriculture). It also germinated orchid seeds (e.g. *Vanda* and *Dendrobium*) in the laboratory. Eventually, the seedlings made their way to the greenhouse where they were grown to the



il 1982.

flowering stage and then evaluated as cut flowers. Meanwhile, in a parallel move, the company supplied some Manila outlets with ornamental blooms such as anthuriums, carnations, and chrysanthemums. But despite their viability, these activities remained subordinate to the company's main line of business. (In 1982, PHILPAK divested itself of the sericulture assets).

Elsewhere, something which was bound to affect PHILPAK's own direction was taking place. In January of 1979, Del Monte Corporation transferred to Del Monte Banana Company, through a Deed of Contribution to Corporate Capital Stock, its shares in Philippine Packing Corporation. Thereafter, Del Monte Corporation shareholders approved the exchange of the Corporation's 12.7 million shares of capital stock for a combination of cash and preferred stock of R. J. Reynolds Industries, thereby effecting the merger of Del Monte into RJR.¹ The latter organization, one of the world's largest, has major interests in tobacco (among its best known brands are *Salem*, *Winston* and *Camel*), processed foods, oil and gas exploration and recovery, packaging materials, and intermodal transportation.²

Shortly after the merger took place, within a

year's time, to be more precise, "substantially all of Reynolds' food and beverage operations were melded into Del Monte to create an international production and marketing organization . . ."³ During that same year, PHILPAK went into an expansion drive involving containerization and the upgrading of cannery facilities. On June 16, 1980, at a stockholders' meeting, the company revoked cash dividends it had earlier declared in May, 1979 but which had not yet been remitted, so as to provide funds for the expansion. In line with this objective, some ₱30 million reverted to retained earnings.

For PHILPAK, therefore, the decade of the Eighties began on an auspicious note as it prepared to strengthen its hold on both the local and international markets. As if to reinforce the company's resolve to maintain its leadership among food growers and processors, the National Grains Authority cited the Musuan Corporate Rice Farm for its exceptionally high yield. (In 1985, with the country self-sufficient in rice, the company stopped the corporate rice farming program.)

In September of 1980, the company began to ship its cargo out of Bugo in containers. By adopting this method of transporting goods, PHILPAK reduced the risks of cargo damage and of pilferage. The system also allowed for a more efficient operation. For one thing, turn-around time for vessels in port was cut down to one-third of the average time required for conventional breakbulk shipments. At the same time, a sufficient number of container vans in the yard helped ease any congestion in the warehouse by taking on cargo long before the arrival of the ships. However, the biggest gain derived from the shift to containerization is that goods sustain minimal damage while in transit.

Just as the company was interested in adopting the latest innovations in the transport of goods, it was equally concerned with keeping up with the technology pertinent to its operations. Hence, the program of the Eighties included the renovation of the cannery facilities and the installation of the appropriate equipment. One aspect of the renovation focused on the mill juice recovery plant

which needed additional capacity to handle the bigger volume of mill juice. To solve the problem, PHILPAK installed an APV evaporator, replacing the Peebles evaporator that had been installed in 1948 and the Kelly evaporator acquired in 1957. The new APV evaporator can process both mill juice as well as excess beverage juice material for concentrates.

The expansion program also took note of the availability of new technology for packing liquids such as juice. One such technology is the aseptic process which requires that the liquid be run to an extremely high temperature within a very short time. The product is subsequently cooled to below "atmosphere temperature" and packed in a pre-sterilized container, usually a plastic bag, by means of a sterilized filling machine. The major advantage of this process is that it preserves the natural color and flavor of the juice. An added benefit is that the plastic container for the juice is much more economical than comparable packaging materials.

In July of 1986, the cannery renovation program was completed. As a result, the company can now produce benzoated concentrates in addition to the regular aseptic packs, not to mention premium mill juice. Thus, while the pineapple operations remain on center stage, other interesting activities are going on in the background.

On a number of occasions in the 1960's, the company shared its expertise with another Del Monte subsidiary, Kenya Cannery Limited. Sharing was done by seconding managers, by providing for an exchange of personnel, and by making PHILPAK training facilities available when needed. With each opportunity for cooperative endeavor, the company broadened its own experience.

In 1982, PHILPAK's role in expertise-sharing went beyond the traditional when Del Monte (by then no longer a freestanding company but an R.J. Reynolds subsidiary) signed a memorandum of understanding with the Shanghai Foodstuff Industry Association to put up a five-hectare agricultural research farm on Zhong Ming Island. To get the project on stream, Del Monte requested its Philippine subsidiary to provide the necessary

technical support. Represented by its President, Paul D. Perrine, who was also Del Monte International Vice President and Regional Director for the Far East, and by Vicente H. Lim, by then Regional Director, Manufacturing Development, as well as by a technical team from the plantation and the cannery, PHILPAK helped launch the "China Project." Working with their counterparts from the Foreign Trade Bureau of the Peoples' Republic of China, the men from Philippine Packing Corporation helped set up the framework for the venture.

Under the terms of the agreement, Del Monte was to provide equipment, technical services, and raw materials; China was to supply manpower, land, and on-site living accommodations. As agreed upon, therefore, Del Monte supplied high-yield seedlings of tomatoes, sweet corn, green beans, and sweet pea pods for the experimental stage. Using these seedlings, PHILPAK agricultural technicians supervised the first test plantings in the spring of 1983 and undertook more than two years of research work in Shanghai. Subsequently, the participants constructed a pilot plant in the Lu Hua commune on Zhong Ming Island.

In October of 1984 and in July of 1985, the pilot plant processed the research farm's produce, on an experimental basis, with acceptable results. In line with these results, current plans call for the installation of equipment to process sweet corn in various packs. The products are intended for distribution in China's domestic market and in Hong Kong.

Given the size of the Chinese market alone, there is every reason to believe that the venture will succeed. But no matter how it ultimately turns out, the contribution of PHILPAK cannot be ignored. In helping to launch the operation, the company has given a new meaning to its reach-out strategy. It has set the stage for the next act and promoted itself to a bigger role in the business of food growing, processing, and sharing.

Notes:

NEW HORIZONS

¹Braznell, *California's Finest*, p.160.

²*Ibid.*

³*Ibid.*

CHAPTER EIGHT

*T*HE SOCIAL
COMPACT

Thomas J. Peters and Robert H. Waterman, Jr. in their recent best-seller, *In Search of Excellence*, noted that the highly regarded companies they had studied shared a number of characteristics. But “there was hardly a more pervasive theme in the excellent companies than *respect for the individual*.” They observed that these companies regarded their people as partners and treated them with dignity and respect.¹

On review, Peters’ and Waterman’s comments on the value that a well-run company places on its people apply as well to Philippine Packing Corporation. For the company is all too aware that, as an organization, it draws its strength from the men and women who form the PHILPAK extended family. Its corporate creed, as expressed in the *Personnel Handbook*, affirms that the success of the organization depends on its human resources. Thus, hewing closely to this affirmation, company employment policy clearly states that PHILPAK hires people of “highest ability and good character.” The same policy also assures recruits that their talents will be put to good use and that they will be provided a “commensurate compensation.”

In line with its corporate beliefs, the company provides employees with a number of opportunities for training and career growth. Its system of compensation and its program of benefits are designed to be “competitive by both industry and community standards.” Moreover, the company places great value on a work environment that is conducive not only to harmonious relations but to productivity as well. PHILPAK’s achievement in this area was acknowledged in 1981 by the Personnel Management Association of the Philippines when it conferred on the company the “Employer of the Year” award.

There are regular opportunities for training in company-initiated programs or seminars conducted in-house or elsewhere, just as there are occasional opportunities in the observation or orientation tours to affiliate plants. Overseas postings, although more the exception than the rule, provide fertile training ground for selected personnel. Job rotation is yet

another avenue for growth as are the employee-initiated educational courses that merit financial assistance from the company.

The constant drive to improve productivity has given PHILPAK a meaningful channel for personnel-development. Of its very nature, the drive encompasses a broad spectrum of concerns, ranging from the purely technical, such as analytical trouble-shooting, quality control, and pesticide-handling, to the general, such as moving up the supervisory ladder and the upgrading of tradesmen’s



Barrio Assistance Projects include medical services to nearby communities in Mindanao. Initiated in 1968, medical assistance has expanded its coverage from 6 to 46 barrios.

skills. From the corporate perspective, everyone has a role to play in terms of enhancing the quality of work and of the environment. The company sees to that end and, in so doing, provides every employee the chance to learn all about discipline, cooperation, and pride in a job well done even as he gets the opportunity to hone his skills as well.

By providing its people with sufficient opportunities for growth, PHILPAK has already assured itself of trained personnel who can be relied on to adequately carry out their functions. Going



one step further, the company, by providing certain incentives for lengthy service, encourages its people to stay on, thereby assuring continuity in the organization. One such incentive is the longer vacation leave that a supervisor with twenty years of service would be entitled to: 25 working days as against 17 for those with one to five years service. For the non-supervisory employee, the comparable leave would be 23 days for twenty years' service and 16 days for service of from one to five years. Another incentive, while applicable only in those instances where two or more individuals are competing for a post or a promotion, also expresses the organization's attitude towards long-term service. In such instances, everything else being equal, longevity in the service of the company would be the decisive factor. Then, too, there is the Service Award system which reflects the value that PHILPAK places on lengthy service. Under this system, any employee with five years' service is awarded a gold pin. Once he reaches his twentieth year, however, he is entitled to a gold pin with one diamond and, to an additional diamond, every five years thereafter, until, on his fortieth year of service, he receives a gold pin with five diamonds.

Providing opportunities for professional growth or for skills development is but one part of the company program for attracting and retaining personnel. A compensation standard that is something of a model for the industry is an equally important part of the program, as is the package of benefits offered. Employee benefits account for more than a fourth of total payroll and are predominantly company-initiated. These are in addition to those mandated by the government or those resulting from collective bargaining agreements. Moreover, a number of these benefits cover the families of employees.

Among the major benefits are free medical and dental services for employees and qualified dependents,² a non-contributory Group Life Insurance Plan,³ Accidental Death coverage and Retirement Plan, both non-contributory, and a voluntary, contributory Provident Plan. Health benefits include a participatory Major Medical Plan

(especially useful in cases of prolonged illness) and an immunization program⁴ for children of employees.

The Retirement Plan, established in 1952, was initially a voluntary and contributory pension plan. Today, it is a non-contributory trustee plan covering all regular employees of PHILPAK. For them, membership in the Plan is automatic upon the confirmation of their "regular" status. The salient benefits of the Plan are lump sum payment upon retirement and a monthly pension for life.⁵ The Provident Plan, on the other hand, provides supplemental benefits: a lump sum income for the Plan members or their beneficiaries upon the member's retirement, death, or separation from company service. For this plan, the company provides a counterpart amount equivalent to 2 per cent of a member's monthly salary.

