

# Davaokuo? Japan in Philippine Politics, 1931-1941

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Between the outbreak of the Manchurian Incident and the attacks on Pearl Harbor and Clark Field, the role of Japan in the Philippines became increasingly significant. The facets of this role, however, are so varied and so diffuse and involve so many levels of politics, economics, and ideology that no single over-all relationship among them can be satisfactorily determined. In fact, augmented and accelerated Japanese activity in the Philippines from 1931 to 1941 may be in essence a Philippine phenomenon, that is that the course of events within the islands as independence approached in effect drew Japan more and more onto the Philippine scene.

The heart of the Japanese colony in the Philippines was the province and city of Davao on the island of Mindanao. The beginnings of Japanese colonization in the Davao area at the turn of the century were a result of the coincidence of three factors: (1) the need of the hemp plantation owners (both Spanish *hacenderos* and newly arrived American veterans of the recently terminated Spanish-American War) for hardy and industrious laborers, (2) the presence in the Philippines of unemployed Japanese as a consequence of the completion of the famed zig-zag Baguio road for which project the Americans had imported

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Japanese labor, and (3) the foresighted enterprise of the immigrant Kobe merchant Ōda Kyōsaborō (K. S. Ohta). Originally, the migration of Japanese laborers to Davao was motivated by the same purely economic stimulus which had attracted them to work on the Baguio road. They planned to work for a period of time and return to Japan taking with them their hard-earned savings. But the real agricultural potential of the broad undeveloped Davao region quickly became apparent to the Japanese migrants, who were almost all of peasant origin. The fertile well-watered soil and the relatively mild and typhoon-free climate with its continuous growing season plus the failure of most of the American ex-soldiers turned planters inspired many of the Japanese and Ohta in particular to embark on a program of acquiring their own land. This was achieved under Public Land Act 926 of 1903 which permitted any legally organized corporation to purchase or lease agricultural land in the public domain up to a maximum of 1,024 hectares, leases being for 25 years and renewable for an additional 25 years. Under this procedure the Japanese now became landholders and land developers in their own right, and permanent colonization rather than transient residence became characteristic of the Davao settlement. Burgeoning prosperity, especially in the raising of abaca, led the Japanese to seek to expand their landholdings. The increasing arrivals of new immigrants from Japan and the hemp boom of World War I further stimulated the expansion of the amount of land under cultivation.

In the process of adding to their agricultural domain the Japanese had become particularly adept at discovering extra-legal devices by which additional lands might be brought under their control—a development which, incidentally, in the Philippines did not require an excess of ingenuity. The Philippine answer to this problem came in the form of Public Land Act 2874 of 1919 which provided that no individual or corporation could purchase or lease land unless 61 per cent of the capital stock was owned by a United States or Philippine citizen. However, the effect of the new legislation on the Davao land question was more apparent than real. In fact, there are those who would claim that the new legislation itself was primarily the result of

pressure from the Philippine legal profession whose role became crucial in the subsequent drafting for the Japanese of contractual agreements appropriate to the evasion of the new legislation.

Thus, after 1919 the two principal means of land acquisition for the Japanese became the dummy corporation whose Filipino incorporators (almost without exception lawyers, their wives, or their families) were rewarded with a usual fee of ten per cent of the yearly yield and the so-called *pakiao* system, a rather complex contractual arrangement to which again only lawyers were privy and which made it appear that the Filipino landowner or leaseholder was hiring the personal services of the Japanese. Therefore, while statistics from Davao seemed to show an actual decline in the number of Japanese-owned properties and a corresponding increase in those owned by Filipinos, in reality by 1931 the Davao area presented the picture of a deeply rooted, tightly knit, well-organized, capably led, and economically thriving Japanese community.

