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# Philippine Cotton Production under Japanese Rule, 1942–1945

*Yoshiko Nagano*



It is widely known that Japan's grandiose cotton production scheme in the Philippines ended in total failure during the Pacific War. The major factors of the failure were: (1) the introduction of new seed varieties which did not fit the Philippine climate; (2) the antagonistic attitude of landlords or peasants toward the Japanese military administration; and (3) the interference by guerrilla activities. Even without these three factors, it would have been impossible for Japan to take an initiative of converting larger areas of sugarlands into cotton fields within a few year.

The informative studies by Teodoro A. Agoncillo (1965, 2:525–31), Alfred W. McCoy (1978, 239–69) and Josefina Dalupan Hofileña (1990, 174–206; 1996, 82–94) illustrated the characteristics of the Japan's cotton production scheme in general. The latter two studies focused on the case of Negros Island. These three studies made major contributions to disclose Japan's original aim in cotton production as well as the factors for its failure. These attempts are significant in a sense that they successfully depicted the myth and reality of the Japan's cotton production scheme in sugar-producing regions. However, to examine Japan's cotton production scheme in the context of Philippine economic history and to evaluate its impact on Philippine society, we might seek a new approach for this topic and interpret it in a new dimension.

A new approach in this article is to present a contrasting picture of the cotton production scheme during the Japanese occupation, in

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comparison with that of the Commonwealth's textile industry promotion policy. By doing so, we can evaluate Japan's cotton production scheme in the history of the Philippine textile industry and show clearly the discontinuity between the Commonwealth's promotion policy and Japan's scheme. We cannot deny that Japan's cotton production scheme sought to promote Philippine economic independence from the United States, encouraging local textile production (Hito 1994). However, this was only one side of the coin. Another side of the same coin, where the essence of Japan's aim lay, was to forcibly incorporate Philippine economy into the "Greater East Asia Co-Prosperity Sphere," without considering the necessary process of its economic transformation and the welfare of its people. This article, illustrates the contrasting pictures between the Japanese and U.S. colonial economic policies toward the Philippines.

First, the promotion of textile industry by the Commonwealth government in which the National Development Corporation (NDC) started the operation of textile mills is briefly reviewed. Second, the outline of the cotton production scheme proposed by the Japanese military administration is examined. Third, the implementation of the cotton production as well as the reorganization of the NDC's Textile Mills is depicted. Finally the introduction of the cloth distribution system is discussed as a consequence of the failure of the cotton production scheme.

### **The Textile Industry in the Commonwealth Period**

In the American colonial period, the Philippine economy was transformed into a U.S. dependent structure. With the two preferential tariff acts, the Payne-Aldrich Tariff Act of 1909 and the Underwood-Simmons Tariff Act of 1913, the Philippines increased the export of primary commodities to the United States, while importing manufacturing products such as textiles, iron and steel. In the world depression in the 1930s, the bilateral trade relationship between the United States and the Philippines was revised by the Tydings-McDuffie Act of 1934. This act provided that the Philippines should be given independence after ten years. Then, with the shift of political relations between the two countries, certain limitations were imposed on the non-tariff export of Philippine primary commodities to the United States, while for the import of U.S. manufacturing products to the Philippines, non-tariff treatment was provided without

any condition. This became the milestone of the new political and economic relationship between the United States and the Philippines, after the Commonwealth government was inaugurated in 1935 (Abelarde 1947).

Textiles, together with foodstuff, were major imported goods in the Philippines during the American period. Textiles consisted of approximately 20 percent in total imports during 1931–40, among which cotton kept the major position. During the 1910s and 1920s the United States was the major cotton importer to the Philippines, but its share gradually declined, reducing to 47 per cent by 1930. Meanwhile, Japan emerged as the second major exporter of cotton to the Philippines, whose percentage reached to 43 percent in 1935, catching up to the United States (table 1). As Milagros Guerrero (1994) discussed, the phenomenal growth of the export of Japanese cotton goods alerted the United States and the negotiation between the United States and Japan started in 1935 on the share of cotton goods in the Philippine market. At the end of seven months' negotiation, the United States and Japan concluded the "gentlemen's agreement" in October of the same year, under which Japan voluntarily reduced the export of cotton goods to the Philippines (1967, 23–29). Moreover, after the second Sino-Japan War, the Chinese boycott movement against Japanese goods intensified in 1937 which drastically decreased Japan's share in Philippine cotton market by 1940 (Doeppers 1991, 526–30).

On the other hand, the Commonwealth government sought the way to economic independence in preparation for future political independence. In November 1935 President Manuel L. Quezon initiated the creation of the National Economic Council as the economic adjustment and planning body, which actually came into existence in 1938 (Stine 1966, 8–9). Before the government stepped forward for economic reform, prominent members of the Philippine Chamber of Commerce organized the National Economic Protectionism Association (NEPA) in November 1934 and launched the "Buy Products 'Made-in-the Philippines' Movement." With President Quezon as its honorable president, the NEPA appealed to the people to buy foodstuff, textiles, cloths, home utensils, toys, soap, toothpaste, medicine and hemp products for the protection of Filipino enterprises (Stine 1966, 65–66; NEPA 1959, 24, 35, 39; *Firippin* 1940, 140–46).

We should recall here that before the National Economic Council came into existence, it was the National Development Corporation (NDC) which served as the economic adjustment and planning body

for the government. The NDC was originally established in 1919 as a semi-governmental enterprise, but it stopped its function later. In November 1936, under Commonwealth Act No. 182, it was revitalized as the government corporation with the authorized capital of fifty million pesos. The NDC was given authority to engage in all industries such as commerce, manufacturing, mining and agriculture for the development of Philippine economy and it actually created six subsidiaries. In 1937 the NDC further established the Textile Mills in Manila as one of its departments. When it started operation in May 1937, 10,000 spindles and 104 looms were equipped, and in 1941 it had 20,000 spindles and 500 looms, with the production capacity of seven million yards of cotton a year. However, the NDC produced only 420,000 pounds of cotton yarn in 1941, when the Philippines consumed 3.2 million pounds of cotton yarn annually. Thus, the Philippines still had to rely heavily on imported cotton yarn at that time (Hartendorp 1958, 49-53; Stifel 1963, 31-34; Stine 1966, 69-74; Army Service Forces 1944, 67).

