TRADE COMPETITION AND AMERICAN DECOLONIZATION

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Introduction

DECOLONIZATION is both a political and an economic process. It implies the transfer of sovereignty from an existing state to a new state and as a consequence, the transformation of trade and investment relations within a common market into trade and investment relations between states. Although scholars have long recognized the economic origins of colonialism and imperial expansion, they have focused far less attention on the political economy of decolonization or on economic relations between colonies and metropoles in the late-colonial era.

This article examines the United States' insular territories in the early twentieth century to explore how competition between colonial exporters and metropolitan producers and the industrial organization of colonial agriculture shaped decolonization. The argument is motivated by a disjuncture in lobbying behavior of the US sugar industry in the cases of Philippine independence and Hawaiian and Puerto Rican annexation. In the Philippine case, the US sugar industry was decisive in securing congressional support for decolonization. Facing competition from inexpensive Philippine cane sugar that competed directly with domestically produced beet sugar, at the height of the Great Depression the US sugar lobby organized a proindependence legislative coalition that paired independence for the Philippines with tariffs on Philippine exports. At the same time, the sugar industry was an integrationist force in Puerto Rico and a key player in Hawaiian annexation. The different roles of the sugar industry as a proindependence lobby in the Philippines and an integrationist force in Hawaii and Puerto Rico

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cannot be attributed to ethnic, religious, military, or geostrategic differences across these insular possessions.

To explain why the same industry played opposing roles in different colonial contexts, I draw on classical arguments about the industrial structure of colonial agriculture. Two factors distinguish agriculture in the Philippines from agriculture in Hawaii and Puerto Rico during the colonial era: the industrial organization of cane production and the territories' broader export profiles. Philippine cane sugar was grown on relatively small, dispersed, Filipino-owned plantations; in Hawaii and Puerto Rico it was produced by a smaller number of large, US-owned plantations and mills. The industrial structure of sugar production in Hawaii and Puerto Rico facilitated political organization and mobilization by American sugar interests there, whereas a similarly organized and politically influential pressure group keen on retaining access to US markets was absent from the Philippines and its independence debates. Moreover, sugar beet producers in the United States had natural allies in the agricultural sectors that faced competition from the Philippines' other main export, coconut products. Coconut oil, refined from copra (dried coconut meat), is a substitute for vegetable oils, such as cottonseed oil, that are used in baked goods, margarine, soaps, and other products. With monocrop export economies, Hawaii and Puerto Rico produced nothing else that competed on a broad scale with US products.

The US congressional coalition that supported Philippine independence as implemented in 1934 emerged as a consequence of the interaction between the territory's industrial structure and its export profile. A comparison of the colonial economies in Hawaii, Puerto Rico, and the Philippines highlights that the protectionist voices that favored Philippine independence extended beyond the sugar lobby to other agricultural sectors, in particular to the cotton lobby, and had no parallels in the cases of Hawaii and Puerto Rico. Moreover, Hawaii and Puerto Rico prointegration lobbies, located in the United States, were facilitated by sugar's industrial concentration in the hands of a small number of American firms—four in Puerto Rico and five in Hawaii. A statistical analysis of Senate votes in the Hare-Hawes-Cutting Act of 1933, which first granted independence to the Philippines, lends further support to this argument.

My comparative analysis of US decolonization of the Philippines has broad theoretical implications. I do not argue based on these three cases that agricultural protectionism was the sole driver of Philippine decolonization, or that the differences in the three insular possessions' political trajectories in the early twentieth century lie only in their agricultural sectors and export profiles. Rather, by focusing on the structure and organization of agricultural sectors across different American overseas territories, I provide a new perspective on how economic interests explain the contours of colonial expansion and decolonization. Theoretically, this argument parallels a mature literature in international political economy on the relationship between international economic ties and industries' demands for protection during periods of economic hardship.[1] For Philippine specialists, I provide a comparative perspective on the economic drivers of decolonization that is consistent with existing research but refines it in light of the similar political and economic relations facing other US colonies. For Americanists, I offer a footnote to the political economy of American expansion that helps to explain the shape of the United States today. I also join a recent conversation begun by scholars of colonial Latin America and the Pacific about empire in modern American political history.[2]

Finally, this argument illustrates the pitfalls of disciplinary and subfield divides, both in political science and in area studies.[3] A comparative perspective on the United States' decolonization of the Philippines reveals a small but important puzzle that for disciplinary reasons—Philippines specialists are comparativists or employed in Asian studies departments while Hawaii and Puerto Rico specialists are Americanists or employed in ethnic studies departments—has gone unnoticed.[4] As a topic that lies at the intersection of international political economy, comparative politics, and American political development, the case of Philippine independence is a particularly fruitful venue for conversations across subfields within political science, providing a comparative perspective on issues of trade and empire in American political development that unite the subfields of American politics and international relations.[5]

The following section outlines the problem of trade competition during the late-colonial period in general terms, focusing on ownership and export structure in the politics of decolonization. Next, I show that Philippine independence differs from most other cases of postcolonial independence in its timing and the manner through which independence was secured. I then introduce the comparison of the Philippines, Hawaii, and Puerto Rico and outline some of the challenges

[1] See for example, Milner 1989.

[2] See most recently McCoy and Scarano 2009.

[3] See Almond 1988; Milner 1998 for calls for greater substantive collaboration across subfields in political science.

[4] On the problematic divide between Asian and ethnic studies, see Hu-DeHart 1991.

[5] See, for example, Katznelson and Shefter 2002.

that arise when leveraging these three cases to make inferences about how colonial agricultural profiles affect protectionist demands for decolonization. The subsequent section describes the economic structure of the three territories in greater detail and illustrates my theory at work in explaining the different roles played by protectionist agricultural interests in the Philippines versus Hawaii and Puerto Rico. The penultimate section provides a statistical test of a key implication of my argument using Senate votes for the Hare-Hawes-Cutting Act in December 1932.[6] The final section concludes.

Trade Competition and Late Colonialism

The idea of trade competition as a driver of decolonization runs counter to the standard analysis of colonialism as an economic phenomenon motivated by the metropole's desire to acquire resources for export to the metropole or to capture markets for the metropole's own exports. By this logic, colonial exports should not compete with commodities produced in the metropole, because no reasonable colonizer would have acquired such territories. The classic examples of colonial expansion as a mercantile enterprise, especially in the seventeenth and eighteenth centuries, are emblematic of this pattern. The Indies, for example, were valuable to the Dutch, Portuguese, and others because these territories produced spices, oils, and other products that were in high demand in Europe and could not be grown or produced anywhere else.

In the later phase of colonialism, the era of High Imperialism, there was extensive trade between colonies and their metropoles that were often united under customs unions or tariff umbrellas, or through preferential trade agreements.[7] However, as colonial empires expanded during the latter third of the nineteenth century, advances in technology, manufacturing, and agriculture created new competition between goods produced in metropoles and their colonies. For example, cloth produced in Rouen and Pondicherry competed in the French consumer market. Technological change also meant that new agricultural products and manufactured goods became substitutes for existing ones. The invention of hydrogenation in the late nineteenth century, for example, meant that vegetable oils could be used to produce margarine, which made them possible substitutes for butter.[8] As colonies became sources of products

[6] President Hoover vetoed the bill and Congress quickly overrode the veto, both in January 1933, so I refer to it as the Hare-Hawes-Cutting Act of 1933.

[7] Mitchener and Weidenmier 2008.

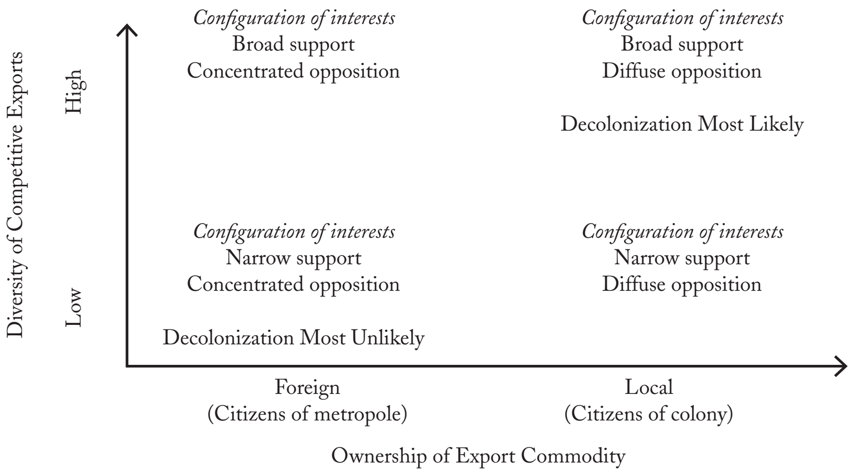
[8] See Shields 2010 for an overview of the industrial development of vegetable oil.

that competed with products produced in the metropole, the domestic political costs of holding those colonies rose as trade competition created domestic opposition to colonialism on distributional grounds.

