THE PROBLEM OF FOOD AND INFLATION: A CASE STUDY FROM THE JAPANESE OCCUPATION

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ABSTRACT

Insufficiency of food production, particularly rice, has long been a problem in the Philippines. During the American period, periodic shortages occurred, necessitating importation from neighboring countries. Attempts were made to make the Philippines self-sufficient and to rationalize the distribution of food in the 1930s, but World War II erupted and the Philippines came under Japanese rule. The war and Japanese occupation disrupted supply lines and agricultural cycles, resulting in a potential shortage of rice and other food commodities. Foreseeing this, the Japanese Military Administration and later, the Laurel administration, adopted various plans to increase production, systematize distribution, and control prices. Almost all the plans failed due to a variety of reasons: lack of peace and order; lack of fuel and transportation; resistance by the people; the necessity of feeding Japanese soldiers; and so on. Many of the plans are worth studying to see how the country tried to face up to the problem of a food shortage, during very abnormal times.

Keywords: Agriculture, food, Japanese Occupation, Laurel Administration, Rationing, Rice, World War II

INTRODUCTION

One of the lasting impressions of the Japanese occupation of the Philippines (1942-1945), particularly in Manila and other cities, was -- and still is -- the shortage of food. Rice and other basic foodstuffs in the city increasingly became difficult to find, and where available, the prices were almost always unaffordable to the ordinary people. This problem had been foreseen before the war not only by Philippine officials but also by the Japanese military planners, who had evolved tentative plans to forestall such a crisis. This paper seeks to examine the conditions at the outbreak of the war, the various production and distribution plans evolved during the Japanese occupation, and the reasons for their lack of success.
I. CONDITIONS AND PLANS BEFORE THE WAR

Prior to World War II, the Philippines had not been self-sufficient in many types of food, particularly its staple food, rice, and the Philippines had to import rice from its Southeast Asian neighbors, as well as large amounts of canned foods, meats, dairy products, wheat, and bread. This was due to several factors: antiquated methods of farming; shortage of fertilizers and irrigation systems; a feudal landlord-tenant system, wherein farmers were kept in debt and not encouraged to produce more; a national economy which encouraged the planting of export crops like sugar, over staple foods like rice, resulting in lesser areas planted to food; an increasing population, especially in the cities where little food was produced; a distribution system controlled by Chinese and a few others. Yield per hectare was low, averaging only 26 cavans (one cavan = 56 kilograms) of palay. If a crisis developed and imports were stopped, the Philippines could face a severe shortage of food.

In 1935, the Philippines had entered a ten-year preparatory period towards independence, with the inauguration of a semi-autonomous Commonwealth government under President Manuel L. Quezon. Facing a severe rice crisis that same year, the Commonwealth established the National Rice and Corn Corporation (NARIC) to stabilize prices and supply of these basic staple foods. NARIC aimed to nationalize the rice industry and set prices where they would be beneficial to farmers and affordable to consumers. It sought to do this by importing rice if local supplies fell short, and to build a stock pile which could be distributed to areas where prices were high, thus causing prices to go down.

Quezon sought to increase food production by increasing the number of irrigation systems, advocating more modern and scientific planting methods. He also planned a series of social justice programs, among them purchasing agricultural estates from the church with plans of redistributing this land to farmer-tenants.

These plans were well-meant, but they moved slowly, and by the time World War II began in Europe, conditions had hardly changed. With the outbreak of war in Europe, a potential food crisis developed. Merchant ships were diverted to the war front and prices began rising. To cope with the situation, Quezon sought, and was granted, emergency powers to, among others, order idle lands to be planted to food crops, and to mobilize civilians to produce food. Quezon also created the Emergency Control Board in October 1939 to set up a schedule of maximum prices. In April, 1941, Quezon created the Civilian Emergency Administration (CEA) to deal with the troubled conditions and to safeguard the people from the ravages of war, should hostilities reach the Philippines.