Table 1. Philippine Textile Imports By Country, 1915-1940 (%)

| Year <sup>(1)</sup> | 1915   | 1920   | 1925   | 1930   | 1935   | 1940   |
|---------------------|--------|--------|--------|--------|--------|--------|
| USA                 | 73.0   | 64.9   | 52.4   | 46.7   | 44.2   | 71.8   |
| Japan               | 11.1   | 16.9   | 22.1   | 30.4   | 42.7   | 17.3   |
| United Kingdom.     | 9.1    | 6.9    | 14.5   | 10.5   | 4.2    | 3.2    |
| China               | 0.9    | 8.9    | 5.4    | 5.1    | 3.9    | 3.1    |
| Switzerland         | 3.6    | 1.5    | 3.5    | 4.0    | 2.1    | 1.7    |
| Germany             | 0.4    | 0.1    | 1.0    | 1.1    | 0.2    | 0.1    |
| Others              | 1.9    | 0.8    | 1.1    | 2.2    | 2.7    | 2.8    |
| Total (%)           | 100.0  | 100.0  | 100.0  | 100.0  | 100.0  | 100.0  |
| (in 1000 pesos)     | 23,583 | 68,796 | 55,197 | 37,027 | 30,600 | 41,125 |

Source: Philippine Islands. Department of Finance. Bureau of Customs. *Annual Report of the Insular Collector of Customs*. for the years of 1916, 1925, 1935; Philippines (Commonwealth), Department of Finance. Bureau of Customs. *Annual Report of the Insular Collector of Customs*, for the year 1940. various pages.

Note: (1) Calendar year except 1940 (fiscal year from July 1939 to June 1940).

Aside from the NDC, several private corporations were engaged in the textile industry in Manila at the end of the 1930s. Vincent Madrigal, a prominent businessman, owned Philippine Cotton Mills which had 7,420 spindles and 320 looms in the early 1940s (Stifel 1963, 36-37; Doepfers 1984, 17-19). This firm was established in 1929 by Madrigal who bought a textile mill from a British firm. Some Japanese firms were also active in this field. Toyo Kogyo Co. was established in 1938, as sister company of Kinka Meriyas. While Kinka Meriyas was a producer of knitwear, shirts and sheets as well as cotton yarn, Toyo Kogyo Co. produced cotton cloth for Kinka Meriyas by importing cotton yarn from Japan. As of 1941, Toyo Kogyo Co. was equipped with 400 looms for cotton and 200 looms for rayon, while Kinka Meriyas had seventy looms and ninety knitting machines. Two other Japanese firms, Toyo Shirts Factory (established in 1920) and Mitsuyasu Shirts Factory (established in 1934) were engaged in producing and selling shirts in Manila (Watanabe 1935, 154-55; *Firippin* 1940, 523-24, 551-54; *Nippon* 1942, 384, 399; *Firippin* 1942, 111-12). We may point out the striking contrast in business activities between Japanese and Filipino firms here. While Japanese firms relied totally on the importation of cotton from Japan, the NDC's or Madrigal's mills manufactured cotton yarn from ginned cotton with spindles.

The attempt of Filipino firms to penetrate into the upper stream of the textile industry from the initial stage coincided with the promotion policy of the cotton industry under the Commonwealth government. The government not only promoted the textile industry but also encouraged cotton production. As a result, from the original 355 hectares in 1930, the acreage of cotton fields increased to 1,107 hectares in 1935 and 2,004 hectares in 1937, while the production of raw cotton jumped from 64 tons in 1930 to 197 tons in 1935 and 499 tons in 1937 (Fukuhara 1944, 73). Nevertheless, the production of ginned cotton (equivalent to 1/3 of raw cotton production) was only 185 tons in 1940, as against approximately 1,000 tons of domestic demand from local textile mills (Stifel 1963, 47). This figure suggests that at the end of the 1930s, the textile industry was still at the infant stage and was in the process of development as an import-substitution industry. It was very unfortunate, however, that with Japanese military advent, the Commonwealth's policy to support this infant industry was turned upside down.

### **Cotton Production under the Japanese Occupation**

On the eve of the Japanese occupation, the Philippines produced only a small portion of the domestic demand of raw cotton and cotton textile. Cotton textile was still mostly supplied by the United States and Japan and the supply of raw cotton overwhelmingly relied on imports from the United States (Nippon 1942, 387-91). In fact, the Commonwealth government never planned to produce a large amount of cotton to cover the domestic market, rather aiming at the gradual increase of local supply ratio in the domestic consumption (Enomoto 1942, 29-39). Contrary to the vision of the Commonwealth government for the future prospect of the cotton industry in the Philippines, the Japanese cotton production scheme was invented to produce cotton not only for domestic consumption in the Philippines but also for export to Japan. The Philippines was expected to produce raw cotton for the "Greater East Asia Co-Prosperity Sphere," where its supply became very scarce due to the outbreak of the Pacific War.

As Takehiko Iwatake's study on the Japanese occupation in Southeast Asia said, it was "the Principles Governing the Administration of Occupied Southern Areas" of 11 November 1941 that clearly determined the guiding principles of the Japanese occupation in Southeast Asia, while "the Outline of Economic Policies for the Southern Areas" was adopted on 12 December 1941, to determine the guideline for economic policies in that area (Iwatake 1989, 18-60; Kobayashi 1993, 81-82; Sato 1994, 10-12). The former showed that the guiding principles of the Japanese occupation were "the restoration of peace and order," "the quick acquisition of vital resources for national defense" and "the self-sufficiency of occupation troops," emphasizing that economic hardships must be endured by the peoples in Southeast Asia for the sake of the acquisition of resources for Japan and for the self-sufficiency of its occupation troops (Boeicho 1985, 91-92). On the other hand, the latter explained the economic policies for establishing the self-sufficiency of the "Greater East Asia Co-Prosperity Sphere." For example, it pointed out that raw cotton was one of the resource items for investigation and research, setting its approximate production target at three million piculs (1 picul= about 60 kg). The concrete implementation plan for raw cotton production in Southeast Asia was not submitted at this stage, however. In the list of the production targets of various mineral resources and agricultural products for the year 1942, the actual production target of

raw cotton was only given for the Dutch East Indies (Boeicho 129–36). This indicates that raw cotton was considered as one of the important resources, but its acquisition was not a top priority for Japan's "Co-Prosperity Sphere," contrasting with oil and mining industries whose development was regarded as a strategically vital issue.