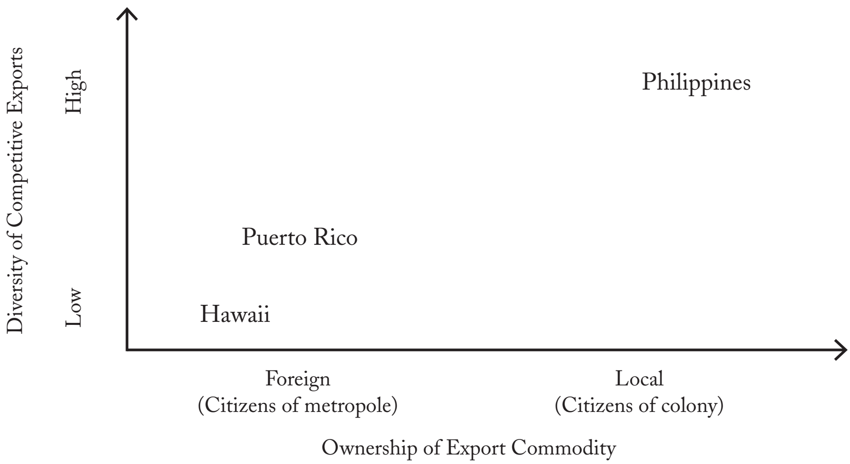
It is possible to characterize the economic costs and benefits of maintaining any particular colony as varying along two dimensions, the extent to which that colony's exports compete with goods produced in the metropole and the extent to which domestic interests in the metropole have a direct stake in the fate of a colony's export industries. All else equal, assuming that colonial goods are perfect substitutes for products from the metropole, colonies that have diverse export profiles should face broader opposition to their exports in the metropole and more support for independence because their exports compete with multiple products produced in the metropole. Interestingly, the costs of independence fall to the colonial producers of the export-competitive goods. They are most likely to be effective opponents of decolonization when their industries are concentrated, which facilitates collective action in the metropole and political and economic dominance in the colony, a point that mirrors Robert Bates's description of concentrated and export-oriented agricultural industries and agricultural policy in postcolonial Africa.[9] But in the colonial era, citizenship mattered as well. Agricultural producers are also more likely to be effective opponents of decolonization when they are citizens of the metropole who can lobby their government directly and strike political bargains with other metropolitan interests. A summary of these theoretical expectations appears in Figure 1.

The configuration of export profile and ownership structure that creates the strongest political pressure for decolonization in the metropole is when local producers in the colony own or control the export industries and multiple export goods from the colony compete with metropolitan goods. In such cases, opposition in the metropole to colonial trade is highest and exporters' political power in the metropole is lowest. By contrast, when a small number of metropolitan firms control a single export industry, their political power is high and the breadth of opposition to imports from the colony is low. In such cases, metropolitan demands for decolonization are lowest. Two other intermediate cases are also possible: diverse exports but high metropolitan ownership of export industries, and a single, locally owned export industry. In these cases, decolonization is likely to be contested, albeit in different ways, and the theory does not yield sharp predictions about the outcome.

[9] Bates 1981.



Support for and Opposition to Decolonization
(a)



Three Cases
(b)

Figure 1
Ownership, Exports, and Support for Decolonization

Figure 1 (b) summarizes the argument in concrete terms. In the Philippines, Filipinos owned and controlled the majority of the export industries (primarily sugar cane and coconut products). Together, sugar cane and coconut products competed with agricultural commodities across a wide swath of the American South, Midwest, and West. Puerto Rico and Hawaii exported only one competitive product, sugar, and its production in these territories remained in the hands of Americans. This variation illustrates how trade competition shaped congressional support for Philippine decolonization at the height of the Great Depression.

Philippine Decolonization in Context

The United States' decision to grant independence to the Philippines during the Great Depression differs from other cases of decolonization. Most obviously, the decision was unique in its method: it came to be through the Tydings-McDuffie Act of 1934, a vote in the United States Congress that was not a direct result of any militarized proindependence movement in the Philippines or any other externally motivated pressure. In this way, it differs from the typical examples of decolonization in the twentieth century and earlier eras that resulted from armed insurgency, defeat in war, popular mobilization in the colony, or as a consequence of a decision by a colonial power to abandon all of its overseas colonies. The closest parallels to the voluntary decolonization of the Philippines by the United States are the former British territories known today as Australia, Canada, and New Zealand. Unlike the Philippines, these territories approximated little Europes at the time of their independence due to the near extinction of their indigenous populations.

The decision to grant Philippine independence was also unique in its context. There is no other case in which the United States surrendered territory to another state except as a result of a mutual settlement with another colonial power. In fact, at the time of Philippine independence, the wisdom of security communities in the United States and elsewhere was that colonial holdings had national security benefits. Interestingly, the United States granted independence to the Philippines while simultaneously reasserting its authority over its other overseas holdings—Alaska, Hawaii, and Puerto Rico. The United States could have retained its colony in the Philippines but chose not to despite the absence of any sanctions for doing so, strong incentives to hold on to its colonies, and an accommodating global political environment.

Interestingly, while letting go of the Philippines the US redoubled its efforts to hold onto the other colonies, two of which became states.

Conventional Explanations: Values, Race, and Sugar

There are three conventional explanations for why the United States chose to grant independence to the Philippines at the height of the Great Depression. The first focuses on what are held to be American political, ideological, or cultural values. The belief that the United States should straddle the North American continent was widely held by white Americans in the early 1800s, but the idea of the US as a global power that held overseas territories in the tropics never so occupied the popular imagination, even though the US had a long history as a sea power and a trading state in Asia.[10] Some influential opinions in the US considered colonialism to be contrary to the American values of liberty and freedom. Francis Burton Harrison, governor general of the Philippines from 1913–1921, put it this way:

> There is no room in the United States Constitution for colonies; officially speaking, we have none. Alaska and Hawaii are territories; Porto [sic] Rico and the Philippines dependencies, or insular possessions. . . . There are few traditions of colonial service in the United States.[11]

Indeed, opposition to a continued colonial presence in the Philippines was a stated goal of the Democratic Party as early as 1900.[12] Reflecting the Progressive Era's political and economic reforms, the Philippines Autonomy Act of 1916 granted "eventual" independence to the Philippines, but left uncertain the timeline under which it would take place.

A second perspective on the incompatibility of Philippine colonization with American ideals was the belief that "Oriental" or "Asiatic" Filipinos were simply unsuitable as citizens of a (presumably Caucasian) American nation. C. M. Goethe of the Immigration Study Commission warned of "'jungle folk' whose 'primitive moral code accentuates the race problem' [and] endanger[s] 'our American seed stock.'"[13] Such voices were present in the independence debate. As James Tyner documents,[14] opponents of Filipino migration to the United States, such as California Senator Samuel Shortridge, frequently expressed their sentiments in the crude eugenicist language commonly used in the 1930s.

[10] Fichter 2011.
[11] Harrison 1922, 7.
[12] See Democratic Party 1900.
[13] Kramer 2006, 407.
[14] Tyner 1999.

> Speaking generally, we belong to the Caucasian branch of the human family. They of the Orient to another and different branch of the human family; and, for reasons which I need not go into, these two branches of the human family are not assimilable . . . we now have enough—too many—race questions in the United States. We have the Negro race question . . . the Chinese problem . . . [and] the Japanese problem . . . If we do not stop Philippine migration, there will be hundreds of thousands and millions of them here.[15]

At a time in which US laws heavily restricted immigration from Asia under the Asian Exclusion Act, independence would recast Filipinos as immigrants rather than internal migrants, thereby permitting their exclusion. Whether justified through Progressive Era politics and American civic ideals, or alternatively as a consequence of American racism, these explanations both attribute Philippine independence to the general sentiment in the United States that it was un-American to hold the Philippines as a colony.

A third conventional explanation turns to the interests of American agricultural producers in the context of the Great Depression.[16] Trade protectionism expanded dramatically during the 1930s as the industrial economies increasingly resorted to trade restrictions to protect domestic producers. The United States, where agriculture was a main source of national income and the Senate gave disproportionate voice to large agricultural states, implemented a wide range of agricultural tariffs alongside the Tariff Act of 1930.[17] But such tariffs did not extend to the Philippines, which fell under the US tariff umbrella.

The Philippines' largest export by value to the continental United States was sugar produced from sugar cane. In the continental US, sugar cane only thrives in the Deep South, so the overwhelming majority of domestically produced sugar is made from sugar beets.[18] Beet sugar is more expensive to produce than cane sugar and even with the high cost of transporting product from the Philippine islands to the US mainland, Philippine cane sugar competed effectively with US-produced cane sugar. As a consequence, agricultural interests associated with the organized US sugar lobby, which included sugar refiners as well as sugar beet and cane producers, were some of the strongest advocates for Philippine independence. As Theodore Friend argues, "If

[15] Quoted in Tyner 1999, 66.
[16] Friend 1963.
[17] Eichengreen 1989.
[18] Sugar produced from Louisiana sugar cane also cost roughly 45 percent more than sugar from Cuban, Hawaiian, or Puerto Rican cane, averaging around four cents per pound in the 1910s versus 2.7 and 2.8 cents per pound for Hawaiian and Puerto Rican sugar, respectively; United States Department of Commerce 1917, 30.