For workers at the plantations, being assigned one of the company-owned housing units has been a much sought after benefit. In the past, a plantation worker could count on free housing as part of his employment contract. Insofar as the company was concerned, it considered *camp* housing as a necessity, given the nature of work and the remote location of the fields. (In fact, even with company-provided housing, because of the distances involved between house and field as well as the lack of regular transport, the company also provides employees in the Bukidnon, Cagayan de Oro – Bugo and Misamis Oriental areas of operation, or about 90 per cent of the total work force, free rides, on company buses, to and from work. Qualified children of employees are also given free rides to and from schools, on company buses.) Thus, it has been mutually advantageous to both



School subsidies and scholarships have a lasting impact on the communities surrounding PHILPAK. Among the recipients of the company's assistance is Holy Cross High School in Bukidnon (above and opposite page).

parties that company housing be made available to the workers. Through the years, however, with the increase in personnel, their relatively long-term employment and the entry of family members into the company, thereby extending the occupancy of a unit by one family, there have not been enough houses⁶ for the plantations.

To alleviate the housing problem as well as to help qualified plantation workers, in 1986, PHILPAK initiated a housing assistance program. The program calls for the company to subsidize land development costs and the construction of houses so that the combined cost to an employee of his individual house and lot would range only from 50 to 70 per cent of the total amount involved. This housing subsidy is a landmark for Philippine industry. It is a benefit on a scale that few local companies are able to match. But for an enterprise that prides itself on its deep sense of responsibility for its own, it is a fitting offering in the sixtieth year of operation.

There is a dimension to an employer-employee relationship that goes beyond the rendering of a service in return for a fair wage. The company's grasp of this facet of the relationship underlies an awareness that PHILPAK does not operate in a vacuum and that it interacts with a wider community of which its extended family is but a part. Logically, then, it follows that this interaction, which goes beyond the boundaries of the areas of company operations, must have an impact on the well-being of the country as well.

In June of 1985,⁷ then President Paul D. Perrine, in a speech delivered at a reunion of PHILPAK scholars, expressed what corporate responsibility signifies to the company: the "commitment, as a corporate citizen, to the broader goals of society such as economic progress, upliftment of the people's quality of life and educational advancement. For us [at PHILPAK], social responsibility is our meaningful involvement in the mainstream of the communities where we do business." Underscoring this sense of responsibility is the belief that "the 'right' granted by society to operate a business confers upon the corporation an



opportunity, even a duty, to direct a portion of its resources to the betterment of society."

The company's sense of responsibility for the community at large has manifested itself in a number of ways. The plantation *camps*, for one thing, have been so designed that PHILPAK, with help from the pertinent agencies, church, civic and governmental, has provided the residents of each with certain basic facilities. At the very least, every *camp* has a church, an elementary school, a social hall, and some playgrounds.

At the other end of the scale, the facilities go beyond the basic. Such is the case with *Camp Phillips* (formerly *Camp 12*), located in northern Bukidnon and easily accessible by bus or other motor vehicle from Cagayan de Oro City and from neighboring barrios. The centerpiece of the *Camp* system, *Camp Phillips* is very much the model community, boasting of two elementary schools (one public, the other, privately run), one high school, and a college operated as an extension of Cagayan de Oro's Xavier University. The last two units are private institutions as is the vocational school for out-of-school youths and unemployed

adults in need of some livelihood skills. As for churches, there are two serving the residents: Catholic and Baptist. Completing the *camp's* facilities are cooperative stores, quarters for teachers in the private schools, and the first-rate Phillips Memorial Hospital, the equivalent of a modern tertiary hospital in the country.

In terms of extending social services to outlying communities, the company's vehicle has been its *Barrio Assistance Program*. The scope of the Program is broad and its benefits, wide-ranging. But perhaps the most meaningful service that the Program has been providing *barrio* residents is basic medical assistance through a mobile clinic and its staff of doctors and nurses, all of whom are under contract with PHILPAK. On the road, six days a week, with regular scheduled stops in specific areas, the mobile clinic visits some 33 *barrios*, dispensing medication, providing on-the-spot treatment, where possible, and arranging for referrals in cases of serious illness. In 1985, the mobile clinic served 109,985 patients; in 1986, it expects to serve about 180,000.

For those without a water system, the most important benefit that the *Barrio Assistance Program* has to offer is a regular supply of clean running water. In areas where even drinking water is a problem, there is no doubt but that the *Barrio Water Project's* assistance is widely sought. The Project, a phase of the *Barrio Assistance Program*, uses a self-help approach in its work, in the firm conviction that where a community has contributed to the solution of a problem, it would be more likely to preserve any gains coming from such a solution. Thus, while PHILPAK provides materials, technical assistance, and equipment for setting up a water system for a particular *barrio*, the *barrio* itself provides the manpower and its leaders guarantee the maintenance of the system.

Concerned as it is with spreading the basic amenities that are fairly standard in the *camps*, the *Barrio Assistance Program* concentrates its efforts on those areas where there are no company employees, therefore, no direct way of sharing benefits derived from being part of the PHILPAK

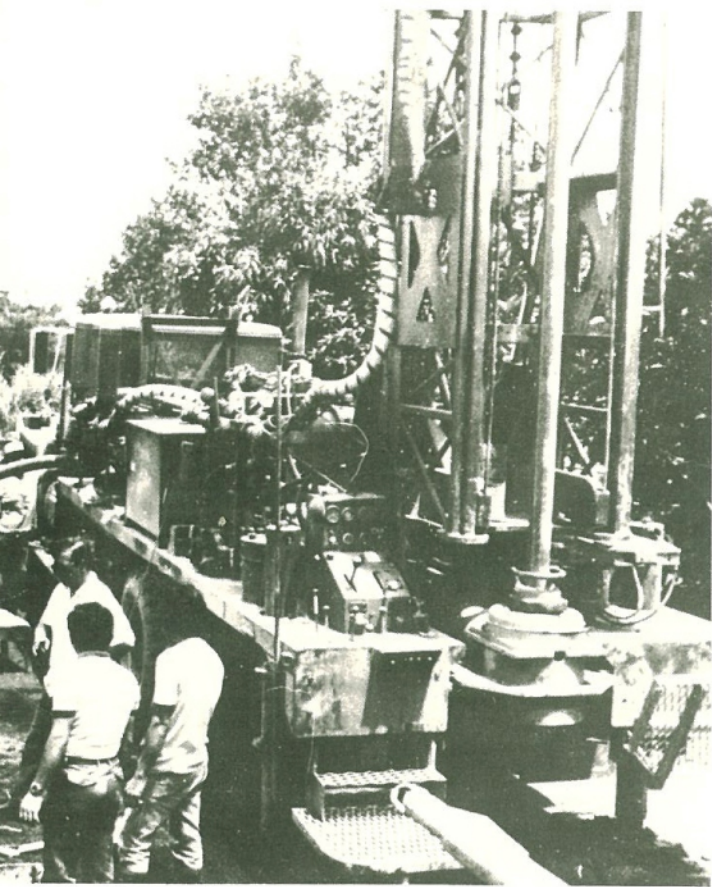


Water systems, such as the one in Impasug-ong Bukidnon, illustrate PPC's commitment to spreading basic amenities to adjacent communities. These are established through the joint efforts of the company and the *barrio* folk.

extended family. Starting with the communities at the periphery of the company's area of operations, the Program moves outward toward those *barrios* farther removed from the PHILPAK boundaries. In January of 1983, the Public Relations Society of the Philippines, citing company efforts at community development, presented the Anvil Award to Philippine Packing Corporation.

In 1985, the Program Directors set up water systems in some six areas and they plan to complete some seven more in 1986. Development work has ranged from tapping springs for water and then piping this to a *barrio*, to deep-well digging and collecting the water into a tank capable of holding the needed volumes. In addition, the Program has repaired artesian wells, all with a view to improving, if not providing, that most basic of community needs, a ready supply of potable water.

Community work would be inadequate if the *Barrio Assistance Program* did not also concern itself with improving the economic lot of the residents. With this objective in mind, the Program operates a livestock dispersal project whose goal is



to provide retirees and residents alike with the opportunity to earn additional income. The mechanics of the project involve supplying selected farmers with company-owned bulls for fattening over a period of from six to twelve months. At the end of the designated period, PHILPAK pays the farmer at prevailing prices for any weight gain. In 1985, the project dispersed some 300 bulls, in marked contrast to only 2 that it had dispersed in 1975.

The livestock dispersal project includes the distribution of swine and goats as well. In the case of swine dispersal, weanling gilts are given to selected farmers who must raise the animals to the breeding stage. After the first farrowing, the farmer returns only two of the gilts for subsequent distribution to other qualified individuals. He retains for himself the rest of the litter, including the sow. As for the goats, guidelines much like those for the dispersal of swine determine the choice of recipients and the manner of distribution.

A near rival to the *Barrio Assistance Program*, in terms of beneficial impact on the communities with

which PHILPAK interacts, is the company's contribution to the spread of educational opportunities in Mindanao. And since caring begins at home, the company helps provide the children of employees the chance of going to school, by subsidizing several schools, namely, Our Lady of Lourdes Elementary School, Holy Cross High School,⁸ and Xavier University-Del Monte college, all in *Camp Phillips* at Manolo Fortich, Bukidnon. In addition, the company also maintains government school buildings within and near their area of operations.

As for employees doing post-graduate studies related to their line of work or for their professional advancement, the company shoulders the cost of tuition and other official school fees as well as the cost of books and school supplies. Thus, to those pursuing a master's degree or a doctorate, the company grants work leaves at full pay, free transport to and from school, and free board and lodging for the duration of their studies.

The company's contribution to making education more accessible to those who otherwise would have little chance of getting an education on their own has not been limited to the subsidy of some schools nor to the subsidy of employees' post-graduate work. PHILPAK also has a scholarship program which underwrites the studies of qualified individuals who are in no way affiliated with the company. The program is but another aspect of sharing corporate benefits with the community. Some indication of the extent of the corporate commitment to this undertaking may be derived from the scholarship program budget for school year 1985-'86 and that for 1986-'87. The budget for the current school year is ₱1.3 million as against ₱0.97 million last school year. In that school year, PHILPAK scholars numbered 148: 3 doing post-graduate work; 69 in college; and 76 in high school.

The college scholarships established by PHILPAK are for outstanding high school graduates from Bukidnon, Misamis Oriental, Camiguin, Gingoog City, and Cagayan de Oro City, who are interested in taking up Agriculture, Engineering, or Commerce. In 1985, more than three decades since



Another activity supported by PPC is the making of stuffed toys and golf bags.

its establishment, this program has turned out 63 graduates who have earned their degrees not only in Mindanao's Xavier University but also in Manila's University of the Philippines, Ateneo University, and De la Salle University as well as in the University of the Philippines' Los Baños unit.

Recently, however, PHILPAK established scholarships that are intended primarily for the benefit of Mindanao. In May, 1985, in cooperation with Xavier University, the company launched the Del Monte Scholarships for Rural and Community Medicine and for Industrial Technology. To fund these scholarships, an annual subsidy of ₱0.5 million has been committed to finance the studies of 26 scholars until they graduate. Of these scholars, 8 are medical students who will be required to serve in a rural community in Mindanao for one year for every year of financial support; the other 18 are in the Industrial Technology course. By supporting these students, in particular, the company hopes to help meet the critical manpower needs of the region and of the country.