Nevertheless, the Japanese government in Tokyo was in a hurry to prepare the concrete plan for cotton production, facing the scarcity of raw cotton in Japan as well as Southeast Asia (except Burma). In his memoirs, Sadakichi Takaoka, who headed the Philippine branch of Kureha Boseki Co. during the war, suggested that it was only in January 1942 when the Tokyo government started to work seriously for the cotton production scheme in Southeast Asia. On 30 January 1942, the Japan Spinning Industry Association held a special committee meeting for cotton production in the "Co-Prosperity Sphere" and proposed guidelines for the development of the cotton industry in Southeast Asia to the Tokyo government. At the same time, the Ministry of Colony studied the matter and its own guidelines were later adjusted by the above Association. Then, under the instruction of the Ministry of the Army, the Ministry of Colony drafted "the Five-Year Plan for the Increase of Cotton Production in the Southern Areas," consulting with other related ministries. It was on 16 April 1942 that the Ministry of Army called the members of the Japan Cotton Growers Association together and announced to them the above five-year plan which covered the areas of the Philippines, Burma, the Dutch East Indies and British Borneo (Takaoka 1988, 6–10; Yomiuri 1991, 7; Yamagoshi 1943, 195–97). The basic guidelines for the Philippines were also presented and the following nine spinning companies were selected as firms which should take charge of cotton production in the Philippines: Dainihon Boseki Co., Toyo Takushoku Co., Kanegafuchi Boseki Co., Kureha Boseki Co., Kurashiki Boseki Co., Daiwa Boseki Co., Toyo Menka Co., Toyo Boseki Co. and Taiwan Takushoku Co. (Takaoka 1988, 11; Kayahara 1983, 175–76; 1994, 333–42).

Thus, *Taiyo Maru*, a ship which carried the first mission for cotton production to the Philippines sailed from Ujina port in early May 1942, but the ship was sunk in the East China Sea. Then, a second mission was organized and left Ujina port on June 23 and landed in Manila on 19 July 1942 (Takaoka 1988, 12–23, 46–53; Yomiuri 1991, 15–33, 49–57). It was on the following day, 20 July 1942 that the Japanese Military Administration in the Philippines (JMA) adopted "the Outline of Implementing the Projects for the Increase of Cotton

Production in the Philippines," "the Outline of Implementing the Projects for Cotton Cultivation in the Philippines for the Year 1942" and "the Outline of the Determination of Cotton Cultivation Areas by Growers in the Philippines for the Year 1942." On 10 August 1942, the JMA presented "the Outline of the Projects for the Increase of Cotton Production in the Philippines" as the instruction to the Philippine Executive Commission (Hito 1943, contents 2). Among them, "the Outline of Implementing the Projects for the Increase of Cotton Production in the Philippines" and "the Outline of the Projects for the Increase of Cotton Production in the Philippines" were very important to understand the characteristics of the cotton production scheme, showing the grandiose implementation schedule as summarized below.

The final target for the five-year plan from 1942 to 1946 was set at the production of 1,510,000 piculs of ginned cotton, by planting cotton in the areas of 455,000 hectares (table 2). In conformity with the policy on the readjustment of the sugar industry, it was planned that the surplus of sugarlands was to be devoted to cotton cultivation at the first step, and later, suitable idle lands, rice lands and secondary forest lands were to be used. At the final stage of the five-year plan, of 455,000 hectares of the cotton areas, 40 percent was former idle lands, 26 percent, 20 percent and 15 percent were lands which were converted from sugarlands, secondary forest lands and rice lands, respectively (table 3).

Table 2. Target of the Acreage of Cotton Planted Area and the Production of Ginned Cotton, 1942-1946

| Year | Acreage of Cotton Planted Area (hectares) | Production of Ginned Cotton (piculs) |
|------|---|--------------------------------------|
| 1942 | 12,000                                    | 37,000                               |
| 1943 | 36,000                                    | 126,000                              |
| 1944 | 120,000                                   | 405,000                              |
| 1945 | 216,000                                   | 726,000                              |
| 1946 | 455,000                                   | 1,510,000                            |

Source: *Gunsei Koho* [Official Journal of the Japanese Military Administration]. 1942. (October): 38.

Table 3. Target of the Areas Converted to Cotton Planted Area by Land Use, 1942-1946 (in hectares)

| Year                              | 1942   | 1943   | 1944    | 1945    | 1946    |
|-----------------------------------|--------|--------|---------|---------|---------|
| Sugarcane                         | 10,000 | 30,000 | 100,000 | 120,000 | 120,000 |
| lowland rice<br>(interim crop)    | 0      | 0      | 0       | 20,000  | 50,000  |
| lowland rice<br>(second planting) | 0      | 0      | 0       | 10,000  | 20,000  |
| idle lands                        | 2,000  | 6,000  | 20,000  | 35,000  | 175,000 |
| secondary<br>forest land          | 0      | 0      | 0       | 31,000  | 90,000  |
| Total                             | 12,000 | 36,000 | 120,000 | 216,000 | 455,000 |

Source: Hito Gunsei Kanbu Sangyobu [Japanese Military Administration, Department of Industry]. 1943. *Sangyo Kankei Yoko Soran [The Compilation of the Guidelines for Economic Control]*.

As the implementation body, "the cotton growing enterprises" and "the guiding and controlling institution" were formed. The cotton growers were comprised of nine Japanese firms mentioned above which were assigned eight cultivation districts in 1942 (table 4). Each district had 1,500 hectares as the targeted area for cotton cultivation. Districts no. 1 to no. 4 were mainly located in sugarlands or idle lands in Luzon Island (with Koronadal settlement in Mindanao), while Districts no. 5 to no. 8 were located in sugarlands in Negros Occidental. The tasks to be shouldered by these Japanese firms were; planting, finance, purchase, ginning, baling, transportation and other related work for cotton processing. As a system for cotton growing, three types were proposed: (1) direct cultivation by Japanese firms; (2) contract growing with local farmers under the supervision of Japanese firms; and (3) individual growing which was later shifted to contract growing. As the guiding and controlling institution, the Philippine Cotton Growers Association was to be established which would put the guidance and control of cotton growing enterprises under the supervision of the JMA, in close relationship with the Japan Cotton Growers Association. For the policy to increase production, improvement of land, improvement of tenancy and