Concern with the Japanese colonization of Davao was by no means new, and the cry that "something must be done" was a familiar one. Yet nothing had been done for several reasons: (1) successful lobbying in the halls of the Philippine Legislature by Japanese consular officials and businessmen, (2) a desire by Filipino lawyers, dummies and *pakiao* "landlords" to leave undisturbed what for them were very satisfactory arrangements, (3) the generally favorable attitude of the indigenous Bagobo tribesmen toward the Japanese whom they preferred to the harsher Christianized Filipinos, and (4) the American-Japanese "honeymoon" era in international politics reflected in the several Washington treaties of 1922 and the Kellogg-Briand Pact. However, the Manchurian episode seemed to arouse new concern, especially on the part of certain American officials such as General F. Le J. Parker, chief of the War Department's Bureau of Insular Affairs, who pointedly stated in a memorandum to the Secretary of War that "the general public attitude of the Filipino leaders has been that the Philippine Islands had nothing to fear from Japanese immigration or penetration."<sup>1</sup>

As in every other aspect of the relations between the Philippines and Japan during the thirties, the two overriding considera-

tions which affected the situation at Davao were the imminence of Philippine independence and the expansionism of Japan. Phrases such as "The Davao Problem," "The Davao Question," "Another Manchuria," and "Davaokuo" were with only differing degrees of intensity expressions of growing concern over the ultimate meaning for the Philippines of Japanese holdings on the island of Mindanao. Yet in reality the great potential of Davao was still practically unexploited, for no matter how illegally the Japanese had obtained land—and indeed in many cases their methods were outrageously illegal—in the end the clearing of that land and its subsequent productivity were the real measures of its value. Japanese capital, organization, efficiency, management, and above all hard work had begun to scratch the profitable surface of that untapped wealth, but there was no apparent reason why Filipinos themselves should not do as well or in fact outstrip the aliens in their midst. However, the failure of the Philippine government and the Filipino people to address themselves with energy and purpose to the exploitation of their own land, plus the self-seeking opportunism of members of the Philippine legal profession and of government officials, contributed in large measure to the emergence of a Davao problem.

The passage by the American Congress of the Tydings-McDuffie Act, setting the date for Philippine independence for July 4, 1946, and the provision for an interim Commonwealth regime once again accelerated both the desire of the Japanese to secure and confirm their Davao landholdings and the fears on the part of some Filipinos and Americans that the Davao colony in an independent Philippines would provide a springboard for an ultimate Japanese takeover of the entire Archipelago. After a brief flurry at the Constitutional Convention of 1934 and subsequent mounting concern evidenced in the press, in January and February of 1935 Secretary of Agriculture and Commerce Eulogio Rodriguez conducted an investigation of the situation at Davao which convinced him that while the Japanese had not acquired any land by violence and had made substantial contributions to the economy of Davao, nevertheless under existing Philippine laws, leases and subleases of public lands to Japanese by Filipinos were illegal and would have to be dealt

with accordingly. Rodriguez estimated the amount of such holdings at 30,000 hectares or better than 50 per cent of the Davao lands then under cultivation by the Japanese, and he recommended a number of remedial steps that might be taken to correct this situation.<sup>2</sup> Davao Consul Kaneko stated that Japan would contest the cancellation of any so-called illegal leases and warned of "serious consequences."<sup>3</sup> Consul General Kimura scoffed at the Rodriguez report as a gross distortion of the facts.<sup>4</sup> Acting Governor General Hayden called Washington's attention to the matter, since any punitive action directed at the Japanese was liable to have international repercussions.<sup>5</sup>

The Japanese quickly invited Modesto Farolan of the mass circulation D-M-H-M newspapers to make an on-the-spot "independent survey" at Davao at their expense (400 pesos for travel money and 4,000 pesos worth of advertising in the *Philippines Herald*).<sup>6</sup> Farolan praised the *pakiao* system as a sensible method of opening new lands by means of employing Japanese energy, skill, labor, and capital and urged that Filipinos whose land was being developed be recognized as "patriots" rather than be condemned as "dummies." Determined enemies of Japan were everywhere spreading fear and prejudice, Farolan concluded, but the people of the Philippines would not be misled.<sup>7</sup> Support for Farolan's position came from ex-Representative Vamenta of Mindanao who called the whole "Davao Question" a "tempest in a teapot" and severely criticized "Japan-baiting."<sup>8</sup>

On June 20, 1935, Secretary Rodriguez, continuing undaunted on his original course, called for a number of specific actions to be taken which would directly affect only government officials and Filipino citizens and therefore could not, he said, be misconstrued as anti-Japanese.<sup>9</sup> On June 24, Rodriguez officially ruled the *pakiao* system illegal and instituted a program of lease cancellation which involved the holdings of provincial governors, mayors, fiscals, army officers, prominent businessmen, and wives of all of the preceding.<sup>10</sup>