Philippine competition could not be curtailed within American tariff walls, why not put it without?"[19]

This explanation of the origins of Philippine independence comports well with the historical record; there is clear evidence that the domestic sugar lobby advocated consistently for independence throughout the early part of the 1930s. But it sits awkwardly with the observation that the United States held two other overseas territories that also produced substantial amounts of sugar cane for export to the continental United States, Hawaii, and Puerto Rico. Explaining the sugar lobby's behavior with respect to the Philippines as a creative form of protectionism suggests that these interests would follow a general strategy of promoting the independence of any territory that produced large amounts of inexpensive sugar for export to the United States. Yet the sugar industries in Hawaii and Puerto Rico were instrumental in keeping those territories within the United States.

Hawaii and Puerto Rico as Comparison Cases

In the 1930s, Hawaii, Puerto Rico, and the Philippines were remarkably similar in terms of sugar exports. Figure 2 compares sugar production and export in the three territories. The three together produced far more raw sugar equivalent than the continental United States, see Figure 2 (a). More striking, the three territories each also produced roughly the same total amount of sugar, see Figure 2 (b). In fact, the sugar produced in the three territories accounted for a substantial proportion of the total US sugar supply in 1931–33; only Cuba produced more sugar for export to the continental US, see Figure 2 (c).[20]

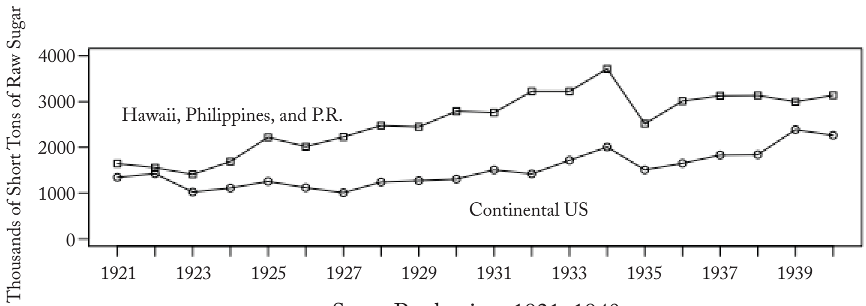
To be useful as comparison cases for illustrating the effects of colonial agricultural structure on decolonization, Hawaii and Puerto Rico should be as similar as possible across all other plausible determinants of decolonization. Table 1 contains a list of such plausible explanations for Philippine decolonization and compares the Philippines with Hawaii and Puerto Rico.

Import competition from sugar was high for each territory. Additionally, the ethnic or racial core of each country was understood to be non-Caucasian or non-Anglo Saxon,[21] and although proponents of

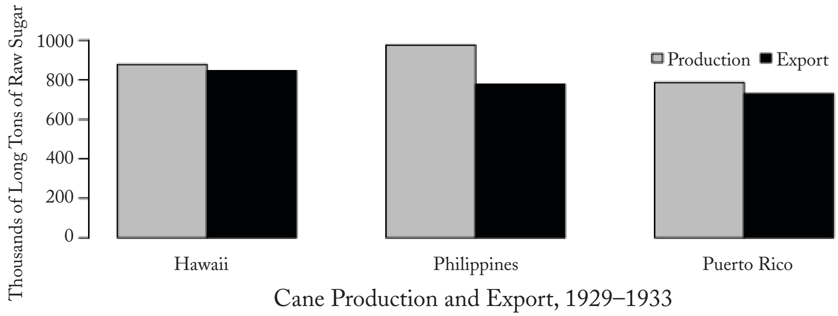
[19] Friend 1963, 180.

[20] The politics of sugar in US-Cuba relations is a related subject but US interventions and investments in the island notwithstanding, Cuba gained its independence in 1902. For commentary on the US sugar beet industry and its role in Cuban independence, see Pérez 1998.

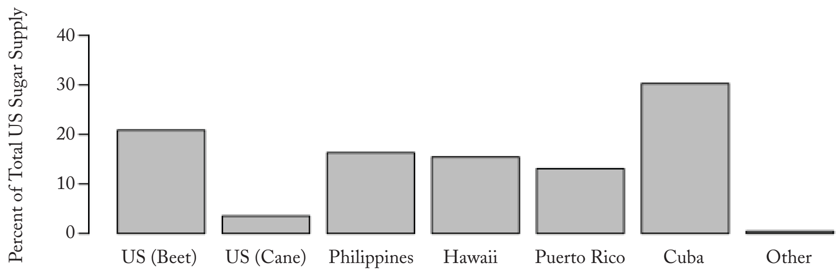
[21] The literature on race and colonialism is vast. On race, "blood," and Hawaiian political history under US rule, see Kauanui 2008. On race and colonialism in US-Puerto Rican relations, see Malavet 2004. On race in the Philippines under US rule, see Kramer 2006.



Sugar Production, 1921–1940
(a)



Cane Production and Export, 1929–1933
(b)



Origins of US Sugar Supply, 1931–33 Average
(c)

Figure 2
Statistics on Sugar Production and Export[a]

[a] See Pepinsky 2015 for data sources.

TABLE 1
EXPLANATIONS FOR INDEPENDENCE

Explanation	*Philippines*	*Hawaii*	*Puerto Rico*
Sugar exports	high	high	high
Perceived ethnic/racial core	Asiatic/ Oriental	Asiatic/ Oriental	Puerto Rican[a]
Dominant religion	Catholicism	Asian or indigenous religions[b]	Catholicism
Time as US possession	since 1898	since 1898	since 1898
Military/geostrategic importance	high	high	high
Local demand for independence	high	high	high
Legal status (1930)	unincorporated	incorporated	unincorporated
Local elites' demand for independence	high	low	low
Other competitive exports	coconut products	n/a	n/a
US share of sugar industry	< 10%	100%	68%
Sugar industry concentration	dispersed	Big Five	four firms

[a] The Republic of Hawaii census in 1896 found that 50 percent of "Hawaiian" or "part-Hawaiian" respondents declared no religion. These may be followers of indigenous Hawaiian, Chinese, or Japanese traditions. Of the remainder, nearly half (24.2 percent of the total population) were Roman Catholics. The 1905 census of the Hawaiian territory, which compiled figures on religion for non-Hawaiians as well, found that only 6.2 percent of all residents of Hawaii were self-described Protestants (see Pepinsky 2015 for source).

[b] See, for example, the explicit comparison of Filipinos and Puerto Ricans as each a fundamentally different people than Anglo-Saxon Americans in *Balzac v. Porto Rico* (1922, 258 U.S. 298): "Congress has thought that a people like the Filipinos, or the Porto Ricans, trained to a complete judicial system which knows no juries, living in compact and ancient communities, with definitely formed customs and political conceptions, should be permitted themselves to determine how far they wish to adopt this institution of Anglo-Saxon origin."

Hawaiian annexation argued that the Hawaiian islands had been so thoroughly Americanized that they were equivalent to territories in the American West and thereby ripe for annexation, no such argument was possible regarding Puerto Rico.[22] Furthermore, neither Hawaii nor Puerto Rico had a long history of US colonial control, although there was a much longer history of direct American agricultural interest in them than there was in the Philippines.

An alternative explanation of Philippine independence is that it was less militarily or geostrategically valuable than the other two possessions. This position is difficult to sustain. Alfred Thayer Mahan, an influential

[22] See Thompson 2002.

American naval theorist at the turn of the twentieth century, viewed Hawaii and the Philippines as valuable bases for projecting US military power into the Pacific. While Mahan was himself conflicted on the issue of whether overseas colonial possessions were necessary to sustain US naval stations,[23] it was certainly conceivable to retain Pearl Harbor as a military installation while granting independence to the remainder of the Hawaiian islands, which is what occurred in the Philippines with Clark Air Base and Naval Station Subic Bay. A similar argument may be made about US military bases in Puerto Rico, including Roosevelt Roads Naval Station near Ceiba and the Vieques training ground. Military or geostrategic concerns alone cannot explain why the Philippines won independence while Hawaii and Puerto Rico did not.

It is also possible that the Philippines were more difficult to hold because the local demand for self-determination was greater there than it was in Hawaii or Puerto Rico. Local militant opposition to US annexation of the Philippines was indeed significant. The annexation of the Philippines was a military conquest that killed hundreds of thousands of Filipinos and had no parallel—in either absolute or relative terms—in Hawaii or Puerto Rico. Yet from the perspective of the United States, the annexation was a success. Militant opposition was largely extinguished by around 1902, some limited guerilla resistance in Luzon and more extensive resistance in the southern island of Mindanao notwithstanding.[24] It was militarily possible to continue to hold the Philippines as a territory.