Looking over the extra-industrial activities of Philippine Packing Corporation, it becomes evident that the company has a fairly well defined sense of social responsibility. It is a sense of responsibility that concerns itself, on the one hand, with those who provide spirit and sinew to the enterprise and, on the other, with the many who make up the larger society. In both cases, the company's relationships with the concerned parties appear to have been influenced by *noblesse oblige* and their interaction by the premise that no man lives for himself alone.

Notes:

THE SOCIAL COMPACT

¹*In Search of Excellence: Lessons from America's Best Run Companies.* (New York City: A Warner Communications Company, [1984]), p. 238.

²Employees based in Bukidnon (the plantation), Bugo (cannery and other facilities), and Misamis Oriental (General Crops) and their qualified dependents are served at Phillips Memorial Hospital and the area dispensaries run by the company. The Makati (Head Office) and Davao-based employees, together with their dependents, on the other hand, are provided equivalent services in their respective areas through a Minor Medical Plan.

For cases referred to outside hospitals or to specialists, the company subsidizes up to 90 per cent of direct medical charges, shouldering up to a total of ₱40,000.

The term "qualified dependents" refers to an employee's legal spouse and his unemployed, unmarried, legitimate or legally adopted children below 18 years of age.

³An employee may elect to add to his coverage by contributing the required premium as determined by his choice of cover.

⁴The program involves employees' and dependents' immunization with BCG and DPT vaccines. Polio immunization covers dependents, 4 years old and below.

⁵Lump sum settlement is equivalent to the total number of years served multiplied by half a month's pay, based on latest salary. The monthly pension is equivalent to 50 per cent of average pay for the last five years, less 50 per cent of SSS pension.

⁶In 1984, there were only 1,800 units for employees in the Bukidnon and Misamis Oriental plantations.

⁷The occasion was a reunion of PHILPAK scholars, past and present, held in Manila. Perrine's speech was read for him then by Thomas W. Noering, Senior Vice President.

⁸For the current school year, Our Lady of Lourdes Elementary School has an enrollment of 748; Holy Cross High School has 1,346 students for the same period.

CHAPTER NINE

*L*OOKING BACK



On the 11th of January 1986, Philippine Packing Corporation celebrated the sixtieth anniversary of its corporate establishment. The day marked the end of six decades of near continuous operations (the Pacific War had briefly interrupted the company's productive life) and the beginning of another. The same day was to herald a year of extraordinary events of which a number would have a dramatic impact on the environment and, consequently, on the enterprise as well.

In February, the country held a "snap" presidential and vice-presidential election which would upset the prevailing political system. Under ordinary circumstances, the holding of an election would have been nothing more than a routine political exercise. But the circumstances surrounding the election were far from ordinary.

A combination of disruptive forces had ushered in the 1980's. The country was buffeted by the blows of global recession and political uncertainty. Thus, despite the lifting of martial law in 1981, the environment was conducive to speculation and unrest. In late 1983, the assassination of opposition leader, Benigno S. Aquino, Jr., who had come home from exile, put further pressure on the government. In apparent reaction to the killing, an already weakened economy began to disintegrate.

Within days of the assassination, massive capital flight intensified, businesses collapsed, workers were laid off, further swelling the ranks of the unemployed, and the country defaulted on its foreign obligations. Currency was devalued twice between late 1983 and late 1984; the peso plunged from the ₱10 to \$1 exchange rate to which it had sunk by 1983 to about ₱20 to \$1 by year-end 1984. A bustling black market, euphemistically referred to as the "parallel" market, operated with impunity, providing the means for the transfer of capital abroad.

Amidst an economy in ruins and increasing pressure, internal and external, for reform, President Marcos announced a "snap" poll for February, 1986. A fractious opposition united just in time to support one presidential candidate,





Corazon C. Aquino, widow of the assassinated Benigno S. Aquino, Jr. The election was conducted, as it were, for the benefit of the world as media men representing international organizations and invited foreign "observers," among whom was a personal representative of the President of the United States, monitored the voting in selected areas throughout the country. But the exercise did little to restore stability.

On the heels of the departing "observers," amidst rumors of the impending arrests of opposition leaders, including reform-minded members of the military, the Minister of National Defense and the Vice Chief of Staff of the Armed Forces broke with President Marcos and announced their support of Corazon C. Aquino whom they acknowledged as the duly elected President of the Philippines. Then followed the four-day people's "siege" at EDSA¹ to protect the "rebel" group and the flight of Marcos, his family, and his closest supporters into exile in the United States.

Aiming for a swift recovery, the new government has placed great priority on resuscitating the moribund economy within the shortest possible time. There are, however, no short cuts to recovery. Nevertheless, the tremendous public support for the new President and an optimism, long missing, should provide an important base to the government's economic rehabilitation program. But with the much awaited recovery still to be realized, a great deal remains to be done, if the reconstruction is to get on track.

It is against the backdrop of the extraordinary events of early 1986 and the troubled months preceding them that the current achievements of Philippine Packing Corporation must be viewed. Corporate data for fiscal year 1986 provide a basis for determining the extent of the company's growth since its establishment, while at the same time setting guide posts against which future progress may be compared.

On its sixtieth year, Philippine Packing Corporation employed a total of 10,782 whose salaries and wages amounted to ₱420 million. From its gross sales of ₱2.08 billion, ₱1.58 billion of which

represented exports, the company netted an income of ₱410 million. The sales involved the distribution of PHILPAK's major products, consisting primarily of pineapple (both the processed and fresh variety), fresh banana, fresh mango, fresh tomato, and the processed by-products of these fruits as well as that of other crops grown by the company. By year's end, the company had paid the government a total of ₱375 million in taxes.

Prior to 1926, as indicated in the earlier chapters, there was no local pineapple industry, although the fruit was quite popular in the country. By 1930, following the first harvest-and-canning operations at PHILPAK, the initial shipment of 488,000 kilos of Philippine "canned fruit and canned fruit products," consisting chiefly of canned pineapples, brought in export revenues of \$96,044.²

Seven years later, in 1937, or after PHILPAK's first decade of operations, canned pineapple exports of over 10.9 million kilos brought in \$1,672,849.³ That year, the company hired a maximum of approximately 2,000 workers and the payroll was in excess of \$200,000 or ₱400,000 at the exchange rate of ₱2 to ₱1.⁴



Brian E. Haycox

Since the day that Philippine Packing first introduced to Philippine soil the *Grand Cayenne* variety from Hawaii, in the hope of finding a hospitable climate in this country and thereby establish a viable venture, much has been accomplished. The *Grand Cayenne* has thrived, as have

other varieties. The successful cultivation of the fruit has given rise to an industry, "Processed Fruits and Vegetables,"⁵ that now comprises one of the country's principal exports. In 1984, the export of processed fruits and vegetables, of which 95 per cent consisted of canned pineapple products, earned \$114.2 million.⁶ That same year, PHILPAK

exports reached ₱1.2 billion. At the official guiding rate of ₱19.80 to \$1, these sales were equivalent to some \$71.4 million, or some 63 per cent of total industry exports.

Perhaps, an even more significant off-shoot of the success achieved by PHILPAK's pioneering venture of the 1920's is that it has encouraged the entry of others into the field.



Luis F. Lorenzo

Together, these enterprises have provided new employment opportunities where otherwise there might have been none. In some cases, they have motivated individuals to go into farming or into the processing business as well. In 1984, the export-oriented⁷

"Processed Fruits and Vegetables" industry counted with about seventeen major processing plants.

Three of the pineapple processors (PHILPAK is one of them) are based in Mindanao as their plantations are on that island. Most of the other fruit processors are located in Manila, their main market.

The domestic market for processed fruits and vegetables is concentrated in Manila where most of the big institutional buyers such as hotels, restaurants, and hospitals are found. As for the industry's major export markets, traditionally, these have been the United States, Western Europe, and Japan.

A review of activities since PHILPAK's inception shows that, given the time and the local conditions at its point of entry, the company took on the role of an economic catalyst when it became instrumental in the establishment of the country's pineapple industry. Eventually, the pineapple industry gave rise to another that is even more broadly-based, that of processed fruits and vegetables. Considering the employment that has been generated as well as the entry to agricultural technology and practice that these industries have

made possible through the years, the company can lay claim to having had a hand in increasing economic activity. Thus, whatever other part PHILPAK may choose to play in the coming years, the significance of its earlier role in agro-industrial development cannot be overlooked.

The changes in the political scene of the mid-Eighties have not been the only ones that the company has had to contend with. There have been others, internal to the company, but just as

significant. One such change was the R.J. Reynolds-Nabisco merger which took effect in January of 1986.⁸ As a result of the merger, the Del Monte and Nabisco Brands operations were consolidated "to form a worldwide food and beverage company . . . bear[ing] the name Nabisco Brands, Inc."



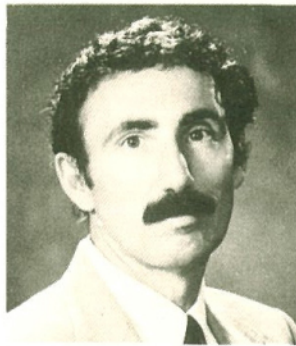
Paul D. Perrine

The move was calculated to "take optimum advantage of the strengths and resources of . . . [the individual] organizations."⁹

In June of 1986, PHILPAK experienced another form of change. That month, Paul D. Perrine, President and General Manager, retired after forty years of service, a period equivalent to two-thirds of the company's own life span. He had been at the helm since 1966 and had presided during a period of fairly rapid change. Within that time frame, Philippine Packing Corporation had expanded its market and reached out beyond these islands. It was an achievement made possible by the shared efforts of all the members of the organization, and one of which Perrine could be justly proud.

As for PHILPAK's immediate community, there was shared pride too in the company's achievements just as there was appreciation for its sense of social responsibility. In 1983, Xavier University, speaking for the community at large, had conferred on Perrine the degree of Doctor of

Humane Letters, *honoris causa*, citing his "interest and sensitivity to the human factors involved in business and industry," and noting, as well, his concern for the "problems of health and education affecting PPC workers and their families." The conferment of the honorary degree was a fitting acknowledgment of the role that Perrine and Philippine Packing Corporation had played in community development.



Frederick P. Costello



Juan W. Moran

At the time of Perrine's retirement, the enterprise had already attained a prosperity which its founders could not have anticipated. Be that as it may, the men who had set up the company and put it on its feet had envisioned from the start a model venture. Its success, therefore, serves as a link with the past just as it does serve as a model for the future. However, the continued progress of the company is now the concern of Perrine's successor Brian E. Haycox.

In January of 1985, the year before Perrine retired, Senior Vice President George H. Richardson, Jr. was preparing to leave the company, having elected early retirement. He had been with PHILPAK since 1958 and theirs had been a long and fruitful association. During his term as Mindanao Manager, Richardson had contributed much towards expanding operations and the latter-day growth of the enterprise traces its beginnings to that period in the late Sixties.