Vigorous and noisy protests from the Japanese in Davao began to be heard, and the Rodriguez lease cancellation program encountered stiffening opposition. Obviously the time element was of concern to both parties to the dispute with the inaugura-

tion of the Commonwealth scheduled for November 15, just two months hence. Secretary Rodriguez was eager while the Americans were still in full control to pursue firm action directed at preventing the extension of Japanese holdings and influence in Davao, but the Japanese felt that if they could prevent the enforcement of cancellation orders until the inauguration of the Commonwealth, the chances of a settlement favorable to them would be much better because of the anticipated desire of the new Commonwealth government to eliminate controversial questions in order to develop friendly relations with Japan. To this latter end the Japanese had the assistance of their distinguished legal counsel Jose P. Laurel and Representative Felipe Buencamino, Jr., a long time confidant of President Manuel L. Quezon.<sup>11</sup> There is no question but that the Japanese completely out-maneuvered the secretary.

The inaugural ceremonies were barely over when Buencamino introduced into the new National Assembly a proposal simply to legalize all leases in Davao. Buencamino maintained that the Japanese were "innocent victims of circumstances" who deserved to be given immediate assurances of the friendly attitude of the new Commonwealth regime.<sup>12</sup> Interestingly, the Buencamino plan was considered by some to be Quezon's plan, but by still more it was thought to be the "American plan," largely the brain child of the visiting congressional delegation which had come to the Islands for the inaugural festivities and which was eager to diminish international complications in the Far East, especially for the United States and its infant offspring, the Philippine Commonwealth. Meanwhile, President Quezon assumed personal responsibility for the Davao problem. The Rodriguez lease cancellation program was dropped, Laurel was appointed to the Supreme Court (much to the discomfort of the Japanese who thought he was trying to "run out" on them),<sup>13</sup> and Pedro Sabido, former majority floor leader of the Philippine House of Representatives, was hired by Japanese interests as their new legal counsel.<sup>14</sup>

A potentially disruptive situation eased considerably and, in April, 1936, President Quezon's personal trip to Davao (which even before his inaugural he had informed the Japanese Consul

General he intended to make)<sup>15</sup> contributed still more to the calming of the passions which the Davao problem had aroused earlier. On his return to Manila, Quezon passed with flying colors what observers called the first crucial test of his presidential statesmanship. At his press conference on May 8, the president made it very clear that nothing would be done about the Davao lands in question without thorough investigation, proper court action where necessary, and consultation with the legislature at an appropriate time. Said Quezon at one point, "... I want the [Japanese] consul to know and to assure him that the Government of the Commonwealth is not going to act arbitrarily in handling this question."<sup>16</sup> It is enlightening that almost simultaneous with the Philippine president's press conference statements High Commissioner Murphy confided to the Japanese consul general that from the beginning the American government had wanted to avoid any disputes over Davao.<sup>17</sup>

In the weeks that followed, Sabido had several opportunities to advance Japan's viewpoint on the Davao situation in conversations with Quezon, and Sabido predicted accurately to the Japanese that the president would, in an appearance before the National Assembly, indirectly warn the legislators not to concern themselves further with Davao.<sup>18</sup> In the actual speech which was delivered June 23, 1936, Quezon minimized the significance of Japanese holdings and concluded with the reassuring comment, "There is nothing in the so-called Davao problem that should cause serious concern."<sup>19</sup> However, and very significantly, having said that the president then proceeded to recommend for the first time a proposed positive answer to the Davao question, namely, the creation of a National Land Settlement Administration which was to assist in moving Filipino immigrants from heavily populated areas to government supported colonization projects on the island of Mindanao.<sup>20</sup> As in so many difficult governmental decisions both past and present, those on the outside, including the Japanese and their spokesmen Laurel and Sabido, were quick to demand unflinching decisions which would have in this particular instance either confirmed the Japanese in their holdings or in quite the opposite fashion, as Rodriguez intended, would have, if necessary, forcibly ejected the Japanese from lands which

they were said to hold illegally. But President Quezon tried to work toward an answer which would offend none of the parties involved and which might ultimately preserve the rich heritage of Mindanao for the Filipinos themselves.

