

# Conclusion: Decolonization

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*Except in a few instances, every independent country in the world today has a central bank. Our country is now free and independent and in the exercise of its right of economic self-determination, it is its earnest desire to lay the foundation of our currency and banking system on a sound basis, and to administer it so that the system will promote a rising level of production, employment and real income.*

Miguel Cuaderno, *Guideposts to Economic Stability and Progress*

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*The Filipino moves about in an American-made world. . . . The value of his peso depends entirely on the value of the American dollar. The very home he lives in (if he lives in the city) is virtually American-made: the corrugated iron roof, the nails in the walls, the electric light bulbs, the electric wiring and switches, the kitchen utensils, the plates and spoons, his toothbrush, the bed clothes, the ring with which he weds his wife. And finally, of American make, are the guns, the tanks, the planes, the artillery, the vehicles, and even the uniforms of the troops that have been used to shoot down the Filipino people who would like to see a Filipino-made future for their children.*

Luis Taruc, *Born of the People*

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These epigraphs were written in the immediate years after the Philippines' supposed national independence. The first quote is from Miguel Cuaderno's speech titled "The Philippine Currency and Banking System" and the second quote is from Luis Taruc's autobiography. Cuaderno, on one hand, was a proto-technocrat, one of the so-called founding fathers of the Philippines and the first president of the Central Bank of the Philippines (Bangko Sentral ng Pilipinas). Taruc, on the other hand, was a communist guerilla, one of the leaders of the Hukbahalag (later called the Huks). The Huks were an anticolonial militant organization that took up arms to fight against Japanese imperialism during World War II. They would continue their armed insurgency by resisting the repression of both U.S. imperialism and the newly independent Philippine state. For the Huks, the Philippine government merely reproduced colonial conditions in which the poor remained unfree and the wealthy remained in power. On one hand, Cuaderno believed the key to Philippine decolonization was capitalism. On the other hand, Taruc believed the key to Philippine decolonization was communism.

Normatively considered a time of transition, historians mark the immediate years after World War II as the era of decolonization, the moment when the Philippines turned from colony to independent nation-state. Once nominally free, the postcolonial nation set out to erect a panoply of state institutions to prove its sovereignty to other capitalist nation-states. As Cuaderno declared in his speech, the establishment of the Central Bank signaled to the international community that the Philippines would be a chief collaborator in ensuring the economic security of domestic and international capitalism. The Central Bank, according to Cuaderno, would set out to increase "production, employment, and real income" and simultaneously illustrate the Philippine "right of economic self-determination."<sup>1</sup> For Taruc, however, as long as capitalism and imperialism existed, "self-determination" could never truly be achieved. Writing in 1949, he saw the "postcolonial" relationship between the Philippines, the United States, and global capitalism after World War II as simply a continuation of the colonialism of the last four centuries. Despite possessing state sovereignty, Taruc argued that the Philippines remained economically unsovereign, beholden to the U.S. imperial economy and global capitalism more broadly.

I shed light on these two quotes and these two figures to illustrate two incommensurable conceptions of decolonization. On one side was conditional decolonization and on the other side was unconditional decoloniza-

tion. Proponents of conditional decolonization, such as Cuaderno, coveted the sovereign power of the state. They declared that the formerly colonized nation would wield monetary authority better than their former colonizers had. They were willing to maintain colonial systems and institutions as long as the colonizers relinquished monetary authority and sovereign power to a Filipino-led state. Under conditional decolonization, therefore, all the norms of racial and colonial capitalism were relatively guaranteed to be reproduced and passed down to “postcolonial” descendants. Moreover, conditional decolonization meant the rebranding of the imperial-state order as a nation-state system hierarchized according to race and driven by the logic of global capitalism. Under conditional decolonization, the world remained recognizable. On one side remained the wealthy and powerful peoples, rich from centuries of colonial and racial capitalism. On the other side remained the impoverished and vulnerable peoples, poor from centuries of colonial and racial capitalism.

Through the Central Bank, Cuaderno promised to wield monetary authority—an assemblage of policies, institutions, and knowledge—to ensure that decolonization profited both the colonized and the colonizer. The formerly colonized Philippines would benefit from the rules set up through racial capitalism and imperialism. Through the proper and sound management of capitalist money, the Central Bank would ideally lift the Philippines out of the category of poorer nations and into the wealthy. At the same time, the Central Bank would help securitize global capital flows that moved throughout, and capital that accumulated within, the Philippines. The prime benefactor of this securitization was the United States, as it was, by the end of World War II, the undisputed capitalist hegemon on the planet. At the same time, since the United States had gained the most from colonial and racial capitalism, it had the most to lose. This is why conditional decolonization, the transfer of state sovereignty from colonizer to colonized, was preferable to the alternative, unconditional decolonization.