Table 4. Cotton Producing Areas by Cotton Growers in 1942

| District No. | Province   | Areas (in hectares) | Cotton growers                           |
|--------------|--|---------------------|--|
| 1            | Cavite, Batangas                                 | 1,500               | Dainihon Boseki Co.                      |
| 2            | Laguna, Batangas, Cotabato                       | 1,500               | Toyo Takushoku Co.                       |
| 3            | Pampanga, Bataan                                 | 1,500               | Kanegafuchi Boseki Co.                   |
| 4            | La Union, Tarlac, Pangasinan                     | 1,500               | Kurashiki Boseki Co.<br>Daiwa Boseki Co. |
| 5            | Negros Occidental (Manapla, Bacolod)             | 1,500               | Taiwan Takushoku Co.                     |
| 6            | Negros Occidental (Victorias, Talisay), Cotabato | 1,500               | Kureha Boseki Co.                        |
| 7            | Negros Occidental (La Carlota)                   | 1,500               | Toyo Menka Co.                           |
| 8            | Negros Occidental (Binalbagan)                   | 1,500               | Tokyo Boseki Co.                         |

Source: *Gunsei Koho [Official Journal of the Japanese Military Administration]*. 1942. (October): 41-42.

improvement of agricultural management were proposed, while the targets for acreage and production were set by the type of management (Hito 1943, 69-71; *Gunsei* 1942, 6: 38-40).

From what has been mentioned above, Japan's cotton production scheme had the following characteristics. First, at the beginning of the project, it was aimed to encourage contract growing with local farmers, together with direct cultivation by Japanese firms. Second, sugarlands in Luzon and Negros were first targeted to be converted into cotton fields, while idle lands, rice lands and secondary forest lands were planned to be converted later. Third, cotton production and its planted areas were aimed to be increased approximately forty times in five years, which was an absolutely impracticable target even with various favorable conditions.

How was Japan's cotton production scheme in the Philippines related with the demand and supply of cotton in the "Greater East Asia Co-Prosperity Sphere?" In his memoirs, Koichi Kayahara, a reporter dispatched by the Ministry of Army to the Philippines in 1942-43, mentioned that the annual consumption of ginned cotton for a population of sixteen million in the Philippines was calculated at 250,000 piculs (16,000 tons), assuming that per capita consumption of cotton cloth was ten yards a year (Kayahara 1983, 243, 250). With the approximate target of ginned cotton production of 1,500,000 piculs, the

Philippines should have had a surplus of 1,250,000 piculs of ginned cotton in 1946.

Kayahara further recorded that in the "Co-Prosperity Sphere," the final target of annual cotton production for the first five-year plan from 1942 to 1946 was set at 11,800,000 piculs in total, that is, 6,300,000 piculs in China and Manchuria, 1,500,000 piculs in Korea and 4,000,000 piculs in Southeast Asia. The minimum consumption of ginned cotton in the "Co-Prosperity Sphere" was estimated at 9,930,000 piculs in 1942, that is, 3,360,000 piculs in Japan, 4,300,000 piculs in China and Manchuria, 510,000 piculs in Korea and 1,760,000 piculs in Southeast Asia (Kayahara 1983, 251-52). In other sources, the target of the total production of raw cotton in Southeast Asia in 1946 was set at 3,800,000 piculs, allotting 1,500,000 piculs to the Philippines, 1,000,000 piculs to Burma, 600,000 piculs to the Dutch East Indies, 300,000 piculs to French Indochina, and 400,000 piculs to Thailand (Nanpo 1943, 13-14). Supposing that to achieve the self-sufficiency of the minimum consumption was a very high target, as Kayahara (252), stated it was totally impossible to produce 11,800,000 piculs of ginned cotton within the "Co-Prosperity Sphere." Japan set this target after being cut from imports of raw cotton from the United States and India by the outbreak of the Pacific War, and it was this target of the cotton production that made serious socio-economic impacts on the people in the Philippines as well as other countries in Asia.

### **The Failure of Cotton Production in 1942 and 1943**

Michizo Yamagoshi, director of the Department of Industries in the JMA wrote very impressive comments on the characteristics of the cotton production scheme under the JMA. According to him, the Philippine cotton production scheme was unique in a sense that the JMA took the policy to assign the areas of cotton production to Japanese private firms in the Philippines, while in other Southeast Asian countries, the Japan Cotton Growers Association took direct initiative for its production. This was because the JMA gave importance to "the will of the Filipino people" in the rise of anti-Japanese feeling in the Philippines. Thus, the JMA proposed initially the nomination of Filipino firms as cotton growing enterprises, together with the Japanese firms; but this was not done because the JMA could not find appropriate Filipino firms for this purpose. In this situation, the JMA

adopted contract growing as the main policy under which Japanese firms supervised local farmers and bought raw cotton from them, while placing direct farm management by Japanese firms as a secondary means (Yamagoshi 1943, 201-4). However, the JMA's cotton production scheme stumbled from the beginning.

First, it took very long to establish the Philippine Cotton Growing Association, as the guiding and controlling association. Before its establishment, the Philippine branch of the Japan Cotton Growing Association took charge of its role (233). It was only in February 1943 that the Philippine Cotton Growing Association was finally established, choosing Shozo Murata, the highest adviser of the JMA, as its chairman (232-33; *Tribune* February 1943; *Manila Shinbun* February 1943). The delay of the formation of the Philippine Cotton Growing Association was indicative of the antagonistic attitude against the JMA's cotton production scheme, since the officers of the association were composed of the officials of the JMA, the members of the Japan Cotton Growers Association as well as the officials of the Philippine Executive Commission. Second, as more vital factors in the impediment of the scheme, the Japanese firms encountered not only strong resistance from landlords and peasants with the rise of guerrilla activities, but also damage from disease and harmful insects in various cotton growing areas.

JMA officer Yamagoshi disclosed that the problem Japanese firms had to tackle was the deterioration of peace and order in Negros Island. At the end of August 1942 when the members of Taiwan Takushoku Co., Kureha Boseki Co., Toyo Menka Co. and Toyo Boseki Co. arrived in Negros, they were forced to retreat from the island and moved to Luzon, due to the intensification of guerrilla activities. Thus, from the end of August to early September 1942, all nine Japanese firms were assigned in selected areas for cotton production, contracting with landlords and peasants in various provinces of Luzon Island. However, this was not an easy matter for them because of the reluctance of landlords and peasants. By early October 1942, the best season for seeding, only 683 hectares were seeded. Afterward, Japanese firms gradually penetrated into various areas. By early February 1943 the cotton planted area in Luzon Island increased to 9,368 hectares and the number of growing contracts jumped to a total of 19,166 or 1,840 landlords, 4,231 owner-cultivators and 13,095 tenants (Yamagoshi 1943, 211-16). On the other hand, as peace and order improved, seeding was began in Negros, but only 831 hectares were covered by the end of December 1942 (216-17).