Despite some similarities, there are a number of differences across the three insular possessions that complicate any argument that Hawaii or Puerto Rico are perfect counterfactuals for the Philippines in studying colonial agricultural structure and decolonization.[25] Four stand out. First, unlike either Hawaii or Puerto Rico, the Philippine Autonomy Act of 1916 stipulated that the United States intended to grant independence to the Philippines "as soon as a stable government can be granted therein." This was partially a consequence of the sheer violence of the Philippine-American war, which affected politics in Manila and Washington alike after its conclusion. Therefore, even though opposition to the United States' presence in the Philippines had clear parallels

[23] LaFeber 1962.

[24] Miller 1982.

[25] There are numerous other differences, of course, but they are unimportant from a design standpoint. For example, while Hawaii and the Philippines are both far from the US mainland, the Philippines are farther away; the Philippines are more ethnolinguistically diverse than the other two; and so on.

in opposition to US annexation among large portions of the Hawaiian and Puerto Rican populace,[26] the scale of opposition in the Philippines is distinctive. Second, whereas there was no substantial local demand for statehood in the Philippines, such a demand was both real and politically consequential in Hawaii and Puerto Rico. Third, the three territories did not have an identical legal status as insular possessions. As the US Supreme Court came to conclude in the so-called Insular Cases, Puerto Rico and the Philippines were "unincorporated territories," while Hawaii was an "incorporated territory."[27] This consigned the former to an indeterminate political status with statehood unlikely, whereas Hawaii could embark on a path toward statehood. Fourth, the Philippines fell closer to the Japanese sphere of influence than did Hawaii, meaning that US fears of becoming embroiled in a conflict in Asia might have raised the geostrategic costs of holding the Philippines.

These differences raise inferential challenges for any comparison among the three cases. In the case of demands for incorporation and statehood in Hawaii and Puerto Rico, I argue below that in the early part of the twentieth century, these demands came from a relatively narrow and unrepresentative political elite whose interests were tied directly to the sugar industry and reflected the dominance of that industry in the islands' political economies. The status of Hawaii as an incorporated territory explains its eventual statehood—in contrast to Puerto Rico's outcome—but the fact that Puerto Rico and the Philippines shared a common legal status confirms that their joint status as unincorporated territory cannot explain differences in proindependence agitation by continental US agricultural interests. The congressional debate over Philippine decolonization contains very limited discussions of geostrategic competition with Japan. Instead, Japan was more frequently invoked as an argument in favor of retaining the Philippines; those who argued in favor of decolonization argued that the Japanese threat was actually too minor to warrant holding the Philippines.[28]

[26] The political process that transferred sovereignty over the Hawaiian islands from the indigenous Hawaiian monarchy to the United States was illegitimate and local demands for self-determination continued for decades and remain present today; see, notably, Silva 2004. Puerto Rican nationalism, too, was especially potent in the 1930s and 1940s; Quintero-Rivera 1986.

[27] Burnett and Marshall 2001; Sparrow 2006.

[28] See for example, Committee on Territories and Insular Affairs 1932, 70, 184, 343, 436. The one exception is a statement by Clyde H. Tavenner of the Philippine Civic Union, who argued that Japan wanted the US to remain in the Philippines because it helped to justify their presence in Manchuria. Tavenner feared having to fight the Japanese in the Philippines were US-Japanese hostilities to break out; see pp. 51–52. Several newspaper editorials discussed in the hearings cited similar concerns; see pp. 62–77 passim. An earlier House of Representatives hearing on Philippine independence contained no mention of geostrategic competition with Japan; see Committee on Insular Affairs 1930.

But the differences in the baseline probability of independence do render any deterministic argument about colonial agricultural structure as the single cause of Philippine independence unsustainable.[29] Instead, limited US presence and dispersed local control of the sugar industry should be understood as increasing the conditional probability of independence above what it would have been had the Philippines' agricultural sector resembled that of Hawaii or Puerto Rico. Such a probabilistic approach to causality in comparative case studies does not mean that the probability of independence would have been equal across all three cases in such a counterfactual scenario. The inferences that can be drawn by comparing the three cases are different. The comparative case studies only illustrate the mechanisms through which protectionist interests advocated for decolonization in one case but not in others.

Another inferential problem arises because the structure of the Philippine economy under US rule was partially a consequence of the political trajectory intended for the Philippines. Specifically, the passage of the Philippines Organic Act of 1902 was made feasible through the restriction of landownership rights for US corporations, restrictions that were enacted to win Congressional approval for Philippine annexation.[30] As a result, the concentrated, US-based business interests that dominated Hawaii and Puerto Rico never emerged in the Philippines. US ownership and concentration in the Philippines was lower than in Puerto Rico and Hawaii in part because lawmakers in 1902 understood that allowing US agricultural interests to amass concentrated control over the Philippine export sector might have created an obstacle to decolonization in the future. It is also conceivable that US firms knew that US colonization of the Philippines would be temporary and that these firms were reluctant to enter the Philippine market because they feared expropriation once independence arrived.

There is a related dynamic in Hawaii. The Reciprocal Treaty of 1875 opened the continental US to Hawaiian exports, fostering the growth of the sugar industry that so depended on access to US markets and came to be dominated by US firms.[31] The result of this treaty was a weaker position for Hawaii in subsequent negotiations with the United States, which in turn hastened the islands' annexation by the US. In the Philippine and Hawaii cases, a causal variable (industrial organization

[29] See Sekhon 2004 on probabilistic causation in qualitative comparisons. See Gerring 2007, 131–39, on most similar cases.

[30] Iyer and Maurer 2009, 8–9.

[31] For details, see Abdelal and Kirshner 1999; La Croix and Grandy 1997.

or US ownership) is endogenous to a potential outcome (colonization/decolonization).

A probabilistic approach to causality again helps to clarify the argument. The claim that agricultural structure affects lobbying behavior can be tested using the three cases under consideration even if differences in the territories' agricultural structure are themselves the consequences of choices made with an eye toward eventual independence or annexation. Moreover, despite the restrictions on US corporate landownership in the Philippines and the plausible fear of postindependence expropriation, many US firms did set up operations there, as the large membership of the Philippine-American Chamber of Commerce confirms.[32] As I show below, these interests were among the strongest opponents of Philippine independence in the 1930s. Counterfactually, had US-based sugar interests been permitted to amass large landholdings in the Philippines and gain greater control over sugar refining, they would have been a powerful anti-independence lobby alongside the relatively few US export-oriented firms that did enter the Philippine market and were stridently opposed to independence. It was only during a time of heightened agricultural protectionism—the Great Depression—that agricultural interests were sufficiently powerful to push for Philippine independence.

To summarize, it is not possible to isolate the effect of agricultural structure on Philippine decolonization using these three cases, nor is it necessary to make a deterministic argument that a coalition of US agricultural interests caused Philippine independence. But small-*n* case comparisons are especially useful when causal claims are "expressed in terms of general variables or mechanisms," the case selection strategy "control[s] for existing rival hypotheses," and the cases "capture representative variation."[33]

In the sections above, I described the general variables and outlined a series of existing rival hypotheses. I turn now to the representative variation across cases and the mechanisms through which this variation shaped decolonization processes.

Ownership Structures and Export Profiles

US sugar interests during the Great Depression were part of a broader agricultural coalition threatened by Filipino exports, and these sugar

[32] See also Beadles 1968 on so-called "Manila Americans" and the negotiations on Philippine independence in the 1910s.

[33] Slater and Ziblatt 2013, 1311–13.

interests approached the other sugar-producing insular territories differently than they approached the Philippines due to the way sugar interests in those territories were organized. Hawaiian and Puerto Rican sugar plantations were dominated by US firms with close ties to the domestic sugar lobby, whereas the local Spanish-Chinese-Filipino *mestizo* elite remained paramount in the Philippines' sugar industry, and cane farming remained primarily in the hands of unorganized rural smallholders. Moreover, whereas the economy in Puerto Rico was dominated by sugar alone and in Hawaii it was dominated by sugar and pineapples, the Philippine export economy depended on sugar and also, critically, coconut oil and copra,[34] which competed directly with vegetable and animal fats produced in the continental US. In the Philippines, the conjunction of local ownership of sugar plantations and the export of other goods that competed with agricultural products produced on the mainland created a broad coalition in the United States for Philippine independence.

Colonial Economies: Sugar Ownership and Industrial Concentration

Philippine sugar production under US rule was both highly dispersed and mostly locally controlled. From "The Brief of the Philippine Delegation for Independence for the Philippine Islands" submitted to the Senate Committee on Territories and Insular Possessions in 1930, it is clear that in terms of the number of farms and acres of land under cane cultivation, the vast majority were held by Filipinos.[35] American ownership of *centrals*—factories for cane milling and refining—was substantial, but under 50 percent of the total (see the bottom graph in the left column of Figure 3).