As I observed through researching and writing this book, conditional decolonization could only exist in and through the threat of unconditional decolonization. While proponents of conditional decolonization desired ownership of their own piece of the recognizable world, those who desired unconditional decolonization sought to destroy the recognizable world. But what kind of world did they recognize? For them the world was racial, colonial, and capitalist. To Taruc, the postcolonial felt similar to the colonial. As he declared, the Filipino was “forced to move around in an American made

world.” The Filipino remained dependent on an environment saturated by U.S. commodities and money. This material unfreedom structured every moment of “postcolonial” life, the quotidian and the exceptional.

Capitalist money, moreover, had two opposing meanings to Cuaderno and Taruc. For Cuaderno, capitalist money was a pathway to exercising the sovereign right of economic self-determination. For Taruc, even if Philippine currency became Filipinized, capitalist money ultimately remained beholden to imperial forces. As Taruc argued “the value of his peso depends entirely on the value of the American dollar.” And it was capitalist money, extracted from Filipino resources, labor, and consumption, that led to the proliferation of more American-made weapons. Proponents of conditional decolonization, in the name of Philippine state sovereignty, then collaborated with U.S. Empire, deploying militarized violence against Filipinos who desired unconditional decolonization. Taruc thus succinctly captured how and why conditional decolonization—which is the securitization of the recognizable world of racial capitalism and racial empires—was radically dependent on the fear of unconditional decolonization.

Throughout this book I explored the role of monetary authority as a crucial component in strategies of counter-decolonization. For over four decades in the American colonial Philippines, monetary authority utilized the colonial monetary and banking system to, on one hand, sustain counter-decolonization logistics and infrastructure and, on the other hand, police the economic activities of colonial society. To legitimize monetary authority, economic experts produced and deployed market knowledge. Crucial to market knowledge was its ability to naturalize and fortify colonial relations of power. Market knowledge naturalized racial hierarchies, the laws of the capitalist market, and the dependency of colonial sovereignty on monetary authority. Finally, I charted how monetary authority served as a terrain for political recognition, a terrain on which struggles between conditional and unconditional decolonization would also unfold.

Observing the late nineteenth century, I explored the ways desires for decolonization ultimately took two routes in the Philippine colony: conditional decolonization and unconditional decolonization. The former left intact imperial and racial capitalist structures in exchange for political sovereignty and the potential recognition of the nation. The latter demanded an absolutely different world, one in which colonial and racial capitalist structures were radically exorcised from social life. I traced how currency, taxation, banking, and labor systems were primary sites for demands for decolonization in the Philippines. Some demands were mere reforms, asking that increased

authority over capitalist institutions and structures be possessed by Native hands. This would prove the racial capacity of Native Filipinos for sovereign power. Other demands, however, were a direct challenge to colonial and capitalist authority. The 1896 Revolution and a cacophony of labor strikes during the Philippine American War illustrated how political revolutions did not necessarily mean social revolution and that they were perhaps radically heterogeneous to one another. I was especially drawn to how Philippine nationalists desired authority over capital and labor, wishing to wield this power to gain political recognition. It is the tension between these two desires that led to the domestication of unconditional decolonization and the future collaboration between Philippine nationalist authorities and American colonial authorities.

I then demonstrated how American monetary authority was essential to the establishment of U.S. counter-decolonization in the archipelago. Focusing on colonial currency policies during the long Philippine American War, I uncovered how political security went hand in hand with military occupation and the enforcement of a seemingly more secure universal standard of measurement, the gold standard. Forcefully tying the Philippines to the gold standard not only sent a message to the interimperial community that the U.S. Empire was following the global and interimperial norms of the capitalist system. In addition, tying the Philippines to the gold standard pushed forward the notion that Americans were creating a more secure world through its currency, the U.S. dollar. At the same time, the colonization of Philippine currency could only be rationalized as part of a larger ideological and material assemblage of white supremacy: namely the notion that these universal standards of capitalism, invented by Anglo-Americans, represented the progress of human civilization. In this way, the global securitization of capitalism, through the gold standard, would not only benefit those with accumulated wealth. In addition, the gold standard would help uplift nonwhite savage races in the Philippines.

The desire for decolonization did not die down after the official end of the Philippine American War in 1902. For the first decade and a half of the twentieth century especially, U.S. colonial occupation in the Philippines was in a permanent state of insecurity and colonial authorities remained troubled by wayward colonial subjects. American plans for postwar reconstruction were constantly plagued by, on one hand, ongoing revolutionary insurgencies throughout the islands, and on the other hand, non-Christian Native resistance in the so-called frontiers of the archipelago. For authorities, the securitization of capital and labor went hand in hand with the

militarized eradication of these ongoing political disturbances. Economic security, through multipronged modes of policing, could eliminate Native desires for decolonization. Colonial authorities consequently became obsessed with producing the Native as a proper and normative American colonial subject, a subject that could control one's immediate desires for the production and reproduction of a normative capitalist and imperialist future. Economic habits of the Filipino were attributed as racial habits and vice versa. Specifically, individual incapacity to accumulate personal wealth or manage debt meant that Filipinos as a race did not possess the collective capacity to accumulate or manage large-scale capital. According to this logic, unconditional decolonization had to be delayed.