Table 5 shows the total cotton planted area in the Philippines as of December 1942. As far as the total acreage was concerned, the initial target of 12,000 hectares was narrowly achieved. Eighty percent of the cotton areas of 11,549 hectares were located in Luzon Island, while Negros covered only 7 percent of the total. Of 10,199 hectares, only 1,594 hectares were placed under direct farm management by Japanese firms, while 8,605 hectares were under contract growing with local farmers; 37.1 percent of cotton planted area was formerly upland rice lands, followed by sugarlands (27.1 percent), onion planted lands (18.1 percent), idle lands (11.6 percent), and others (5.6 percent) (217-18). These figures indicate the higher percentage of upland rice lands in Luzon among the areas converted into cotton areas for the year 1942, showing a different picture from the original plan in which 50 percent of the cotton areas should be located in Negros.

Table 5. Acreage of Cotton Planted Area and the Production of Ginne Cotton in 1942

|                 | Cotton Planted Area<br>(hectares) | Production of Ginned<br>Cotton (piculs) |
|-----------------|-----------------------------------|---|
| Luzon Island    | 9,368                             | 6,457                                   |
| Negros Island   | 831                               | 984                                     |
| Mindanao Island | 1,350                             | 1,361                                   |
| Total           | 11,549                            | 8,803 <sup>(1)</sup>                    |

Source: Michizo Yamagoshi. *Gunseika niokeru Hito Sangyo no Suii [The Conditions of the Philippine Economy under the Military Administration]*. (mimeographed). 1943. pp. 227-228.

Note: (1) This original figure does not correspond to the adding up of the production in three islands.

Due to the scarcity of contemporary accounts, it is difficult to tell how the Japanese firms contacted the local people and concluded the contract of cotton growing with them. However, after visiting cotton fields in January-February 1942, Koichi Kayahara (1983, 234-35) made a comparison of the different types of management of cotton firms in three provinces of Laguna, Batangas and Tarlac in Luzon Island as well as Negros Island. According to Kayahara, a large

number of farms were under contract growing in the above three provinces of Luzon Island. Under contract growing, local farmers were not provided advances for the cost of planting, the payment of fertilizer, insecticide or agricultural equipment and the expenses of putting up irrigation facilities, while Japanese firms shouldered all the wages for spraying insecticide or irrigating and the expenses of other chemicals.

In Calauan of Laguna province, a cotton farm of 700 hectares was supervised by three Japanese staff members of Toyo Menka Co. In this firm, the actual farm management was shouldered by more than thirty Filipino technical staff. They were graduates of the University of the Philippines, Los Baños, headed by a professor of the same university. Toyo Menka Co. spent 100,000 pesos for the wages of spraying insecticide, recruiting 6,000 people at one time from places ten or fifteen kilometers away from the farm. In Bauan of Batangas province, Taiwan Takushoku Co. supervised several hundred hectares of cotton fields which were cultivated by local farmers with the agricultural loans provided by Taiwan Takushoku Co. In Tarlac province, Daiwa Boseki Co. had cotton fields. It got support from the mayor, the principal of an elementary school and the chief of a police station, and planted cotton in the playground of the school and a vacant lot of the city hall. In Negros, cotton was planted in only 800 hectares in the vicinity of Bacolod and Murcia. These areas were supervised by Taiwan Takushoku Co. Some farms were directly managed by Taiwan Takusoku Co. but cotton grew much better under the contract growing in Filipino farms (186-87, 232-33, 235-43). As widely known, the landlord-tenant relations prevailed in land-ownership in Luzon, while the wage labor system was dominant in sugar-producing area in Negros at the end of 1930s (Nagano 1986, 339-43). With this background, we might assume that the prevailing tenancy in Luzon was instrumental in spreading growing contracts in Japan's cotton production scheme.

As against the relatively high achievement in the target for the expansion of the cotton areas, the actual production of ginned cotton was only 8,803 piculs, far below the target of 37,000 piculs for the year 1942 (table 5). Why was it so? One of the major causes of low output of raw cotton was the introduction of cotton varieties which did not fit the Philippine climate.

Before adopting the cotton production scheme in August 1942, the JMA had selected the following cotton varieties to be planted; (1) the "Batangas White" and the "Ilocos White" as native varieties, (2) the

"Kings Improved," the "Kiura No. 380" of Korea and the "Kanno No. 1" of Manchuria as introduced varieties, and (3) the "Express," a high yield variety of North China which had been introduced in Taiwan (Hito 1943, 63-64, Yamagoshi 1943, 200; *Manila Sinbun* 1943). Among the three groups, native varieties were considered as most recommendable and in February 1942, the JMA assigned Mitsui Bussan Co. to get them. Then, the JMA faced difficulty in getting a large amount of cotton seeds from local farmers at once and was forced to take measures to purchase a small amount of seeds from Koronadal settlement in Cotabato in June-July 1942, while importing a large amount of the seeds of the "Express" from North China (Yamagoshi 1943, 200-1). Initially, the "Express" was regarded as a very promising high yield variety, which could produce several times more than native varieties, if the efficient irrigation system was equipped and enough fertilizing was provided (Fukuhara 1944, 95; Yomiuri 1970, 19-20; Utsunomiya 1981, 75-76; Fukushima 1994, 184-86). However, these conditions were rarely available in the Philippines.

To fit the Philippine climate, cotton should be planted and grown during the rainy season and harvested in the dry season. In Luzon Island, cotton was usually planted from the end of August to the end of September and after four months harvested in January of the next year. The delay of planting as well as the drought in December 1942 impeded cotton growth, in spite of irrigation measures for 5,145 hectares of cotton planted areas. Then, disease and harmful insects damaged 2,434 hectares of cotton areas during the dry season. With other causes such as poor soil, typhoons and the deterioration of peace and order, 2,810 hectares were abandoned in Luzon, while the situation was much worse in Negros (Yamagoshi 1943, 218-27).

Despite the various failures in 1942, the cotton production scheme continued in 1943, with some modifications. On 20 February 1943, the JMA adopted "the Outline of Implementing the Projects for Cotton Cultivation in the Philippines for the Year 1943" and "the Outline of the Determination of Cotton Cultivation Areas by Growers in the Philippines" (Nagano 1995). The targeted planted area was 36,000 hectares, with the production of 126,000 piculs of ginned cotton in 1943 (Hito 1943, 94-101). Seventy percent of the cotton areas were placed in Luzon Island, most of which were located in Central Luzon. The major changes of the scheme were to give emphasis to the re-adjustment of the sugar industry and to promote the production of secondary crops in cotton areas.