For the company, Richardson's departure meant the end of a phase in its history and the start of

another. In February 1985, Philippine Packing welcomed a new Senior Vice President, Brian E. Haycox. Associated with Del Monte Corporation since 1968, when he began work as a management trainee, Haycox has had extensive training in the various aspects of company operations. Immediately prior to his Philippine assignment, Haycox was Vice President for Production Services of Del Monte's International Grocery Products. As such, he had travelled frequently to various affiliates in different parts of the globe. Thus, when he assumed the PHILPAK presidency in mid-1986, he brought to the post his varied Del Monte experience, much in the tradition set by his predecessors.

Today, Philippine Packing Corporation is no longer the single-product producer that it once was; the enterprise has expanded its product lines, just as it has broadened its areas of operation. Yet the company remains closely linked to the pineapple and to Mindanao where it had first found a hospitable environment. From the struggling plantation operator that it once was, PHILPAK has become one of the world's largest pineapple growers. But it is more than a grower. To give credit where it is due, PHILPAK is one of the country's largest agro-industrial concerns, whose "major business is growing, processing, and distributing canned pineapples, fresh fruits, beverage and tomato products" both here and abroad.¹⁰

Equity-wise, Philippine Packing Corporation has also grown tremendously. From its initial authorized capital of P2.5 million (17,500 shares valued at P100 each were issued), a figure which did not change until 1970 when authorized capital was increased to P150 million, the company's present authorized capital has grown to P1.0 billion as of 1985. What is surprising, however, is that despite its size, the company is not as well known as one might expect it to be.

Going over its history, one could conclude that PHILPAK, as a matter of policy, opts for a low profile. It seems to prefer that the products speak for the organization rather than the other way around. Thus, except in places like Bukidnon and

Bugo, or Davao, the name "Philippine Packing Corporation" or PHILPAK may ring no bells. But "Del Monte" does. Perhaps, that is as it should be. For, if actions do speak louder than words, then all that is needed is for its products to mean something. And "Del Monte" products do mean quality. — In the long run, quality and community service should help preserve PHILPAK's good name in the land where it has made its home.

Notes:

LOOKING BACK.

¹Cf. *People Power*. The Philippine Revolution of 1986. Edited by Monina Allarey Mercado; The James B. Reuter, S.J. Foundation: Manila [1986]; *Bayan Ko*: Images of the Philippine Revolt; Project 28 days, Ltd. and Veritas Publications and Communication Foundation, Inc.: Hong Kong, [1986].

²Insular Collector of Customs, as cited in JPCPA, *Report . . .*, Volume I, Part 2, p. 88. Canned pineapples were not reported separately until 1932.

³*Ibid.*

⁴JPCPA, *Report . . .*, Volume III, Group 2, pp.1282-83.

⁵Processed fruits include canned as well as bottled products such as jams, preserves, and the like, packed in natural fruit juice or in syrup. Processed vegetables include those products such as beans and tomatoes made into sauce or paste, pickled or cured etc. Cf. "Processed Fruits and Vegetables," *Industry Profiles Series, Investment Opportunities in the Philippines*. Board of Investments:1985.

⁶Foreign Trade Statistics, NCSO, as cited in "Processed Fruits . . ."

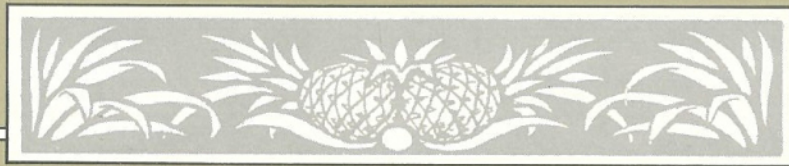
For the five year period, 1980 to 1984, industry exports earned annually, on the average, \$109.6 million, moving an average volume of some 224,760 metric tons per year within the same period.

⁷About 70 per cent of the industry's output is geared for export. Cf. "Processed Fruits . . ."

⁸*Tid-Bits* (September-October 1985).

⁹In May of 1986, R.J. REYNOLDS INDUSTRIES changed its name to RJR NABISCO. Cf. *Asian Wall Street Journal*, 15 May 1986.

¹⁰B.E. Haycox, in a speech before JCI Senators, at their 17th National Convention in Cagayan de Oro City, October 25-26, 1985. Cf. *Tid-Bits* (October 1985).



P I L O G U E

An organization may be likened to a vessel putting out to sea; its progress, like that of any voyage, determined by the collective effort of all on board. Ultimately, however, it is the men at the helm who, because they have charted the vessel's course, must bear the responsibility for the success or failure of the crossing. Thus it has been with Philippine Packing Corporation.

This story began with a reference to the voyages of discovery of the Renaissance mariners and of Christopher Columbus. It is but fitting then that this account end with a reference to another group of "mariners" who, sixty years ago, took leave of California and embarked on a journey across the Pacific in search of a haven for the pineapple.



Like the adventurous seafarers of the sixteenth century, the men from California never faltered in their quest. And at journey's end, having found the refuge they had sought, they launched the enterprise that today goes by the name of Philippine Packing Corporation.

In due time, thanks to the vision and faith of its founding fathers, the enterprise was to become a model in the field of Philippine agri-business. But if the undertaking is to remain relevant and viable, the men and women who today make up Philippine Packing Corporation will need all the creativity and determination that a voyage of exploration demands.

To set sail for the future is to journey into as yet unfamiliar waters. The distance one must travel and the success of the sojourn will depend on one's commitment to a goal. However, in the light of past achievements, there is every reason to believe that the men and women of Philippine Packing Corporation are worthy successors to the California "mariners" who first came to these shores some sixty years ago. Their collective achievement these many years is reassurance indeed, not only for PHILPAK but also for all who have staked their future on the continued progress of the venture.

A DAY IN THE LIFE OF
PHILPAK



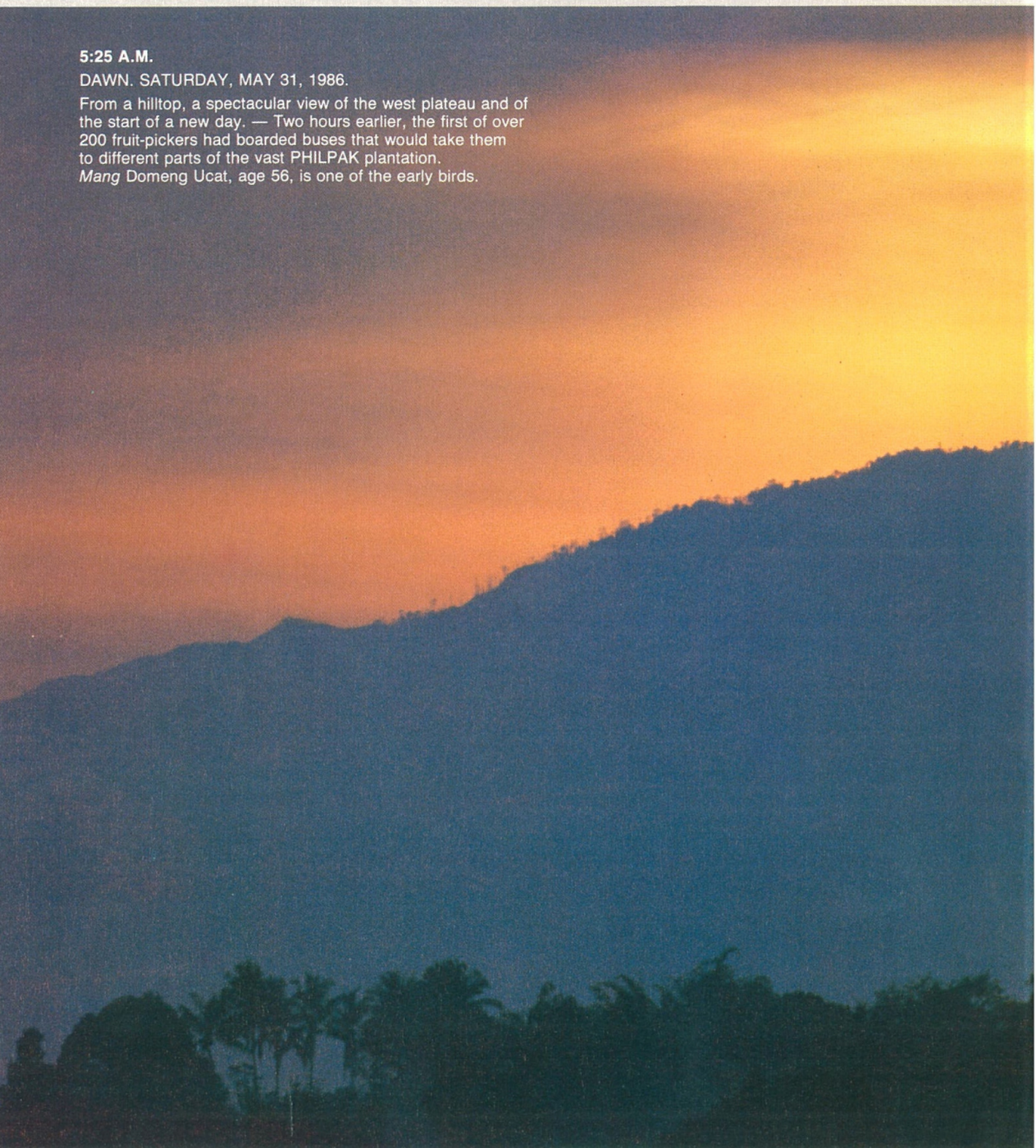
A DAY IN THE LIFE OF PHILPAK

5:25 A.M.

DAWN. SATURDAY, MAY 31, 1986.

From a hilltop, a spectacular view of the west plateau and of the start of a new day. — Two hours earlier, the first of over 200 fruit-pickers had boarded buses that would take them to different parts of the vast PHILPAK plantation.

Mang Domeng Ucat, age 56, is one of the early birds.





On a clear morning, from a spot on the winding KD road that cuts across a part of the Philippine Packing Corporation fields in Bukidnon, the valley below is one vast stretch of verdant greenery, ringed by mountains, purplish in the distance, covered by an expanse of blue sky and puffs of white cotton clouds. The sight, one of breathtaking grandeur, hints of a land filled with the bounty of nature.



6:03 A.M.

Over at Field 7, in the vicinity of Camp Phillips, the dawn breaks gently.

A DAY IN THE LIFE OF **PHILPAK**



The coming of dawn also signals the start of activity for haulers assigned to the fruit-trucking station within Camp Phillips.





Down in the valley, it becomes clear that the greenery is made up of plants neatly laid out in parallel lines, their pointed leaves, clustered in a rosette around the fruit, stretching upward, with crowned stems catching the morning sunlight. These are the famous *Del Monte* pineapples, apt symbols of a cooperative venture that has transformed what was once unproductive, though fertile, soil into flourishing earth, a source today of livelihood and nutriment.

6:20 A.M.

Camp Crawford. Home to over a hundred families of plantation employees. The early morning mist and the soft light make of the scene an impressionist's model.