The role of the sugar industry in the Philippines' political development is well documented. As John Larkin summarizes at the outset of *Sugar and the Origins of Modern Philippine Society*,

> sugar created a native elite, prestigious and powerful who, despite their disparate provincial origins, acted together with the collusion of foreigners to shape the course of Philippine modernization.[36]

The dominance of the sugar industry by Filipinos is a product of the strategies used by the Spanish and US colonial regimes to organize

[34] Borja 1927.
[35] Committee on Territories and Insular Possessions 1930, 240.
[36] Larkin 1993, 8.

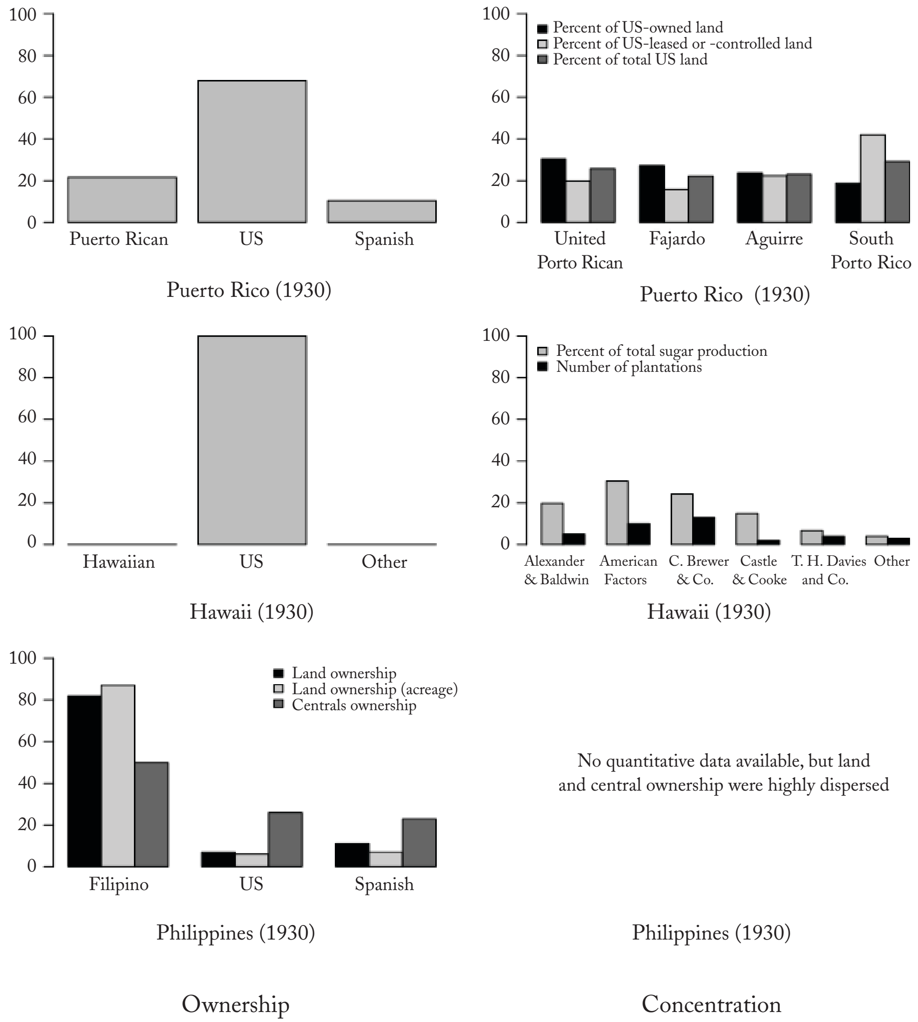


FIGURE 3
SUGAR INDUSTRY OWNERSHIP AND CONCENTRATION[a]

[a]See Pepinsky 2015 for data sources.

colonial agriculture. The Spanish originally relied on indigenous notables (*principales*) to mobilize labor on early plantations. Later, Chinese middlemen married into local families and created the indigenous mestizo class who were understood as Filipinos in the colonial social fabric. As trade with the West expanded in the early 1800s and sugar grew to be the most valuable export commodity in the Philippines, principales and mestizo elites were well-placed to benefit. They moved into the sparsely settled hinterlands and established a territorial presence as powerful landowners.[37] In time, through intermarriage and social intercourse, the ethnic distinctions between principales and mestizos blurred further. These native elites became the families of landed oligarchs who greatly profited from exports to the continental US[38] and whose descendants continue to dominate Philippine politics today.

The Philippine sugar barons' common interest in maintaining the US as an export market oriented them toward the United States, but collective action proved elusive. As might be expected, *centralistas* were more likely to favor the continuation of US rule than were *hacenderos* (landowners), who were more likely to support independence.[39] An attempt to forge a unified voice for Philippine sugar through the Philippine Sugar Association (PSA) was largely unsuccessful:

> Despite PSA efforts and claims to represent the entire sugar industry, it did not. As new centrals came on line in the late 1910s and early 1920s, planters in each milling district formed associations to protect their interests. They hired their own technicians to check the centrals' test results and to supervise the distribution of cane and sugar among member planters and between hacenderos and centrals.[40]

John Switzer, president of the Philippine-American Chamber of Commerce in New York City, likewise testified that "the cane in the Philippines is grown almost exclusively by small [Filipino] farmers."[41] This testimony was designed to support his argument that sugar cane from the Philippines was not actually a threat to the continental US sugar industry, because smallholders would be unable to increase their production much further than they already had. His observations nevertheless illustrate that both pro- and anti-independence interests were aware that the Philippine sugar industry was dominated by local interests and divided among thousands of hacenderos and dozens of centralistas with no centralized organization or representation.

In contrast, in Puerto Rico the ratio of American to local ownership of sugar production was almost exactly the opposite of that in the Philippines (see Figure 3). US firms owned or controlled 68 percent of sugar lands in Puerto Rico. In Hawaii, the entire sugar industry—100 percent of all Hawaiian sugar produced, refined, and sold in the United

[37] Larkin 1982.
[38] Hawes 1987, 20–29; Wurfel 1988, 4–12.
[39] Larkin 1993, 170–71.
[40] Larkin 1993, 161.
[41] Committee on Territories and Insular Possessions 1930, 411.

States—was controlled by Caucasian (*haole*) firms that were firmly oriented toward the United States although incorporated in Hawaii. This domination of the Hawaiian sugar industry by US interests predated and helped to drive US annexation of Hawaii.[42] One hundred twenty-six out of 288 total investors in the Hawaiian sugar industry in 1894, the period of the short-lived Republic of Hawaii, were US citizens. The majority of the others were either British or German, and they also oriented themselves toward the United States. Hawaiian or "part-Hawaiian" investors numbered only thirty-one.[43]

These comparative data illustrate the difference in the ownership profiles of the Philippine, Hawaiian, and Puerto Rican sugar industries in the early twentieth century. Equally as important as the domination of the Hawaiian and Puerto Rican sugar industries, however, was their industrial concentration. By 1929 in Puerto Rico, the US-owned or controlled sugar industry was divided among just four firms, each incorporated in the United States and controlled primarily by American citizens.[44] These firms were of remarkably equal size, each controlling roughly one-quarter of the total farmland under cane production (see Figure 3, right column).

In Hawaii, although there were some similarities to Puerto Rico's sugar industry, there were also differences. Despite the islands' fragmented geography, Hawaii parallels Puerto Rico in industrial control. Five firms, known as the Big Five, controlled thirty-seven out of forty sugar plantations as of 1939 and accounted for 96 percent of all sugar produced in the territory. Each firm was founded by children of American missionaries and controlled by their *haole* descendants. The Big Five shared many of the same executives and management personnel due to extensive crossholding and interlocking ownership and control. In the areas of sugar production, refining, marketing, and sales, they were even more unified. Each of the Big Five acted as an agent for the plantations under its control, and together they formed the Hawaiian Sugar Planters' Association that

> . . . provides a convenient medium for unifying and implementing the policies of the factors. It is governed by five trustees, each representing one of the five factors. . . . The Association is financed by the planation members on the basis of the sugar tonnage each produces. . . . All [sugar] is marketed under an agreement whereby all sugar producers in the Hawaiian Sugar Planters' Association

[42] Kameʻeleihiwa 1994; Osorio 2002, 145–209.
[43] Weigle 1947, 45.
[44] Diffie and Diffie 1931, 52.

> use the same marketing organization and receive the same price per ton. Thus the integration of the Hawaiian sugar industry has been carried to its ultimate step in the refining and marketing of the product to the mainland.[45]

This orientation toward the continental United States as the sole market for Hawaiian sugar explains why the Big Five in Hawaii were such ardent advocates for Hawaiian statehood.