During the 1910s, U.S. and Philippine racial capitalist conditions would be transformed by the Great War economic boom and subsequent crisis. To try and cash in on the global boom in wartime commodities, the colonial state created the PNB, a more centralized government apparatus that would manage investments in colonial agribusiness. The Filipinization of economic institutions was an experiment in conditional decolonization. At first, Filipinization seemed to be a success, with many of those already wealthy profiting off the wartime boom and those already powerful gaining more political control. But this success proved short-lived, as the PNB underwent crisis after the post-World War I recession.

The PNB then became a highly charged site of Filipino racial and economic incapacities. Imperial authorities argued that the failure of the PNB demonstrated that decolonization had to remain conditional, a slow process overseen by white American experts and guided by racial paternalism. American authorities during the 1920s adopted spectacular forms of counter-decolonization, propagating narratives of both white victimhood and imperial redemption. In the eyes of American authorities, the norms of the global imperial state system and the racial capitalist economic system had to be upheld, even if Philippine lawmakers gained more political authority. As authority over the economic realm remained heavily policed by American authorities, it increasingly became an object of desire, and crucial to Filipino nationalists' conception of conditional decolonization.

During the Great Depression, anxieties over Filipino bodies and commodities flooding the "domestic" United States accelerated public calls for decolonization in the U.S. settler metropole. Moreover, the Depression also led to reassessments of nineteenth-century normative concepts such as free trade or the gold standard. These concepts were suddenly contested and debated by not only imperial authorities but also those colonized. In the

Philippines, concerns over the racial and economic capacities of Filipinos would determine these contestations in surprising ways. Racial nativism and economic nationalism, for instance, led to unforeseen claims to monetary authority in the Philippines. According to this logic, Americans, as non-Indigenous foreigners to the archipelago, no longer held the capacity to legitimately control the Philippine economy. At the same time, the Great Depression also unleashed myriad desires for unconditional decolonization. I traced the various ways workers and peasants attempted to imagine futures without the racial capitalist world system that they had been forced to inherit. Although these movements for unconditional decolonization would be violently repressed by the Commonwealth state, their revolutionary energies would continue to haunt both Filipino and American authorities well into the 1940s.

In 1941 the Philippines would again be occupied by a different colonial force, the Japanese Empire. Drawn into World War II by both its former colonizers and its current colonizers, myriad Filipinos desired a different kind of decolonization, one that sought to radically overturn not only colonial life, but racialized and capitalist forms of life as well. Yet, the end of the war would not be kind to those who dreamt of a radical overturning of the world. Instead, “universal” concepts such as free trade and the gold standard would be reinvented, this time under new interstate assemblages such as the Bretton Woods system and the General Agreement on Tariffs and Trade. The security of these assemblages would be guaranteed by U.S. Empire, the newly undisputed global hegemon of the capitalist world-system.

After the end of World War II, which kicked off the so-called age of decolonization, the Philippine nation-state would at last achieve nominal state sovereignty. Filipino nationalist authorities would squash any kind of dreams of unconditional decolonization, espousing anticommunism in the name of democracy while proclaiming itself a beacon to other nations striving for conditional decolonization. Filipino national authorities would quickly ally themselves to the “First World.” Philippine monetary authorities would immediately commit to the Bretton Woods system and General Agreement on Tariffs and Trade, while rhetorically grumbling about the imperialism of the U.S. dollar. And Manila, for instance, would be the founding site of the 1954 Southeast Asia Treaty Organization. State sovereignty would trump all other Filipino desires, leaving them strangely a part of the Third World, but also antagonistic to many of the revolutionary movements and radical reimaginations of decolonization ongoing elsewhere.

The legacy of conditional decolonization has continued to shape the contemporary Philippines. It is a kind of national chauvinism that does not see Filipinos akin to other racialized and colonized peoples. Nor does it conceive Filipinos as part of what Prashad calls “the darker nations” or “the poorer nations,” at least in a shared affective sense.<sup>2</sup> Instead, many of those in power in the Philippines and in the diaspora have continued to cling to aspirations of capitalist security and the violent fantasy of state sovereignty. With this in mind, this book’s interrogation of conditional decolonization has sought to illustrate that what differentiates the postcolonial Philippines from the colonial Philippines is perhaps more a difference in degree rather than a difference in kind. Despite this gloomy analysis, this book nevertheless sheds light on the residues and possibilities of unconditional decolonization that continues to haunt the now, an unfulfilled promise that animates contemporary intersectional movements for collective liberation, transformative justice, and self-determination in the Philippines and elsewhere.