6:30 A.M.

Simeon Datu (with eyeglasses), a field maintenance worker, points out something moving in the distance to Jesus Vecyec, the leadman at Field 22. Shortly thereafter, Simeon complains of stomach pains and requests for a "pass" to Phillips Memorial Hospital where he can avail of free medical treatment, a benefit accorded all PHILPAK employees.

A DAY IN THE LIFE OF
PHILPAK





7:10 A.M.

THE MERRY MONTH OF MAY draws to an end. The last day of the *Flores de Mayo* festivities sees plantation children, garbed like angels, scurrying to Our Lady of Lourdes Parish Church in Camp Phillips. These children are participants in the Marian procession that will soon make its way around the community plaza.



7:12 A.M.

Plantation folk carry the image of the Blessed Mother on their shoulders as they head for Camp Phillips. This scene is repeated throughout the Philippines in Maytime.

7:14 A.M.

Erlinda Dacut (left) attends early mass with daughter Liezle who is turning 10 today. Erlinda and husband, Elmer, 39, a tractor operator, have been happily settled in the plantation since 1967.

The Rev. Joseph Bittner, S.J., an American Jesuit who has been an assistant parish priest for 12 years, says mass in the vernacular.

A DAY IN THE LIFE OF
PHILPAK



8:50 A.M.

Fruit-pickers move in harmony with the boom harvester.





8:30 A.M.

Veteran fruit-pickers take a break from work in Field 7, to pose for the photographer who has paid them an unexpected visit. The group expects to harvest tons of pineapples before the day is over. (Below) Myrna Catelo, 33 years old, obliges with a sunny smile as she holds up the "sweetest pick of the day."



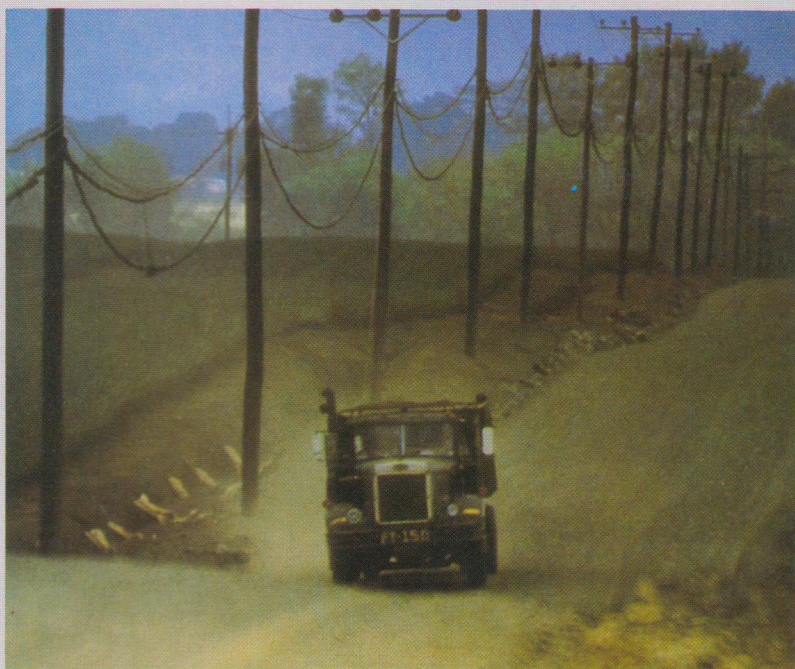
A DAY IN THE LIFE OF
PHILPAK





9:10 A.M.

The vast expanse that is the Del Monte plantation, as seen from a helicopter. Rich brown soil and luscious pineapples reveal nature's bounty.



9:16 A.M.

A Peter-Bilt payloader negotiates dusty Road 17 as it hauls freshly harvested pineapples to the cannery in Bugo, some 16 kilometers away from Camp Phillips. This same load of pineapples will have been canned before the end of the day.

9:23 A.M.

Dr. Ross Catarrôja (second from left), head surgeon of Phillips Memorial Hospital, performs a thyroidectomy on Carmelyn, 16-year old daughter of Felix Mahumot who is with the Plantation Trucking Division.— The 90-bed hospital is one of the best equipped in Mindanao and one of the most modern in the area.

A DAY IN THE LIFE OF
PHILPAK





9:27 A.M.

Aerial view of PPC's Livestock Division located west of Camp Phillips. In its efforts to fully harness the potential of Bukidnon's natural resources and to improve the livelihood of neighboring *barrios*, the Company established the Livestock Dispersal Program in 1964. Under the Program, farmers are given animals such as bulls and goats for raising. Subsequently, PPC buys the animals back at current market prices, thereby compensating the farmers for the weight gain.



Gibson Bargayo, lead cowboy, displays his skill with rope as he lassoes a bull scheduled for weighing and vaccination.

Cowhands Doming Manrique, Arthur Dumayao, and Simeon Badelic at Pasture 77, in the vicinity of the Del Monte Golf and Country Club. The men are in charge of the cattle grazing nearby.

A DAY IN THE LIFE OF
PHILPAK





10:37 A.M.

THE BUGO CANNERY. Situated along the coast of Misamis Oriental, the modern cannery is capable of processing millions of cases of pineapple. The fruits are packed in slices, chunks, tidbits or as juice. — Bugo is more than a can-making facility as it can also process vinegar, tomato catsup, and pineapple concentrate.



(Left) Freshly-hauled pineapples, after undergoing automated size and weight selection, are carried by conveyor to water flumes preparatory to processing. (Right) Tomas Abao of the Can-Making Division conducts a random check on cans to ensure that these are properly calibrated. (Top right) Foreladies at the cannery reveal speed and efficiency in handling sliced pineapples before these are canned.

A DAY IN THE LIFE OF PHILPAK



11:45 A.M.

An overloaded vehicle is a common sight in the PHILPAK community and its surrounding environs. Because transport facilities are limited, commuters crowd into any available vehicle in order to get around. This photo was taken near the Bukidnon boundary.





11:35 A.M.

SUMMER SPREE. Plantation boys indulge in a round of soccer at the community plaza fronting Our Lady of Lourdes Parish Church. Soccer is only one of the various sports activities available to PHILPAK employees and their dependents. Boy-and girl-scouting (see photo below) is encouraged for the development of leadership skills, good citizenry, and self-reliance among the youth.



Boyet Dumlao, 7, appears to be oblivious of the outside world as he swings with his sister, Mariana, at the park in Camp Phillips. Although his father is not a PPC employee, Boyet is a frequent caller at the park.

A DAY IN THE LIFE OF
PHILPAK



3:20 P.M.

Mang Domeng Ucat returns home to Camp Favia after a hard day's work in the field. A migrant from Bohol who joined PPC in 1949, Domeng is shown with his wife, Juana, inside their home. The couple has eleven children. Emma, their eldest, is with the plantation Accounting Office in Camp Phillips.



1:45 P.M.

In the mid-Seventies, PHILPAK went into an agricultural diversification program. Supported by an agricultural research department, the Company established such projects as the papaya plantation in Balingasag and the banana plantation in Lagonglong. Produce from these areas are shown in these photographs (left and below).



A DAY IN THE LIFE OF
PHILPAK



A view of the packing area. The afternoon shift is about to begin.





3:34 P.M.

At the fresh fruit packing lines, ready-to-eat pineapples intended for export are inspected carefully to make sure that they meet standards. After inspection, the fruits that meet standards are carefully packed for shipment to Japan, Hongkong, Singapore, and other parts of the globe.



3:40 P.M.

As the activities in and around the plantation peak, a visitor takes a practice swing at the Del Monte Golf and Country Club — a regular venue for national competition.

A DAY IN THE LIFE OF
PHILPAK





5:14 P.M.

The day comes to an end. The summer sun is setting and the noise of the workaday world is ebbing away. But over at Bugo, the port is far from still as men rush to load cargo onto waiting vessels. For them, rest must wait awhile.

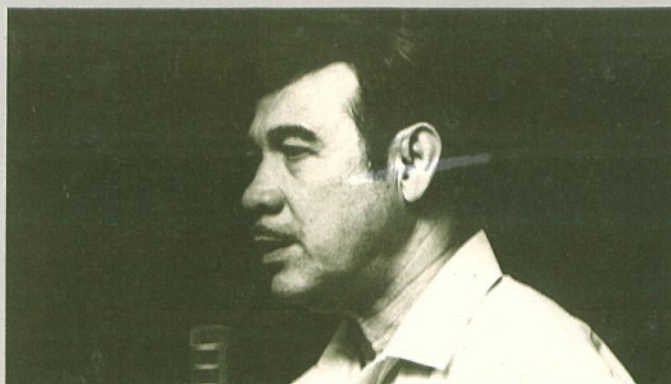


5:55 P.M.

Carmelyn is comforted by her mother, Carmen, as she recuperates from this morning's operation in the Women's Ward, Phillips Memorial Hospital. Carmelyn will be a college freshman at Xavier University in June and plans to be a teacher.

A DAY IN THE LIFE OF
PHILPAK





7:15 P.M.

DEL MONTE GOLF AND COUNTRY CLUB. A rousing send-off party for Plantation Supervisor, Bernardino R. Hernandez, age 60, who retires effective midnight tonight, after twenty three years at PHILPAK. His wife, Carmen, holds his hand as more than a hundred fellow workers, arms linked together, sing "Auld Lang Syne."