In addition to enabling powerful integrationist groups in Hawaii and Puerto Rico, the concentration of the dominant industry of each territory in the hands of a small number of large US-owned firms shaped the territories' politics, although in Hawaii trade relations with the US and the interests of haole planters had shaped domestic politics long before annexation.[46] In Hawaii, the Big Five's domination of the territorial economy and government was no less than total.[47] Writes Freeman, as of 1929,

> five commercial firms in Hawaii manage 42 out of 51 plantations and mills and dominate business in the territory. They serve as agents for steamship lines, sell insurance, maintain retail and wholesale stores, and in fact transact the great bulk of the important business of the islands . . . There is no state in the Union where business is so dominated as it is in Hawaii by these five business groups.[48]

With American-style political institutions being created from scratch in the territory, the Big Five's economic domination translated into political domination as well:

> Control over the basic economic institutions of Hawaiian society reaffirmed the elite's political position. Political and economic hegemony *within* Hawaii provided the Island oligarchy with a base from which to deal with elites in Washington, New York, and San Francisco.[49]

Analysts of Puerto Rican politics reach the same conclusion. According to Laird Bergad, by the Depression, absentee corporations controlled the bulk of sugar production along with the most important supportive economic activities, including banking, transportation, communications, public utilities, and most important of all—government.[50] This sentiment is echoed widely:

[45] Shoemaker 1940, 29, 31.
[46] See Abdelal and Kirshner 1999, 123–33; La Croix and Grandy 1997.
[47] See for example, Kent 1993, 69–94.
[48] Freeman 1929, 267.
[49] Kent 1993, 78.
[50] Bergad 1978, 81.

> Not only were the various US appointed governors concerned with protecting US interests, which meant sugar, but sugar permeated the island's political life. The political parties which received financial donations from sugar and its associated interests could survive; the rest could not. . . . The insular legislature came to be composed quite largely of Puerto Rican sugar lawyers who were understandably loath to disturb the island's principal industry and their own sources of income.[51]

Whereas the politics of sugar in the Philippine territory consisted of conflict and collusion among farmers, hacenderos, and centralistas in the nascent Filipino oligarchy,[52] the politics of sugar in Hawaii and Puerto Rico amounted to a small group of sugar barons who ignored local demands for representation and self-government in pursuit of access to continental markets.[53] It is no accident that Filipino agricultural interests jointly sought to preserve their access to continental US export markets, as the establishment of the PSA illustrates. But owing to the historical development of Philippines agriculture under Spanish rule and the sheer physical and human diversity of the islands, the sugar barons there never developed the unified economic and political control that characterized the industry in Hawaii and Puerto Rico.

Colonial Economies: Export Profiles

Another distinguishing feature of the Philippine colonial economy is its diversified export profile, which contrasts with economies dominated by sugar in Hawaii and Puerto Rico.

All three insular possessions are located in humid tropical climates. Other agricultural products that flourish in these zones include tobacco, coffee, palm, rubber, and abaca (Manila hemp). Despite the suitability of Hawaii and Puerto Rico for many tropical agricultural products, sugar dominated their economies. Tobacco and coffee exports composed small fractions of Puerto Rican exports in the early twentieth century,[54] but coffee had no competitor in the continental United States and the tobacco production was too small and of insufficient quality to compete with tobacco produced in the southeast US. Hawaii's other significant export crop was pineapple. By the end of the 1920s, the territory

[51] Hanson 1955, 31.

[52] See for example, Anderson 1988; Larkin 1993.

[53] By the 1930s, analysts of the Puerto Rican sugar industry noted that industrial concentration and foreign ownership in particular had become fodder for political action; see Gayer, Homan, and James 1938. In Hawaii, Kanaka Maoli (native or indigenous) opposition to US annexation noted the political control of the Republic of Hawaii, whose government passed the enabling legislation, by "white" and "alien" interests; see Kahoʻokano et al. 1897.

[54] Bergad 1978; Quintero-Rivera 1986.

produced over 90 percent of the pineapples farmed globally.[55] In Hawaii and Puerto Rico sugar was not the only export crop, but it was the only one that competed with continental-US products.

This was not the case in the Philippines. Aside from sugar, the Philippines produced for export substantial amounts of copra, coconut oil, and abaca, in addition to tobacco in smaller amounts. In dollar terms, sugar and coconut products accounted for 32.4 percent and 31.7 percent of Philippine exports, respectively.[56] From the perspective of US agriculture, coconut products were the main threat aside from sugar. As noted above, coconut oil was a substitute for the vegetable oils produced in the continental US for use in the production of glycerine, soaps, margarine, and other products. Indeed, access to US markets under colonial rule spawned the development of the Philippine coconut industry.[57] Together with sugar, coconut exports would prove critical in cementing the agricultural coalition that supported Philippine independence.

Agricultural Interests and the Debate over Philippine Independence

The testimony before the Senate Committee on Territories and Insular Possessions clarifies the importance of continental agricultural interests for Philippine independence.[58] The statement of Frederic Brenckman, Washington Representative of the National Grange, illustrates the pro-independence position of continental-US agriculture:

> A great part of the territory of the United States is well adapted to the growing of sugar beets. We already have the industry established in some 20 States, and there are sugar beet factories in 19 or 20 States, and there are other States where sugar beets could be grown to advantage, provided we could compete economically. But we realize that it would be futile to try to give the American producers of sugar-cane and beets protection so long as we allow unlimited quantitative of sugar to be imported free of duty from the Philippine Islands. . . . It is impossible to give protection to the cotton farmer. But a by-product of that industry is the cottonseed oil industry. We have a duty of 3 cents a pound on cottonseed oil, but that duty is nullified and that protection amounts to practically nothing when we put coconut oil from the Philippines on the free list. . . . We also want to see the producers of butter in this country have the protection to which they are entitled.[59]

[55] Freeman 1929, 269.

[56] Smith 1933, 306. Coconut products include coconut oil, desiccated coconut, copra, and copra meal.

[57] Hawes 1987, 60–61.

[58] Committee on Territories and Insular Affairs 1932; Committee on Territories and Insular Possessions 1930.

[59] Quoted in Committee on Territories and Insular Possessions 1930, 111.

Other testimony included a resolution issued by the Texas Cottonseed Crushers' Association:

> A great proportion of these foreign vegetable oils are represented in coconut oil and dried copra, from which coconut oil is produced, imported from the Philippine islands tariff free . . . where applied to the Philippines we urge either a preferential rate of 25 per cent in their favor or a limitation of imports of coconut oil to 300,000,00 pounds annually, or if neither is possible, that the Philippine Islands be given their independence.[60]

These statements and the many others like them illustrate quite clearly the joint pressure of sugar, cotton, and other agricultural interests in advocating for Philippine independence.

That many agricultural interests advocated for Philippine independence is well-known to scholars of the independence process, but far more emphasis has been placed on the role of sugar than on other agricultural sectors. Critical to my argument is the discussion by many anti-independence groups of the disjuncture between the treatment of Philippines' sugar exports and the sugar exports of Hawaii and Puerto Rico. My argument emphasizes the absence of an anti-independence lobby in the Philippines that was as concentrated and US-dominated as that found in the other two insular possessions. The Philippine-American Chamber of Commerce in New York City, which opposed Philippine independence, released a brief entitled *The Philippine Question,* which laid this point bare:

> The reasoning of the "sugar barons," notwithstanding its questionable motives and its inherent unsoundness, seems to have been swallowed whole by the domestic beet-sugar interests and by their representatives in Congress . . . the inconsistence and lack of principle of the attempt to shut out Philippine sugar is shown by the fact that although Porto Rican sugar is in exactly the same category as Philippine sugar, no effort is made to shut out the Porto Rican sugar . . . there is no great aggregation of American capital in the Philippines like there is in Porto Rico, Hawaii, and in Cuba. . . . The Philippines are weak and relatively defenseless, and therefore were singled out for attack.[61]

The National Grange's Brenckman, a decolonization advocate, noted that

> while they [the US territorial government] seem to have taken proper safeguards to see that the land in the islands is not monopolized by a few big land owners, nevertheless, there is danger that if we hold the islands for economic

[60] Quoted in Committee on Territories and Insular Possessions 1930, 109.
[61] Quoted in Committee on Territories and Insular Possessions 1930, 105–106.

> exploitation . . . gradually a few large land owners will have the best land in the Philippines.[62]

This quotation nicely illustrates the counterfactual claim about how US ownership and industrial concentration affected decolonization. Were the Philippines to remain a colony, a small number of large US firms would come to control Philippine agricultural exports. This would have had deleterious consequences for continental-US agriculture by strengthening Philippines' agricultural exports, and it would have made decolonization more difficult by further empowering those who stood to lose from it.