The JMA's sugar policy had been laid out by "the Outline of the Readjustment of the Sugar Industry in the Philippines" and "the Policy of the Sugar Industry in the Philippines" in July-August 1942. With them, the JMA presented the five-year plan of the readjustment of the sugar industry in the Philippines. Its main features were: (1) to maintain sugar production for the supply to the Philippine domestic market; (2) to use sugar surplus for the production of alcohol (substitute for gasoline) as well as butanol (raw material for isooctane, fuel for airplanes); and (3) to convert excess sugarlands into cotton areas. Among 260,000 hectares of sugarlands, 120,000 hectares should be maintained for sugarcane production, 48,000 hectares of which were for sugar consumption, 92,000 hectares of which were used for sugar production as raw material of alcohol and butanol, and the remaining 120,000 hectares were to be converted into cotton areas. In the first year of 1942, to meet the targeted acreage of cotton areas, even the first class sugarlands were converted (Hito 1943, 18-21, 37-40; *Gunsei* 1942, 6: 32-36). Thus, in the second year of 1943, it was emphasized that the areas which were best suited for sugarcane cultivation should be kept preferentially as sugarlands, determining the definite targeted acreage of sugarcane cultivation by sugar-producing regions (Hito 1943, 96-97; Yamagoshi 1943, 235-42).

In 1943, the production of secondary crops was strongly encouraged. During the previous year, upland rice lands were converted into cotton lands in Luzon, which caused a serious rice shortage. To prevent scarcity of foodstuff, the JMA promoted local farmers to plant secondary crops in cotton lands, providing production funds for them. The projected acreage for the secondary crops was 24,000 hectares. Upland rice was given first preference, followed by lowland rice, onions, peanuts, beans and green manure etc. (Yamagoshi 1943, 242-44, 248-49; *Tribune* March 1943; *Manila Sinbun* February, March 1943).

Then, how large was the amount of cotton production in 1943? JMA officer Yamagoshi wrote that as of October 1943, Japanese firms had growing contracts at 20,000 hectares in Luzon Island, 85 percent of which were already planted, while in Negros and Mindanao, seeding was conducted very slowly. It was estimated that the total acreage of cotton planted areas in the Philippines reached 26,000 hectares, 72 percent of the targeted acreage in 1943 (Yamagoshi 1943, 249-51). However, the continuation of the cotton production scheme became more and more difficult in Central Luzon, due to the frequent attacks on the Japanese employees in cotton firms and the damage

caused by a series of floods and storms (Yamagoshi 1943, 251; Takaoka 1988, 94–106; Yomiuri 1991, 93–108). Bulacan and Nueva Ecija were attacked by strong storms twice from October to November 1943, and more than half of the cotton fields were destroyed (Takaoka 1988, 106–13; Yomiuri 1991, 108–13). As of December 1943, cotton was planted in more than 18,000 hectares of land, but only 15,000 hectares could be harvested.

In the poor result of cotton production, the promotion of food production was given more importance. In February and March 1944, it was announced that primary importance was given to food production in Central Luzon, while cotton production should be minimally continued in Northern Luzon, Panay Island and the southern area in Negros Occidental as well as Koronadal settlement in Mindanao (Republic 1944, 72, 125–26). In changing the atmosphere on cotton production, Japanese firms started to prepare for withdrawal. From December 1943 to January 1944, the Philippine Cotton Growing Association discussed how to revise the cotton production scheme. As a result, a plan was proposed to integrate the cotton projects under the supervision of Toyo Takushoku Co. and Taiwan Takushoku Co., while withdrawing seven other Japanese firms (Takaoka 1988, 116–26; Yomiuri 1991, 138–40). It is not known how this plan was implemented; however, after harvesting the crop in early 1944, Japanese firms withdrew from various cotton areas one after another, abandoning the grandiose cotton production scheme (Takaoka 1988, 126–29; Yomiuri 1991, 142–49).

### **Reorganization of the Textile Industry**

Together with the increase of cotton production, the development of the Philippine textile industry had vital importance to fulfill Japan's original aim to supply enough cotton cloth in the Philippine domestic market. However, it was only in July 1943 that the JMA started to discuss the reorganization of the Philippine textile industry and by March 1944 the negotiation between the Laurel government and the JMA had not come to a conclusion on this matter. With the continuous failures in the increase of cotton production, the JMA's reorganization plan of the textile industry came to naught.

As has been mentioned, the NDC's Textile Mills played an important role in the development of the Philippine textile industry during the Commonwealth period. After Japan occupied the Philippines,

the JMA shut down the NDC's Textile Mills temporarily and by March 1942 the JMA requisitioned it, together with other NDC's corporations under the policy of "the management of enemy assets" (Watari 1942). In early May 1942 the NDC's mills opened operation under the supervision of the JMA (Dai Juyongun 1942; *Tribune*, 1942). Needless to say, to continue its operation, the NDC had to secure enough raw cotton domestically.

In October 1942, the *Tribune* (October 1942) carried the news that the NDC's Textile Mills and other private mills had enough stock of raw cotton (both imported and domestic cotton) for their smooth operations. However, by the middle of March 1943, the *Tribune* had a report that "with most of the cotton crop from various plantations already harvested and ginned, the NDC mills and those of the Philippine Cotton Mills will soon be working full blast." This suggests that by the end of 1942 or early 1943, it became extremely difficult to keep enough stock of raw cotton for the domestic textile industry. JMA's officer Yamagoshi reported that cotton planted for the year 1942 was harvested in March-June 1943, with the total production of 1,580 tons of raw cotton or 526 tons of ginned cotton, only half of the amount which was used as raw material for domestic textile mills in 1940 (Yamagoshi 1943, 253).

It was ironic that in spite of the negative result of the cotton production scheme, the JMA persisted in expanding the production capacity of the textile industry. In February 1943 when the Philippine Cotton Growing Association was established, a plan of importing spindles from Japan was brought out and in April of the same year, Taiwan Takushoku Co. established a textile mill in the province of Batangas (*Tribune* February, April 1943). In May 1943, the *Tribune* disclosed a plan to import tens of thousands of spindles, looms and knitting machines from Japan, for making the Philippines a key station of the textile industry in Japan's "Co-Prosperity Sphere".