After a year of relative quiescence, the opening of the all-out Sino-Japanese conflict in 1937 once more focused attention on Davao. Renewed proposals were introduced into the Philippine Assembly to purchase Japanese holdings, but the Japanese as before failed to evidence any interest in such schemes. In the fall of 1938 there was an interesting exchange of memoranda between the office of President Quezon and Brigadier General Burnett, Chief of the Bureau of Insular Affairs. Both documents, identically, were entitled "*The Davao Land Problem.*" The Quezon memorandum described Japanese holdings as "relatively insignificant" and offered the view that the cause for alarm seemed to be Japanese control of the economic life of Davao ("the Filipino is almost a complete stranger there") while the Burnett memorandum, largely a summary of personal impressions of the general after a trip to the area, also expressed the opinion that Japanese holdings were insignificant, that there was no "problem," and that the Japanese presence in Davao was in fact "a distinct asset, not a liability, to the Commonwealth Government."<sup>21</sup> However, in a subsequent memorandum to the Secretary of War, General Burnett, though terming his statement an "educated guess," stated that if in the opinion of the Japanese leadership political domination of the Philippines became necessary for economic domination, it seemed to him most probable that the required steps would be taken to that end.<sup>22</sup>

As the international atmosphere progressively worsened, American concern about Japanese intentions toward the Philippines increased and, in May, 1939, Representative John G. Alexander of Minnesota introduced a resolution in the House demanding an investigation of Japanese influences in the Philippines.<sup>23</sup> Three hypotheses have been advanced to explain the Alexander resolution: (1) Representative Alexander in a letter to me described his motive as based on his recognition of the real nature of Japanese expansionism which his colleagues failed to perceive until Pearl Harbor;<sup>24</sup> (2) the Quezon administration



charged that Alexander, as a dairy bloc congressman, was seeking to prevent passage of certain proposed trade amendments to the Tydings-McDuffie Act and was accordingly resorting to "underhanded, illicit" tactics;<sup>25</sup> (3) the Japanese opinion, as expressed by the consul general at Manila, was that the real culprits were the Communists who were trying to arouse opposition to Philippine independence in the United States and were seeking to "counteract the Japanese policy of the Quezon government."<sup>26</sup>

A verbal battle ensued across the Pacific with Alexander attempting to bolster his charges in a series of speeches on the floor of Congress ("Filipinos are afraid to do anything about the steady flow of short, wiry, hardy, astute yellow men. . . . They are resigned to the coming of the Japanese.")<sup>27</sup> and with President Quezon attempting to refute such accusations ("I am not going to pay more attention to that nonsensical and absurd speech of Congressman Alexander. . . my goodness, unless a man is crazy, he cannot say that the Japanese own Davao because they have 45,000 hectares when we have over a million hectares. . . . The Philippines' future is safe, but if the Filipinos have more love for money than for their country, nobody can save the Philippines—let us all go to hell.")<sup>28</sup> The Tydings-McDuffie amendments passed overwhelmingly, Alexander was defeated for re-election, and Quezon told a Japanese journalist in 1940, "The Davao problem. . . has disappeared not leaving a trace of the trouble. No one takes up the subject again."<sup>29</sup>

In reality, President Quezon himself took up the subject again the very next year urging the Japanese to join in consultations with Commonwealth officials to seek a solution that would be mutually acceptable to both Japan and the Philippines. Quezon told the Japanese consul that he would not like to go out of office leaving behind a serious problem which might negatively affect future Philippine-Japanese relations.<sup>30</sup> By the end of September, 1941, an agreement was reached whereby the Japanese would rigidly control any further illegal cultivation at Davao, and the Commonwealth government would accept the status quo until full independence had been achieved and direct binational negotiations could be undertaken.<sup>31</sup> It is perhaps worthy of note that this agreement was achieved in the framework of the close

personal ties between both President and Mrs. Quezon and other high Filipino officials and their wives and their counterparts in the Japanese consular and business community in the Islands—ties which continued unimpeded by the worsening relations between the United States and Japan.

By the outbreak of World War II, Japanese economic control and even political control of Davao was a *fait accompli*. It was unquestionably Japanese capital and labor that had made Davao one of the richest provinces in the Philippines, and these developments undoubtedly made a signal contribution to the growth of the new nation. What is probably less desirable in any over-all evaluation of the Japanese settlement in Davao was the practical creation of a kind of state within a state and the cooperation in that phenomenon of a number of educated, articulate and influential Filipinos. "Davaokuo" is surely an exaggeration, yet there is sufficient truth in the symbolism of the term to cause one to recognize that the communal exclusiveness of the Japanese in Davao persistently prevented any semblance of their integration into the Philippine nation. Neither unassimilated nor economically dominant alien minority communities in foreign environments were uniquely Philippine experiences. The hard core of the Japanese population at Davao never exceeded 18,000 so that numerically, despite their alienation from the mainstream of Philippine life, they posed no particular threat to the Islands. However, neither cultural isolation nor economic wealth need have resulted, as it did, in provincial political control which in turn affected national politics at the highest levels. For this latter development the Filipinos had only themselves to blame.