Coconut products were a topic of debate during the hearings. Testimony was divided between proindependence agricultural lobbies warning of the competitive threat of coconut products and anti-independence US-based producer groups that insisted that tropical oils were not substitutes for domestic vegetable oils. A memorandum submitted by James D. Craig of Spencer, Kellogg & Sons, owners of a linseed oil plant in Buffalo and a coconut oil refinery in Manila, who stridently opposed Philippine independence, evidently for commercial reasons, argued:

> The chemical characteristics possessed by the other American-produced vegetable oils—cottonseed, peanut, and corn oils—make them of much greater value for use in other fields, particularly in the fields of cooking fats—shortening, cooking oils, and salad oils—a field in which coconut oil is entirely unsuited.[63]

Howard Kellogg, the firm's president, emphasized the industrial uses for tropical oils, including as a lathering agent in soap and as a source of glycerin for explosives "in times of national emergencies":

> An import duty into the United States on coconut oil from the Philippines would destroy the coconut oil crushing industry . . . there is not a single feature in connection with the present freedom of trade between the United States and the Philippines in coconut oil and copra that is to the disadvantage of the United States, its agricultural producers, or its consumers.[64]

It is impossible to ascertain whether the arguments by Craig and others about the substitutability of coconut oil for domestic vegetable oils were genuine or not, but subsequent developments have revealed that coconut oil and other tropical oils are in fact well-suited for culinary

[62] Quoted in Committee on Territories and Insular Possessions 1930, 113.
[63] Quoted in Committee on Territories and Insular Possessions 1930, 163.
[64] Quoted in Committee on Territories and Insular Possessions 1930, 145–48.

use. There is, moreover, clear evidence that the excise tax placed on coconut products after 1933 changed how Americans consumed vegetable oil in short order. In 1933 coconut oil accounted for 75.2 percent of the oils used in the production of margarine, but the figure fell to 57.4 percent in 1934. In the same period, the use of cottonseed oil increased from 9 percent to 25.4 percent.[65] This represents precisely the shift in consumption away from coconut oil toward domestically produced vegetable oils that the excise tax sought to achieve.

One question that remains concerns the alliance between US beet sugar producers and the representatives of Puerto Rican and Hawaiian sugar industries. Why would US beet sugar producers cooperate with some cane sugar producers against others? The answer is found in the negotiations over sugar tariffs with a third pressure group, the Cuban sugar interests. Switzer of the Philippine-American Chamber of Commerce argued:

> What does domestic sugar most want and get out of this collusion? A higher duty on sugar. Even if it must give Cuba higher preferential, the higher full duty rate and close harmony with Cuba in marketing the crop would insure a higher price for itself and Cuban sugar.[66]

The point is subtle. Beet sugar would benefit from higher tariffs because they would be imposed on both Philippine sugar and on Cuban sugar. Cuban sugar interests were unable to avoid the imposition of tariffs on their own sugar exports and they were eager to ensure that tariffs would also be placed on Philippine sugar, which would mitigate the costs to Cuban sugar. In other words, Cuban sugar stood to profit even with a higher tariff as long as its market share grew after the imposition of tariffs on sugar from the Philippines. Further supporting this line of reasoning is evidence that Cuban sugar interests were attempting to propose tariffs on Hawaiian and Puerto Rican sugar exports to the continental US, which reflected the competition between Cuban and Puerto Rican sugar interests.[67] While the economics of these arguments may or not be sound, the actors involved clearly

[65] Rice 1935, 160.

[66] Quoted in Committee on Territories and Insular Possessions 1930, 419.

[67] Switzer's testimony referred to hearings before the Lobby Investigation Committee in 1929 that revealed that the president of the Cuba Company had suggested to the Czarnikow-Rionda sugar company that it lobby for tariffs on sugar cane from other insular territories. "My notion is that we could secretly put some such plan up to Smoot, Petriken, and Carlton, and get them to thinking in terms of protection against not only the Philippines, but also Hawaii and Porto Rico" (quoted in Committee on Territories and Insular Possessions 1930, 435). See also, "The Sugar Lobby and the American President," *Literary Digest*, January 4, 1930.

believed that it was in the interests of sugar beet producers to ally with a subset of sugar cane interests to advocate for the independence of the Philippines, whose sugar cane interests were highly fragmented and not domiciled in the continental United States.

Another remaining question is why opposition to import competition from Philippine agricultural exports would lead domestic US agricultural interests to favor independence rather than renewed tariffs on Philippine exports. Renewing tariffs was legally possible. Philippine exports had only gained free access to the continental US as a result of the Payne-Aldrich Tariff Act of 1909 and the Underwood-Simmons Tariff Act of 1913, so new regulations might have simply reinstated tariffs or quotas without granting independence.[68] Indeed, the Texas Cottonseed Crushers' Association was explicit in its indifference to Philippine independence per se. As quoted above, renewing the tariffs that had been abolished decades before also would have satisfied the cottonseed industry's demand for protection. There were two main reasons for advocating for Philippine independence. First, once independence was implemented it would be irreversible, unlike tariffs. Second, because Philippine independence had already been accepted as an eventuality, it provided a natural cover for what were essentially particularistic demands for protection by a globally uncompetitive industry, which may explain why Congressional testimony contains no proposals for tariffs without independence.

In the end, the proindependence groups were victorious. The Senate passed the Hare-Hawes-Cutting Act in December of 1932. President Herbert Hoover vetoed the bill in early January 1933, arguing that its rapid implementation would be too damaging to the Philippines' economy, but the veto was quickly overridden by a Congress fearful of mounting pressures on domestic agriculture.[69] The Tydings-McDuffie Act of 1934 formally provided for Philippine independence, and it was only a slight modification of the Hare-Hawes-Cutting Act, which had been rejected by the Philippine Senate. The Philippine Senate's opposition to the Hare-Hawes-Cutting Act focused on what it considered the heavy economic toll that new trade restrictions would place on the Philippines.[70] This Philippine rejection of independence illustrates a key mechanism of the theory. Colonial export interests were easily mobilized against independence to preserve free market access

[68] See Conroy Franco 1997, 43–44.
[69] Herring 1933, 410–11.
[70] Hester 1943, 73–74.

to the metropole, but unlike the US-owned sugar interests in Hawaii and Puerto Rico, in the Philippines, they had no political standing in the US.

Consistent with continental-US agricultural demands, restrictions on Philippine imports soon followed. In May 1934, a quota and a processing tax were placed on Philippine sugar exports to the United States. Also in May, the Internal Revenue Act of 1934 placed an excise tax on coconut oil refined from copra within the United States, alongside an equivalent tariff on coconut oil.[71]

Votes for Independence: A Quantitative Analysis

The discussion above illustrates how the industrial organization of colonial agriculture led to protectionist demands for decolonization in the Philippines but not in Hawaii or Puerto Rico during the Great Depression. One implication of my argument is that senators from sugar beet-, dairy-, and cotton-producing states should be more likely to support Philippine independence than others. This claim is amenable to quantitative analysis, which I provide in this section.

Before proceeding, two important limitations of this quantitative approach warrant discussion. First, it is not possible to study the pattern of votes for Hawaiian or Puerto Rican independence because no such vote was ever held (none would have passed).[72] The challenge that this presents to my research design is one of selection bias. It is conceivable that had votes been taken, senators from cotton- or dairy-producing states would have also voted for Hawaiian or Puerto Rican independence. This would be inconsistent with my argument but we do not observe these votes. Even though the absence of votes for Hawaiian and Puerto Rican independence is itself consistent with my argument, evidence that senators vote according to their states' agricultural profiles is an incomplete test of the broader argument. The results must be interpreted together with the case-study evidence about colonial economies for which a focused, qualitative comparison using historical data on ownership, structure, and lobbying behavior is the best tool available.

Second, this analysis only captures the interests of continental-US agriculture, not those of Philippine exporters.[73] My argument that

[71] Hester 1943, 81–83.

[72] Puerto Rico came close; the Tydings Bill of 1936 would have allowed Puerto Rico to hold a plebiscite for independence. Critically, as the bill is written, Puerto Rican independence would have come with sharp increases in tariffs on Puerto Rican sugar. For a discussion, see Gatell 1958.

[73] I thank an anonymous reviewer for raising this point.

the Philippines lacked US-based export interests that would mobilize against independence does not yield observable implications for Senate votes that vary by state. Once again, this reinforces that the quantitative analysis produces only partial support for the broader argument and must be interpreted together with the historical data and other qualitative evidence.

The unit of analysis is each senator's vote in the Hare-Hawes-Cutting Act. My main independent variables of interest are cotton production (*cotton*), sugar beet production (*sugar beets*), and milk production (*milk*). As an initial exploration, three maps of agricultural production by state appear in Figure 4. Together, these illustrate powerfully the importance of sugar's coalition with other agricultural groups.

The geographic concentration of agricultural production is readily apparent. Sugar beet production was concentrated in the Midwest and the West. Cotton production was concentrated in the South. Milk production is more geographically dispersed than the other two, but again concentrated in the South. Together the maps suggest that a coalition of sugar-producing states alone would be unlikely to muster enough votes for Philippine independence. Adding cotton-producing states, and to a lesser extent dairy states, to the coalition provides the votes necessary to generate a majority in favor of independence.