The CEA had a Food Administration office which tried to build up stocks of rice and other food commodities. Despite the many plans, only limited success was met: ships to bring the rice to the Philippines were few, and the rice price in other Southeast Asian countries had gone up, causing enterprising businessmen to export some much-needed rice to make windfall profits. Quezon had to ban the
export of rice and other foodstuffs from the Philippines. The CEA also launched a food production campaign, urging the planting of "Victory Gardens" in idle lands. The threat of war, however, was not taken seriously by most people, who felt the Japanese would not dare to attack the U.S. Food production and stocking measures thus continued at a peace-time pace.

II. OUTBREAK OF WAR AND THE BEGINNING OF THE OCCUPATION

When the war did break out in December 1941, most of the food programs had barely started, and price control measures were only on paper. Prices jumped, stores closed, and the country was placed in chaos as Japanese forces advanced. Filipinos evacuated from towns and cities which had become targets for Japanese aircraft; farmers fled their fields for the relative safety of the mountains. The Commonwealth's plans to meet the emergency proved of limited use; the turn of events was too rapid for them to cope. Last-minute efforts to set up emergency gardens were too late. Making matters worse was the war had broken out during the main harvest period. What had optimistically been predicted as one of the biggest rice harvests up to that time was abandoned as farmers fled for safety. Manila was declared an open city by the U.S. military commander, and military supplies which could not be moved were given to civilians. This in turn led to a rush of looting.

Japanese forces entered Manila on January 2, 1942 and established the Japanese Military Administration (JMA). Within the month, the Philippine Executive Commission was formed, composed of pre-war Filipino political leaders and bureaucrats, to enable the JMA to enforce its policies.

Immediately, the occupying Japanese forces faced the problems of restoring order and ensuring stable food distribution. Rice stores had been closed for several days and Manilans were beginning to run short of food; throngs of hungry people gathered around the NARIC warehouses demanding rice. If steps were not taken immediately, the Japanese would face rice riots.

In conjunction with NARIC, the Japanese army quickly decided to reopen rice stores in Manila, to sell rice at a fixed amount of 1,200 grams a person a day, at a fixed price of PhP 0.15. This marked the beginning of rationing, with new residence certificates being required in order to be able to purchase rice. Since, however, there were few markets, long queues of people had to wait for around half a day to get their share. Another bottleneck was the issuance of the new residence certificates, which was initially limited to one office run by the Japanese military.

After a few weeks, rice sales were more or less stabilized, as order was restored. The Japanese urged vendors to resume selling in markets, and attempted to shift ownership of stalls from Chinese to Filipinos. But these sales were of rice that had been stocked in Manila prior to the war. Once that was used up, there would be no more local supply, since the war had broken out during the harvest
season. Farmers had fled their fields because these had become battlegrounds; landowners fled to the relative safety of Manila. By January, 1942, the rice was still in the fields and starting to spoil.\textsuperscript{11}

Since, however, the American and Filipino forces still were fighting in Bataan and Corregidor, and since conditions had not yet been stabilized in the rice-producing provinces, harvesting could not be immediately resumed. Special permits were required to go to Central Luzon to harvest the crops. Even if the permit was acquired, peace and order had not been restored, and farmers and landholders needed military protection as well. Then there was the problem of transportation and fuel, both of which had become extremely scarce due to commandeering by both USAFFE and Japanese forces. Sacks were also in short supply. The buying price of rice also had to be fixed so that producers would be encouraged to sell; this was set at PhP 2.50 for all varieties of rice. This was slightly higher than the pre-war price, but producers were required to sell all their stocks only to NARIC. After many difficulties, most of the harvestable rice was eventually bought up and stocked. However, even this new crop did not obviate the problem of a potential rice shortage.\textsuperscript{12}