At the end of July 1943, a rather concrete plan was proposed to import 120,000 spindles and 4,800 looms from Japan which were unused and lay idle. According to the plan, with the importation of 120,000 second-hand spindles, the number of spindles in the Philippines would be ballooned to 140,000, with the already installed 20,000 spindles at the NDC's Textile Mills. The operation of these spindles under the three shift system would make it possible to produce enough cotton for domestic needs in the Philippines. In this plan, of the total 140,000 spindles, 70,000 would be brought to Manila, 40,000 to Bacolod or Iloilo and 30,000 to Davao (Republic 1944, 159-63).

In the first year of the plan, 50,000 spindles and 1,800 looms would be imported from Japan and all 50,000 spindles and 500 looms would be placed at the NDC's Textile Mills which should be reorganized as the National Textiles Corporation, under a joint venture with Daiwa Boseki Co. The authorized capital of a new corporation would be 13-15 million pesos, with the share of 60 percent from the NDC and 40 percent from Daiwa Boseki Co. The NDC would shoulder a part of its share of stocks by transferring its fixed assets of land, buildings and equipment worth 5,500,000 pesos, while Daiwa Boseki Co. would invest about five million pesos by the importation of 30,000 spindles and 500 looms from Japan. Both the NDC and Daiwa Boseki Co. would appropriate certain working capital to meet their share in stocks for a new corporation (Ibid).

A plan to reorganize private textile mills was also proposed. First, Philippine Cotton Mills of Madrigal & Co. would be transformed into a joint venture with Nisshin Boseki Co. Madrigal & Co. would shoulder 55 percent of its stock, while Nisshin Boseki Co. would keep the remaining 45 percent by the importation of 20,000 spindles and 500 looms worth 3,500,000 pesos. Second, Daiwa Boseki Co. and Nisshin Boseki Co. would establish new textile mills, the former in Bacolod or Iloilo, the latter in Davao. However, only the plan of the merger of the NDC and Daiwa Boseki Co. was immediately adopted at the meeting between the JMA and the Philippine Executive Commission at the end of July 1943 (160, 163). And the percentages of the share of stocks of the NDC and the Daiwa Boseki Co. in a new corporation were reconfirmed at the middle of August of the same year (168-69).

However, no further action was taken by the JMA regarding this matter for a while. This was because the NDC's reorganization was closely related with the issue of how the government corporations under the requisition of the JMA should be transferred to the Laurel government after "Philippine Independence" in October 1943. It was in 1 March 1944 that the committee was organized for negotiation on the transfer of the government corporations and related agencies under the Laurel government. In this committee, the Philippine government officials and the executive members of the government corporations discussed the issue of the merger of the NDC and Daiwa Boseki Co. several times, focusing on the following questions: (1) Should the Laurel government adopt the same textile industry promotion policy as the Commonwealth government? (2) Why did the Japanese corporations participate in the Philippine textile industry? What was its significance? and (3) Were the values of the fixed

assets which the NDC would appropriate as the stock of a new corporation or the equipment which Daiwa Boseki Co. would import for a new corporation computed properly? (20-38) At the middle of March 1944, the committee proposed that without adopting the form of a joint venture, the assets of the NDC's Textile Mills should be transferred to the Laurel administration, but the NDC's Textile Mills should be jointly managed by the NDC and Daiwa Boseki Co. during the war (67).

The joint meeting between the JMA and the Laurel government was held at the end of March 1944. From the JMA, the NDC's reorganization plan made by JMA's Director-General Takaji Wachi was brought to the meeting. It proposed that a governmental textile corporation should be newly incorporated under the joint venture of the NDC (60 percent of the stock) and two Japanese firms such as Daiwa Boseki Co. and Nisshin Boseki Co. (40 percent of the stock). However, the Laurel government showed a negative reaction against the Japanese plan, for the following reasons. First, because of the shortage of raw cotton and the lack of gasoline, instead of the three shift system, the NDC's Textile Mills was forced to adopt the one shift system. Under such condition, it would be useless for Japanese firms to invest in the textile industry. Second, due to the lack of space, the building of the NDC's Mills could not accommodate more equipment and it was extremely difficult to construct a new building due to the lack of construction materials. Third, the shortage of transformers made it impossible to operate newly imported equipment. Fourth, spindles and looms which Japanese firms tried to import from Japan were very old and would be less efficient than the present equipment in the NDC (3, 8, 101-2, 186-91).

Among the problems raised above, the shortage of raw cotton was a very serious matter. A manager of the NDC's Textile Mills disclosed that the suppliers of raw cotton for the NDC were the Philippine Cotton Growers Association with which Japanese firms were affiliated and two estates in Koronadal Settlement under the supervision of the National Land Settlement Administration. In 1943 the NDC got only 466 tons of raw cotton from the above supplies and it was estimated that the production of raw cotton might increase to 1,265 tons in 1944. However, with its supply, the NDC's mill could not keep the production the same as before the war, since it used 3,096 tons of raw cotton (including the imports) for its operation under the three shift system at that time (187-88). A Japanese proposal for the reorganization of the NDC's Textile Mills was not adopted and was

placed on the agenda for further discussion in the joint meeting between the JMA and the Laurel government. While cotton production became more and more difficult and the importation of spindles and looms from Japan could not be implemented due to the shortage of ships, Japan's reorganization plan for the textile industry was destined to remain unfulfilled.

### **Introduction of the Cloth Distribution System**

What kind of effect did the failures in the cotton production scheme as well as the reorganization of the textile industry have on the supply of cotton textile for the Filipino people? On 24 July 1943, the JMA issued the Military Ordinance No. 15 concerning the control of prime commodities as well as the Administrative Ordinance No. 10 concerning the organization of the Philippine Prime Commodities Distribution Control Association (Primco) (*Gunsei* 1942, 6: 27-32). Primco was organized as an agency for the distribution of prime commodities, the stabilization of prices and the quality control under the direct supervision of the JMA (*Tribune* July 1942). Primco specified cotton cloth of low quality, matches, salt, tobacco, lard, soap and paper as prime commodities and placed them under price control. To avoid speculation, Primco distributed all of the prime commodities, either local products or imports either to the Federation of Filipino Retailers Associations, the Japanese Bazars Association or the Chinese Retailers Association (September 1942).

In early August 1942, the *Tribune* reported that the prices of cotton cloth and thread rapidly declined after the NDC's Textile Mills reopened its operation, which the JMA viewed favorably. In fact, the JMA had hopes that by and by the NDC's mills would also produce cotton thread, which would improve the scarcity of cotton products in the domestic market. However, it did not take a long time for the stock of raw cotton to be exhausted at the NDC's mills. At the end of July and the middle of August 1942, the *Tribune* carried articles which repeatedly claimed the necessity to increase cotton production to secure raw cotton for the operation of the NDC's mills (July, August 1942).