THE PINEAPPLE: Stages of Growth



Slip



3 months



6 months



15 months



19 months



9 months

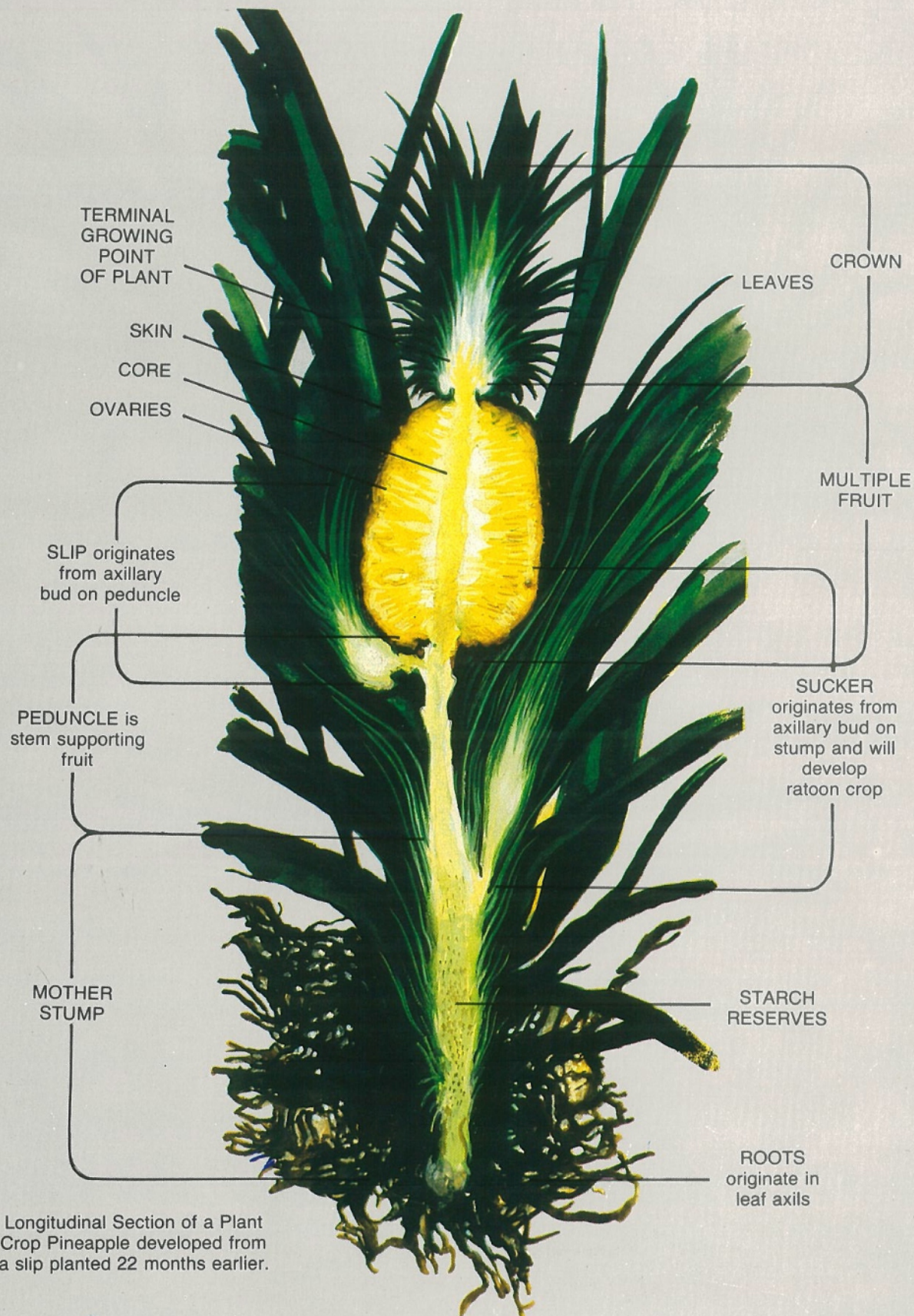


12 months

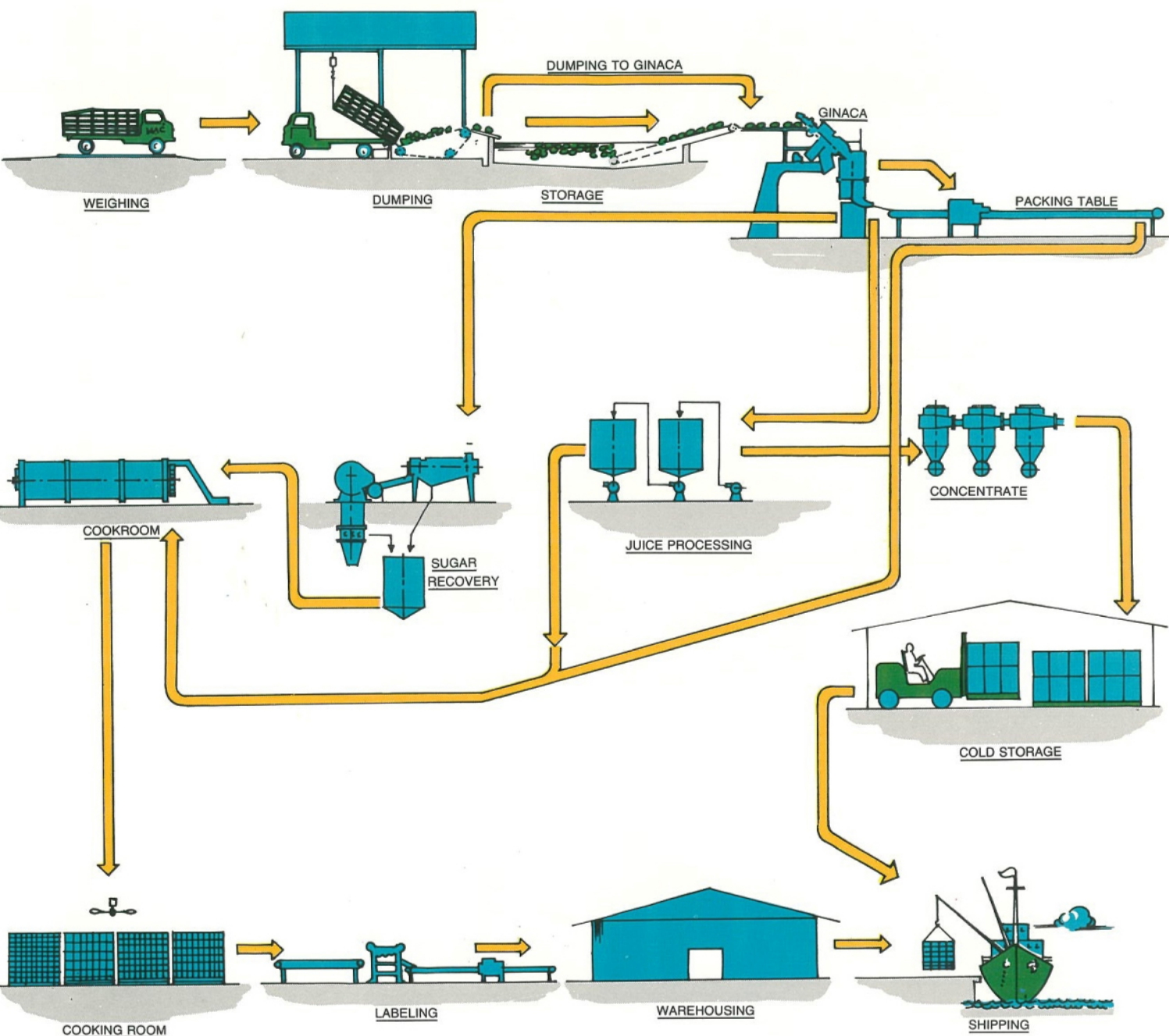


22 months

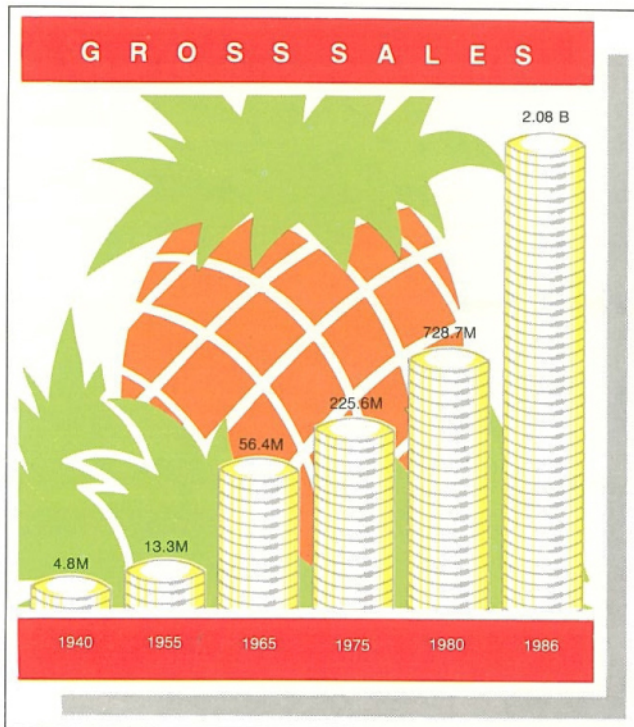
The Inside Story



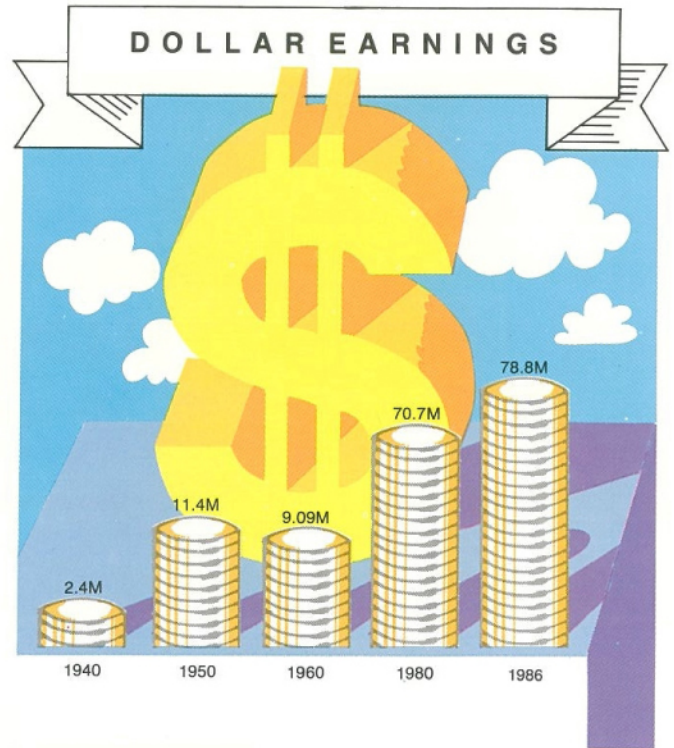
FLOW CHART OF PROCESSING



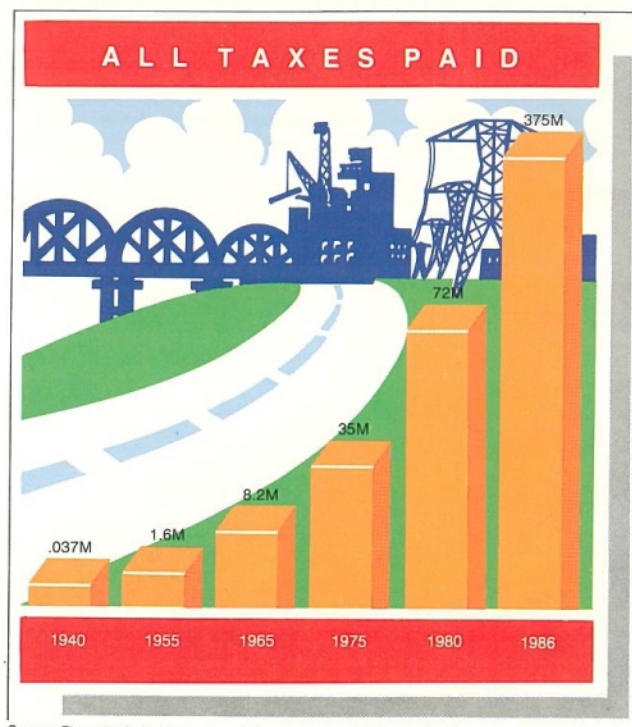
GRAPHS



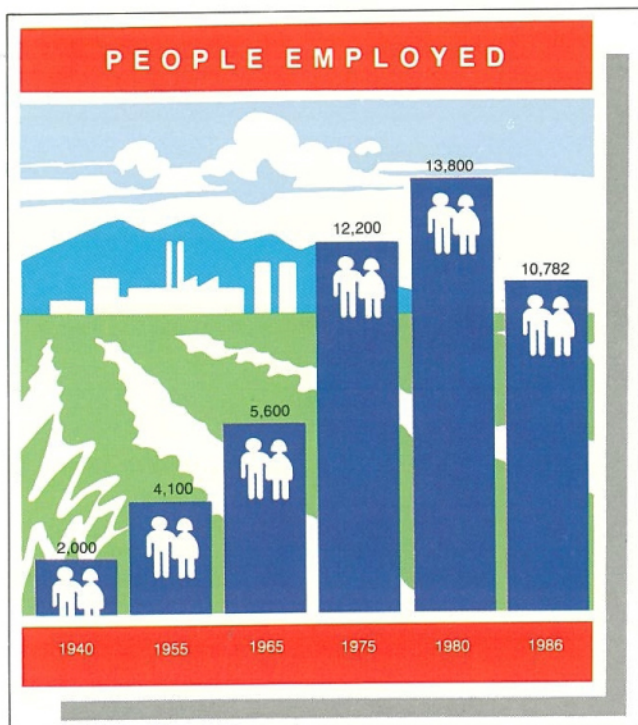
Source: Financial Schedule, PPC Accounting Department, Makati.