In sum, the Davao problem as it affected Japanese-Philippine relations during the decade of the thirties serves to epitomize three distinct aspects of those relations. First, the success of the Japanese in maintaining their position at Davao unhindered, despite extensive criticism both in the Islands and in the United States, is certainly impressive evidence of the excellence of Japanese diplomacy in general and of the astuteness of Japanese representatives in the Philippines in particular. (The latter fact is demonstrated not only by the high level of mutual confidence that was attained between President Quezon and the Japanese

consular corps but by the actual complicity with the aims of Japanese policy by important personalities like Laurel and Sabido.) Second, the Davao question provides ample support for the thesis that the American government was determined to take no action in its own right which might be misconstrued by the Japanese as unfriendly, and certainly did nothing during the Commonwealth period which might have even indirectly encouraged the Filipino leadership to take a firmer stand toward Japanese interests. Third, the successful handling of this difficult problem by the Commonwealth is a tribute to the remarkable statesmanship of President Quezon whose principal concern throughout continued to be to try to insure for the soon-to-be-independent Philippines as safe a course as possible through the stormy seas of international relations.

## NOTES

1. BIA 6144/After 165. (BIA refers to materials of the Bureau of Insular Affairs, Department of the Interior, in the National Archives.)
2. BIA 6144.
3. Quoted in *Philippine Magazine*, March, 1935, p. 125.
4. *New York Times*, Feb. 18, 1935.
5. *Philippine Magazine*, *op. cit.*
6. Japan, Ministry of Foreign Affairs, 1868-1945, S Series, S10.1.1.0-19, Reel 459 (Mar. 26, 1935; April 17, 1935; May 22, 1935). These items were made available through the kindness of Professor Theodore Friend, State University of New York, Buffalo, and were translated by Professor Mikiso Hane, Knox College.
7. M. Farolan, *The Davao Problem* (Manila: M. Farolan, 1935).
8. *Philippines Herald*, June 10, 1935.
9. *The Tribune*, June 23, 1935.
10. Japan, Ministry of Foreign Affairs, S10.1.1.0-19, Reel 460 (Nov. 10, 1935).
11. *Ibid.*
12. *New York Times*, Nov. 19, 1935.
13. Japan, Ministry of Foreign Affairs, S10.1.1.0-19, Reel 461 (Feb. 6, 1936).
14. *Ibid.* (and Feb. 12, 1936).
15. *Ibid.*, Reel 460 (Nov. 7, 1935).
16. Transcript of Presidential Press Conference at Malacañan (May 8, 1936), Papers of Manuel L. Quezon, National Library, Manila, Philippines. Hereafter, QP.
17. Japan, Ministry of Foreign Affairs, S10.1.1.0-19, Reel 461 (May 9, 1936).
18. *Ibid.* (June 18, 1936).
19. BIA 17073/456.
20. The program is described in detail in Karl J. Pelzer, *Pioneer Settlement in the Asiatic Tropics* (New York: American Geographical Society, 1945).
21. BIA 26712/14 and BIA 26712/15.
22. BIA 6144/264.
23. Text of the Alexander Resolution appears in *Congressional Record*, May 19, 1939, pp. 5826-27.
24. Letter from John G. Alexander, July 19, 1962.
25. *Philippines Herald*, May 22, 1939.
26. Japan, Ministry of Foreign Affairs, S10.1.1.0-19, Reel 459 (May 22, 1939).
27. *Congressional Record*, June 12, 1939, pp. 7055-56.
28. QP, June 28, 1939.
29. Quoted in G. H. Enosawa, *Manuel L. Quezon from Nipa Hut to Malacañan* (Tokyo: Japan Publicity Agency, 1940), pp. 146-47.
30. Japan, Ministry of Foreign Affairs, S10.1.1.0-19, Reel 461 (Sept. 19, 1941).
31. *Ibid.*