To worsen the situation, as Agoncillo aptly discussed, the JMA gave primary importance to the manufacturing of khaki cloth for the Japanese military, paying little attention to the supply of cotton goods to the Filipino people (1965, 2:530). According to the financial report,

Primco distributed cotton textile worth 5,860,000 pesos totally in April-November 1943, 54 percent of which was for private sectors, 30 percent for the Japanese military, and 16 percent for the corporations under the control of the JMA (Republic 282-84). The supply to the Japanese military reached a half of that for private sectors and corporations. As against sixteen million of the population in the Philippines, the total number of Japanese soldiers and civilians attached to the army was estimated at 630,000 (Sumeragi 1985, 11-12). The ratio of the former to the latter was one to twenty-five, revealing that a larger proportion in the supply of cotton textile was given to the Japanese military than to the Filipino people.

The scarcity of the supply of raw cotton, the shortening of the hours of operation at the textile mills and the deprivation of cotton textile by the Japanese military caused the soaring of the prices of cotton goods and the grave shortage of clothes among the citizens in Manila (*Tribune* April 1943). Under this situation, the JMA announced the introduction of the ration ticket system on 1 May 1943. Issuing ration tickets for cotton and rayon goods was implemented in Manila from May 21, the same year, with the spread of the neighborhood association system (*Gunsei* 1943, 12: 21-28).

The ration ticket system had the following features. First, a ration ticket good for a year was distributed to each person who registered in the neighborhood association. Second, each person was allotted 100 points of his/her ticket for purchasing various cotton and rayon goods. Third, for the clothing which had high priority for the necessities, the allotment per person was determined and the specific ration tickets were provided. The items covered under the special allotment measures and the amount of allotment per person a year were socks or stockings (two pairs), handkerchiefs (three pieces), towels (two pieces), cotton sewing thread (500 yards) and knitted shirts (underwear, two pieces) (*Gunsei* 1943, 12: 21-28). With the introduction of the ration ticket system, all the wholesalers and retailers of cotton and rayon goods were obliged to report the number of goods in their stocks to the JMA immediately (*Tribune* May 1943). However, the same announcement was repeated in September 1943, in the recognition of rampant business transactions in the black market (September 1943).

In spite of the repeated notices from the JMA, transactions in the black market became more and more active and prices were soaring (Sumeragi 1985, 66). In April 1944, the JMA strengthened the control against the black market and revealed its plan to reform the

ration ticket system which would be started the next month. In the reform, Primco would purchase all the cotton and rayon goods at the official prices from private retailers who reported their stocks. Primco would distribute all the commodities to twenty private retailers which were selected as the designated shops by the JMA and it should be from them that Manila citizens got the ration of clothing (April 1944).

In June 1944, the National Distribution Company (Nadisco) was established and prepared to take the place of Primco, while in the following month, the Manila Consumers Cooperative Associations (MCCA) was organized (*Tribune* June, July 1944). It was ruled that Nadisco should distribute prime commodities through the private retailers who were affiliated with the MCCA. This system actually started from the middle of August, but it only covered soap, matches, sugar and tobacco, while cotton and rayon goods were not yet included (*Tribune* July, August 1944). It was in early October that eight shops for cotton and rayon goods were opened under Nadisco, whose number increased to ten in the end of October, adding one more shop in early November. However, many shops were forced to close one after another, due to the lack of stock (*Tribune* October, November 1944).

Meanwhile, procedures were taken to reissue the ration tickets of cotton and rayon goods in October-December 1944. This time, to purchase ration goods, it was required that heads of families or their representatives should bring ration tickets to the shops designated by the Nadisco, since making fake ration tickets or transactions in the black market were rampant (*Tribune* September, October, November, December 1944). In spite of these various measures, the shortage of textiles and price hikes never stopped in Manila. In January-February 1945, the JMA finally started releasing cotton textile for military use to the Manila City Authority or the neighborhood associations for distribution to the citizens (*Tribune* January, February 1945). Thus, the ration ticket system for cotton and rayon goods was totally broken down.

## Conclusion

This article was an attempt to examine the nature of Japan's cotton production scheme and to show the causes of its failure, in comparison with the characteristics of the textile promotion policy during the Commonwealth period.

The cotton production scheme in the Philippines was devised as a part of Japan's economic policy in the "Greater East Asia Co-Prosperty Sphere" with the justification of expansionism by the politico-mythological concept of *Hakko Ichiu*. This was one of the main reasons why the cotton production scheme ended in total failure. If the cotton production scheme was projected to reorganize the Philippine economy to be independent from the United States, Japan should have never presented a plan to expand the cotton area from only 2,000 hectares to 455,000 hectares within five years. If Japan intended to develop the Philippine textile industry from an infant industry to a key industry for Philippine economic independence, it should have never devised such a plan to import more than 100,000 spindles from Japan within a few years. These Japanese trials were totally unfit for the Philippine situation and brought tremendous destitution to the Filipino people.

In this context, Japan's economic policy toward the Philippines during the Pacific War failed to supersede that of the United States before the war. Through the U.S. economic policy during the colonial period, the Philippine economy was transformed into a U.S. dependent structure, in which the Philippines imported manufacturing products from the United States, while it exported primary commodities such as sugar, manila hemp, tobacco and coconut products to the United States. The promotion of export economy widened the gap between the rich and the poor, but it did not cause the total destruction of the country's economy. Rather, landlords in sugar-producing regions were quite prosperous under the U.S. protectionism toward the Philippine sugar industry, which Japan criticized bitterly as against its cotton production scheme. This was why the Filipino landed elite showed strong dependency on the United States during the late 1930s. Even the Commonwealth government initiated the economic policy to get out of the U.S. dependent structure.

Japan's slogan to promote the policy of economic independence of the Philippines within the "Greater East Asia Co-Prosperty" was not accepted by the Filipino people at all. This was particularly so in the cotton production scheme. The total failure of the cotton production scheme and the severe shortage of cotton products in the domestic market worsened the anti-Japanese feelings among the Filipino people during the war. Ironically, the culmination of the anti-Japanese feelings among the Filipino people during the Japanese occupation produced a historical paradox that the Filipino people remained dependent on the United States even after independence in 1946.

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