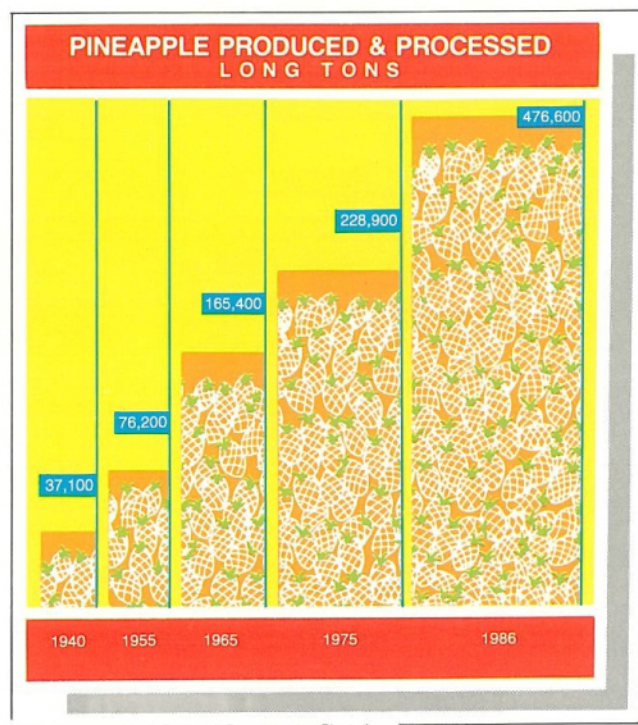
Source: Financial Schedule For Local Management, PPC Accounting Department — Makati



Source: Financial Schedule For Local Management, PPC Accounting Department, Makati.



Source: Annual Report, Research Department — Plantation



Source: Annual Report, Research Department — Plantation

PHILIPPINE PACKING CORPORATION
ROSTER OF STAFF FROM 1926-1986

NAME	RESPONSIBILITY	YEARS WITH PPC (APPROXIMATE)	
		FROM	TO
Acosta, Juan C.	OPERATIONS	1964	1986
Alvarez, Rodolfo Y.	OPERATIONS	1979	1980
Anderson, Wesley J.	OPERATIONS	1967	1982
Anido, Alberto A.	MARKETING	1967	1974
Arce, R. S.	OPERATIONS	1976	1976
Arinzol, Godofredo D.	OPERATIONS	1964	1986
Arkema, Daniel	OPERATIONS	1977	1978
Auld, John	FINANCE	1945	1946
Baclic, Abelardo F.	OPERATIONS	1953	1985
Baconguis, Daniel M.	OPERATIONS	1965	1986
Baldivia, Fernando S.	OPERATIONS	1986	1986
Barger, James C.	OPERATIONS	1979	1984
Barnes, Jonathan G.	MARKETING	1973	1974
Bedell, Jack A.	OPERATIONS	1967	1974
Bimesteffer, James W.	MARKETING	1966	1968
Bjonerud, Stanley R.	OPERATIONS	1956	1968
Blomberg, Norman E.	OPERATIONS	1965	1970
Bloodworth, Keith R.	MARKETING	1982	1985
Boncato, Arturo A.	OPERATIONS	1970	1986
Bowden, Randall C.	OPERATIONS	1985	1986
Bratcher, Gary D.	OPERATIONS	1982	1986
Brennan, Dave J.	FINANCE	1981	1986
Brooks, Joseph	FINANCE	1932	1946
Browne, W. J.	OPERATIONS	1947	1952
Brown, Robert C.	OPERATIONS	1956	1977
Caldwell, James	FINANCE	1953	1960
Calvo, Jorge F.	OPERATIONS	1975	1986
Carew, Brian P.	OPERATIONS	1983	1986
Castillo, Alejandro T.	MARKETING	1982	1986
Castillo, Pedro A.	OPERATIONS	1982	1982
Centeno, Eugene A.	FINANCE	1972	1975
Connelly, Paul R.	OPERATIONS	1975	1979
Costello, Frederick P.	MANAGEMENT	1972	1986
Crawford, Calvin C.	MANAGEMENT	1946	1966
Crawford, J. M.	MANAGEMENT	1923	1958
Crum, Philip L.	FINANCE	1953	1960
Cuerdo, Reynaldo P.	OPERATIONS	1963	1986
Cullen, Frank O.	FINANCE	1948	1958
Curran, Howard	OPERATIONS	1940	1946
Curran, Hugo M.	OPERATIONS	1940	1949
Deal, Jeffrey W.	OPERATIONS	1981	1982

NAME	RESPONSIBILITY	YEARS WITH PPC (APPROXIMATE)	
		FROM	TO
Dejos, Isabelo V.	OPERATIONS	1967	1986
Dennison, Howard	OPERATIONS	1939	1946
Derby, Paul E.	MARKETING	1975	1982
Dixon, Robert	OPERATIONS	1946	1947
Dunlop, E. P.	OPERATIONS	1953	1959
Dwyer, Jack A.	OPERATIONS	1979	1984
Dye, Tomas	OPERATIONS	1933	1933
Elicano, Francisco C.	OPERATIONS	1977	1986
Ellis, Marvin H.	OPERATIONS	1948	1966
Enoch, W.	OPERATIONS	1933	1933
Espada, Wilfredo G.	OPERATIONS	1978	1986
Ford, Arthur J.	OPERATIONS	1955	1958
Ford, Philip W.	OPERATIONS	1975	1977
Felner, Henry	MARKETING	1962	1964
Galang, Ricardo	OPERATIONS	1948	1949
Galicia, Mariano Jr., L.	OPERATIONS	1975	1986
Garcia, Orlando D.	OPERATIONS	1959	1986
Garrison, Derald K.	MARKETING	1964	1964
Gellisen, James	MARKETING	1950	1955
Griffin, Milton	OPERATIONS	1947	1947
Gonzales, Jose A.	MARKETING	1964	1964
Haldeman, Delbert L.	OPERATIONS	1976	1980
Hall, Charles M.	OPERATIONS	1953	1964
Hannah, Elbert L.	OPERATIONS	1946	1962
Haycox, Brian E.	MANAGEMENT	1985	1986
Hayes, Jerry O.	OPERATIONS	1973	1974
Hernandez, Bernardino	OPERATIONS	1963	1986
Hilstrom, John	OPERATIONS	1935	1941
Hine, Richard B.	OPERATIONS	1965	1966
Houston, James	OPERATIONS	1973	1973
Ibanez, Simplicio E.	OPERATIONS	1950	1982
Ignacio, Juanito R.	FINANCE	1963	1986
Jackson, Nicholas L.	FINANCE	1975	1978
Jaranilla, Antonio E.	OPERATIONS	1956	1981
Javellana, Angel L.	OPERATIONS	1966	1979
Jimenez, Alejandro S.	OPERATIONS	1971	1986
Jimenez, Teodoro F.	OPERATIONS	1978	1985
Ker, Keith E.	OPERATIONS	1971	1975
Keyes, William L.	FINANCE	1977	1984
Knox, Steven W.	OPERATIONS	1982	1983
Kok, Eric F. C.	MARKETING	1982	1986

NAME	RESPONSIBILITY	YEARS WITH PPC (APPROXIMATE)	
		FROM	TO
Kontaxis, D. G.	OPERATIONS	1961	1964
Krause, Robert D.	OPERATIONS	1973	1974
Labuff, Ronald W.	FINANCE	1963	1972
Lambert, Fred	OPERATIONS	1935	1957
Lara, Franz E.	OPERATIONS	1982	1982
Leavitt, Robert M.	OPERATIONS	1950	1955
Lewis, Ray P.	OPERATIONS	1972	1974
Librea, Arturo K., Jr. K	FINANCE	1975	1986
Lim, Vicente H., Jr.	OPERATIONS	1951	1986
Linog, Eliseo R.	OPERATIONS	1955	1986
Lockwood, Henry	OPERATIONS	1950	1952
Lohrmann, Ed A.	OPERATIONS	1978	1980
Lorenzo, Luis F.	MANAGEMENT	1959	1986
Lorton, Ronald E.	OPERATIONS	1975	1986
Lucas, Leandro N.	OPERATIONS	1969	1986
Lucido, Frank S.	OPERATIONS	1973	1977
Lyman, Paul L.	OPERATIONS	1954	1955
MacGregor, Ian	FINANCE	1929	1929
Macaranas, Jose R.	OPERATIONS	1964	1986
MacDougall, Garland	OPERATIONS	1947	1948
MacKenzie, Norman S.	FINANCE	1981	1985
Mapes, Donald J.	OPERATIONS	1975	1977
Marks, Richard T.	OPERATIONS	1948	1962
Martin, Carl R.	OPERATIONS	1977	1986
Mcintosh, Douglas	MARKETING	1970	1975
Medrano, Rene G.	OPERATIONS	1976	1978
Mendezona, Mario J.	OPERATIONS	1961	1986
Meredith, D.	OPERATIONS	1970	1973
Miller, Lynn T.	OPERATIONS	1946	1949
Moe, Robert O.	FINANCE	1948	1956
Moran, Juan W.	OPERATIONS	1963	1986
Morrissey, William S.	OPERATIONS	1965	1968
Musso, Frank T.	OPERATIONS	1963	1964
Nazareno, Lino E.	OPERATIONS	1965	1985
Nesbitt, R.	OPERATIONS	1947	1947
Newton, Robert	OPERATIONS	1931	1931
Noering, Thomas W.	MARKETING	1982	1986
Odio, Fico J.	OPERATIONS	1976	1978
Ongpin, Antonio C.	MARKETING	1977	1986
Ongpin, Guido R.	OPERATIONS	1953	1973
Ong, Jaime W.	OPERATIONS	1963	1986