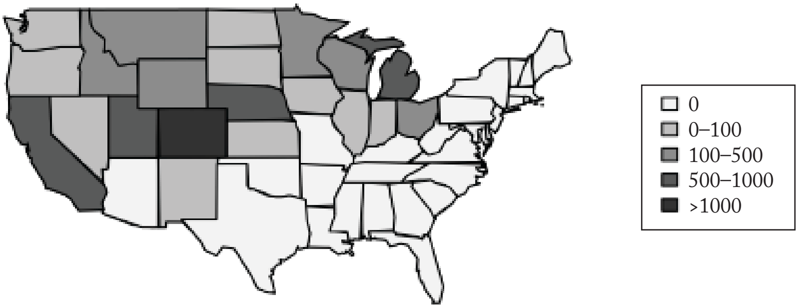
Additional factors may have shaped independence votes. To capture the possibility that senators are representing anti-Filipino nativist sentiment or labor-market competition from Filipino migrants, I control for the fraction of each state's population that is of Filipino origin (*Filipinos*). I also control for partisanship (*Democrat*) in the preferred specification. Data sources and summary statistics are available in the supplementary materials.[74]

Because senators are nested within states, I estimate the determinants of votes for independence via a mixed-effects logistic regression, allowing for random state effects. Data on agricultural production at the congressional district level are unavailable for the 1920s and 1930s, so a similar analysis of House votes is not possible.[75] Senators should be sensitive to agricultural interests aggregated to the state level and fortunately, rich data are available. The main results appear in Table 2.

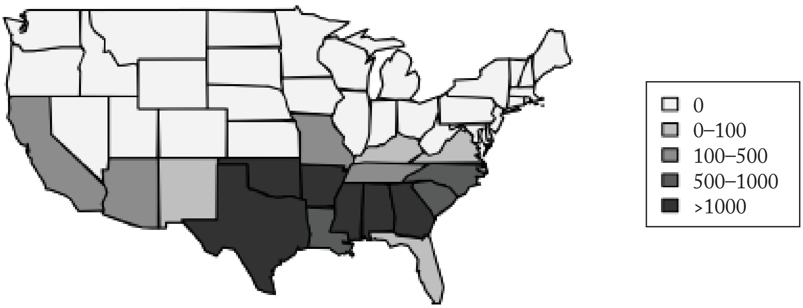
The results for model 1, the preferred specification, are broadly consistent with my argument. Senators from cotton- and sugar beet-producing states are more likely to have voted for Philippine independence,

[74] Pepinsky 2015.

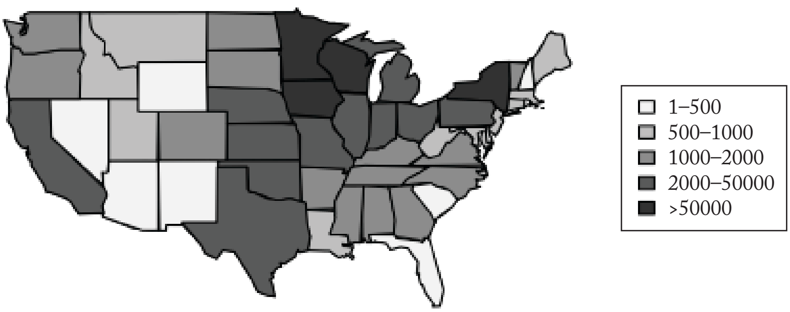
[75] County-level data are spotty, and it is difficult to aggregate these into Congressional districts because county borders often straddle districts.



Sugar Beets (thousands of tons)



Cotton (thousands of tons)



Milk (millions of pounds)

FIGURE 4
AGRICULTURAL PRODUCTION BY STATE, 1924–32[a]

[a] See Pepinsky 2015 for data sources.

TABLE 2
VOTES FOR PHILIPPINE INDEPENDENCE

Variable	*Model 1*	*Model 2*	*Model 3*	*Model 4*	*Model 5*	*Model 6*
Fixed effects	2.04	0.87	9.68	4.02	8.46	1.85
(intercept)	(2.77)	(1.80)	(6.64)	(4.55)	(8.74)	(6.58)
Democrat	4.71*		4.87*		4.78*	
	(2.02)		(2.02)		(2.04)	
Filipinos	–0.08	0.04	–0.24	–0.08	–0.23	–0.08
	(0.26)	(0.17)	(0.26)	(0.18)	(0.25)	(0.17)
Sugar beets	0.48*	0.27*				
	(0.23)	(0.13)				
Milk	–0.51	–0.18				
	(0.43)	(0.26)				
Cotton	0.44	0.69**				
	(0.32)	(0.23)				
Sugar beets (value)			0.26**	0.14*	0.26**	0.15**
			(0.10)	(0.06)	(0.10)	(0.06)
Milk (value)			–0.68	–0.26	–0.60	–0.12
			(0.41)	(0.27)	(0.56)	(0.41)
Cotton (value)			0.73	1.08**	0.76	1.12**
			(0.50)	(0.39)	(0.51)	(0.38)
Total farm products					0.00	–0.00
(value)					(0.00)	(0.00)
Random effects	0.09	–1.32	–1.05	–2.23	–1.68	–13.54
State (intercept)	(0.98)	(6.59)	(6.05)	(37.73)	(21.46)	(2.18e6)
Observations	94	94	94	94	94	94

Each model is a mixed-effects logistic regression. The dependent variable is a senator's vote for independence. Independent variables are described in Pepinsky 2015. Each model has ninety-four observations and forty-eight clusters. Standard errors are in parentheses. * $p < 0.05$, ** $p < .01$.

although the coefficient on the former is not statistically significant at conventional levels. There is no evidence that states that produce more dairy are more likely to vote for independence.

There is also a clear relationship between partisanship and independence votes. But because the Democratic Party had such a stronghold in the cotton-producing states, it may be erroneous to conceive of an independent relationship between partisanship and independence votes. States with large agricultural lobbies may have elected democrats to the Senate. This is clearly true in the South, where the majority of cotton-producing states are found. It is plausible to view partisanship itself as a consequence of a state's agricultural interests, or more fundamentally of a "political economy of cotton" that unites the southern states,[76] rather than as an independent driver of Senate votes. This is the justification for model 2, which drops *Democrat* and finds that the results for cotton and sugar beet production are strengthened (the results for dairy production remain unchanged).[77]

In models 3 and 4, I repeat the above exercise but use the value of the agricultural commodities produced rather than the volume.[78] The substantive results are unchanged. In models 5 and 6, I add a measure of the total value of all agricultural production in each state, which guards against the possibility that it is the size of the agricultural sector rather than the size of each specific commodity that determines pro-independence voting. Again, the substantive results remain unchanged. In the supplementary material, I show that these results remain unchanged when I control for senators' past foreign-policy votes.[79]

Conclusion

Decolonization is a political process that transforms the economic relations between colonies and metropoles. I have argued that economic considerations shaped US decolonization, focusing on the behavior of one powerful industry in two cases of nondecolonization in contrast to the case of decolonization of the Philippines during the Great Depression. Doing so illustrates the precise logic of how trade competition produces a political movement for decolonization in the metropole. It is not simply trade competition, but broad competition across import-competing sectors that creates broad coalitions supporting independence. Conversely, ownership of the export industry by citizens or representatives of the metropole increases the political power of those who oppose decolonization, especially in cases where that export industry is concentrated in a small number of enterprises. One particularly satisfying result of this approach is that it can explain why the same industry—sugar—advocated for annexation in Hawaii and opposed independence for Puerto Rico, yet supported decolonization in the Philippines.[80]

[76] Bensel 1987.

[77] If partisanship is a posttreatment confounder, then it should not appear in any model that estimates the causal relationship between agricultural commodity production and independence votes.

[78] Average volumes and average values are not perfectly correlated because volumes vary by year within states.

[79] Pepinsky 2015.

[80] In addition to the above caveats, my argument also does not hold that sugar interests fully explain the decision to annex Hawaii and Puerto Rico in the first place. Rather, I focus on the absence of a protectionist proindependence lobby concerning these territories three decades later.

An economic approach to US decolonization should not be seen as the only factor that shaped the process and eventual outcome of decolonization—or its failure—in the United States' insular territories. The benefits of close attention to imperialism, racism, culture, and Progressive Era debates about the United States' civilizing mission are clear, much as Jeffry Frieden has argued with reference to colonialism and military expansion.[81] However, a comparison of Hawaii, the Philippines, and Puerto Rico holds roughly constant many of the confounding factors that might explain decolonization outcomes. In doing so, the comparison clarifies the political economy logic of pro-independence protectionism across cases.

The implications of this argument travel beyond the US case. A focus on the United States holds constant the metropole's economic structure while allowing the economic structure of the colonies to vary. A promising area for future research is to explore differences in the incentives of colonial powers to hold colonies based on metropolitan economic structures. The United States is among the world's most diverse economies and might have faced more extensive trade competition than other colonial powers. Metropole-colony pairs like the Netherlands-Indonesia, Belgium-Congo, and Portugal-Angola each featured small colonial powers that faced little trade competition from the respective colony, technological changes in the late-colonial era notwithstanding, which may help to explain the tenacity with which these colonial regimes fought to retain their colonies.

Supplementary Material

Supplementary material for this article can be found at http://dx.doi.org/10.1017/S004388711500012X.

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[81] Frieden 1994.

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