NAME	RESPONSIBILITY	YEARS WITH PPC (APPROXIMATE)	
		FROM	TO
Pabayo, Adrian C.	OPERATIONS	1960	1986
Perrine, Paul D.	MANAGEMENT	1947	1986
Perry, Bruce	OPERATIONS	1947	1948
Pessoa, Oswaldo C.	OPERATIONS	1974	1985
Phillips, L. H. (Merc)	OPERATIONS	1938	1943
Pilorz, Bruno	OPERATIONS	1929	1930
Pipe, Fred H.	FINANCE	1930	1932
Pries, Al W.	OPERATIONS	1969	1972
Quiaoit, Bonifacio D.	OPERATIONS	1965	1986
Reed, Eugene B.	OPERATIONS	1953	1958
Redoblado, Jordan R.	OPERATIONS	1965	1986
Reyes, Manuel S.	OPERATIONS	1966	1986
Richardson, George H., Jr.	MANAGEMENT	1957	1985
Robinson, Orrin W.	OPERATIONS	1950	1968
Rohrer, Nick P.	OPERATIONS	1974	1978
Rounds, Frank R.	OPERATIONS	1968	1972
Salingay, Generoso P.	OPERATIONS	1971	1986
Sanchez, Luis A.	OPERATIONS	1976	1979
Schnitzler, Wilfried H.	OPERATIONS	1974	1986
Schulz, Oliver A.	OPERATIONS	1947	1966
Scott, Flinn J.	OPERATIONS	1978	1980
Sebastian, Roberto S.	OPERATIONS	1976	1976
Segars, Charles	OPERATIONS	1968	1976
Serrano, F.	OPERATIONS	1930	1930
Shalanders, Harvey	OPERATIONS	1949	1951
Sierra, Juan F.	OPERATIONS	1985	1986
Silva, Joselito P.	OPERATIONS	1971	1986
Sinesio, Harvey G.	OPERATIONS	1963	1973
Sixma, Frederick H.	OPERATIONS	1979	1979
Smith, Donald H.	OPERATIONS	1962	1974
Smith, Ken O.	OPERATIONS	1957	1961
Solomon, William	OPERATIONS	1961	1964
Sowell, John W.	OPERATIONS	1975	1986
Spee, Franciscus F.	OPERATIONS	1979	1986
Strike, A. H.	OPERATIONS	1929	1929
Tancongco, Crispino F.	OPERATIONS	1958	1986
Taylor, Clyde B.	OPERATIONS	1945	1947
Thomson, Morris A.	OPERATIONS	1965	1966
Valerio, Luis G.	OPERATIONS	1980	1986
Valoria, Antonio V.	OPERATIONS	1961	1979
Valverde, Carlos M.	OPERATIONS	1978	1986

NAME	RESPONSIBILITY	YEARS WITH PPC (APPROXIMATE)	
		FROM	TO
Villa-Real, Luis F., Jr.	OPERATIONS	1965	1976
Walsh, Ed T.	OPERATIONS	1970	1971
Wadsworth, Norris	OPERATIONS	1931	1949
Warner, Thomas F.	OPERATIONS	1984	1986
Warne, Robert E.	OPERATIONS	1928	1938
Wells, Roy C.	OPERATIONS	1981	1981
Westphal, Theodore A.	OPERATIONS	1969	1970
Wheeler, Dean W.	OPERATIONS	1979	1981
Whipple, Laird D.	OPERATIONS	1967	1974
White, Max	OPERATIONS	1939	1952
Wilmer, Anthony	OPERATIONS	1975	1976
Wilson, Bruce E.	OPERATIONS	1978	1986
Wintle, Aubrey L.J.	FINANCE	1986	1986
Zarsadias, Marianito P.	OPERATIONS	1979	1986

PHILIPPINE PACKING CORPORATION
PRESIDENTS
1926-1986



White, Harry A.
1926-1938

Crawford, James M.
1938-1958

Crawford, Calvin C.
1958-1966



Perrine, Paul D.
1966-1986

Haycox, Brian E.
1986-

OFFICERS AND STAFF

Makati Staff



Front (L-R) — Jaime W. Ong, Mariano L. Galicia, Jr., Alejandro T. Castillo, Luis F. Lorenzo, Brian E. Haycox, Juanito R. Ignacio, Juan W. Moran, Danilo M. Perez, Wilfrido A. Samson.

Back (L-R) — Michael J. Clark, David J. Brennan, Fernando S. Baldivia, Jr., Frederick P. Costello, A.L. Joseph Wintle, Thomas W. Noering.

Not in photo — Arturo K. Librea, Jr., Vicente H. Lim, Jr., and Antonio C. Ongpin.

Bugo Cannery Staff



(Left-Right) — Isabelo V. Dejos, Godofredo D. Arinzol, Franciscus F. Spee, Eliseo R. Linog, Marianito P. Zarsadias, Juan F. Sierra, Thomas F. Warner, Francisco C. Elicaño.

Davao Staff



Sitting (L-R) — Carlos M. Valverde, Jorge F. Calvo, Joselito P. Silva, Crispino F. Tancongo.
 Standing (L-R) — Generoso P. Salingay, Jordan R. Redoblado, Alejandro S. Jimenez, Luis G. Valerio, Arturo A. Boncato, Wilfredo G. Espada.

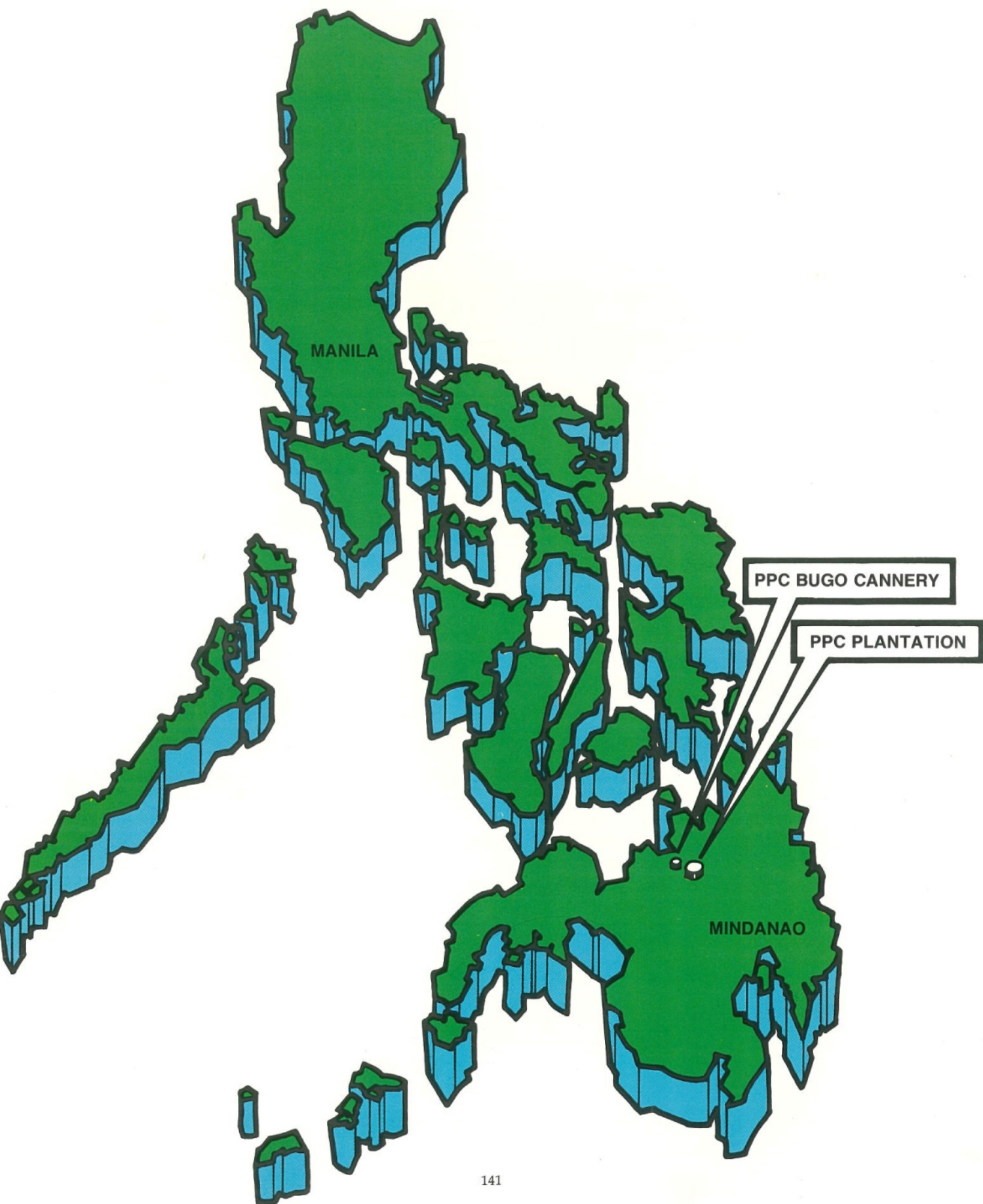
Plantation Staff



Sitting (L-R) — Mario J. Mendezona, Wilfred H. Schnitzler, Ronald E. Lorton, Adrian C. Pabayo, Leandro N. Lucas

Standing (L-R) — Randall C. Bowden, Bonifacio D. Quiaoit, Carl R. Martin, Brian P. Crew, Bruce E. Wilson, Reynaldo P. Cuervo, Juan C. Acosta, Francisco C. Elicaño, Jose R. Macaranas

MAP OF THE PHILIPPINES



ABOUT THE AUTHOR

Maria Teresa Colayco developed an interest in history while working as a researcher in the Institute of Philippine Culture, Ateneo de Manila University, in the 1960's. That interest deepened throughout her tenure at the university where she was subsequently Assistant to the President as well as a Lecturer in the School of Arts and Sciences and in the Graduate School of Business.

Years later, she turned her attention to the development of particular corporate institutions. In 1975, by then connected with Manila Cordage Company, Miss Colayco wrote *The Ropemakers: The Story of Manila Cordage Company*, to commemorate the firm's golden anniversary. This work was followed by a commission from Tubbs Cordage Company of San Francisco to do their story. *California's Master Ropemakers* was published in 1978.

Subsequent works include *Seeds and Suds: The Story of Philippine Refining Company*, published on the fiftieth year of the enterprise, *The Asian Institute of Management: The First Ten Years*, and *A Tradition of Leadership: Bank of the Philippine Islands*, a commemorative work on the 125th anniversary of the country's oldest bank.

In 1985, Philippine Packing Corporation, looking towards its sixtieth anniversary on the following year, commissioned Miss Colayco to write its history. — *Crowning the Land* tells of how the pineapple came to the plateaus of Bukidnon and how the endeavor developed into a vast agro-industrial complex.

Miss Colayco, an alumna of Assumption Convent, Manila, where she earned her A.B. and B.S.E. degrees, major in English and History, holds an M.A. in Philosophy from Fordham University, New York City. She is Vice President for Administration and Corporate Secretary of Manila Cordage Company and is a Trustee of the Asian Institute of Management.