In an attempt to reduce dependence on rice and stretch the available supply, NARIC's head, Victor Buencamino, appealed to the public to eat bread, asking bakeries to increase their output. This was only a temporary measure, however, because flour and baking soda which were needed to bake bread were imported products.\textsuperscript{13}

III. ESTABLISHING A CONTROLLED ECONOMY

Japanese plans for the areas they occupied placed priority on acquiring strategic materials for the war effort first, and secondly, to achieve self-sufficiency for their occupying forces. "Economic hardships imposed upon the native livelihood as a result of the acquisition of resources vital to the national defense and for the self-sufficiency of occupation troops must be endured," read the outline of policy. Thus, rice harvested and available in the Philippines would have to feed first, the Japanese occupation forces, and secondly, the Filipinos.\textsuperscript{14}

It was recognized that rice stocks were not sufficient to feed both the civilian population and the Japanese army, and production levels were low. Plans to increase food production, control prices and distribution of food and other commodities were drawn up by Japanese and Philippine administrative organizations. Additionally, the operational Japanese army in the Philippines, the 14th Army, had its own supply set up which began to operate its own farms and distribution lines. The solution seen to the problems of distribution, price control, and production was the enforcement of a controlled economy.\textsuperscript{15}

In order to meet the rice shortage, the Japanese Military Administration (JMA) introduced a fast-maturing strain from Taiwan, called horai rice, in experimental farms just outside Manila in March, 1942. If the experiments were suc-
cessful, adoption of the *horai* strain could double or even triple rice production in the Philippines. Later in 1942, it was announced that the *horai* rice experiments had been successful, and that more widespread planting would be effected. The controlled media proclaimed that the Philippines could become self-sufficient in a year's time. Experimental farms directly under Japanese army control were developed to test the new grain, and after initial successes, certain regions were ordered to plant only *horai* rice.\(^\text{16}\)

A second stop-gap plan was to import rice from Saigon. Despite the Japanese plans for self sufficiency, importation was still seen as being necessary and the first imports began arriving as early as April 1942. Despite later claims of successful moves toward self-sufficiency in rice, the Japanese would continue to import rice up till the very end.\(^\text{17}\)

To control prices, an anti-profiteering proclamation was issued in early February, threatening violators with severe punishments. The first list of controlled prices was issued by the mayor of Manila in March 1942 (but even this was adjusted within the month), and the police were dispatched to ensure compliance. Later in 1942, a special body of price control agents from the Department of Agriculture and Commerce was formed, and in May 1943, an Economic Police Division was established in the Bureau of Constabulary. Another price control order was issued in early 1943.\(^\text{18}\)

To centralize control of rice procurement and distribution, as well as make sure the Japanese army got its share, NARIC was placed under direct Japanese army management. All transactions dealing with rice were theoretically placed under NARIC, including all milling, buying and selling, transportation, storage and distribution. Bringing rice to Manila was made illegal under threat of confiscation, unless approved by NARIC. NARIC attempted to fulfill its enlarged obligations, but encountered difficult problems such as lack of peace and order in the rice-producing provinces.\(^\text{19}\)

All plans to solve the rice problem, however, were tentative until active military operations ended and peace and order were restored throughout the archipelago. The last stronghold of US and Philippine forces at Corregidor yielded to superior force in May 1942. With the end of all organized USAFFE resistance, the Japanese could concentrate on re-establishing normalcy throughout the islands, as well as establishing a nationwide administrative apparatus (Prior to the surrender of the USAFFE, the Japanese Military Administration was operational only in certain towns and cities which were occupied by the Japanese). The surrender of Corregidor also opened Manila Bay for use by the Japanese. By mid-May, a second shipment of rice from Saigon was unloaded, this time directly at Manila's piers.\(^\text{20}\)

The end of military operations also allowed the military administration to concentrate on long-range plans for the Philippine economy. One plan they readily adopted was a continuation of the pre-war CEA's food production and victory garden projects; an ambitious, nationwide food production campaign was launched just after the fall of Corregidor. Under this plan, all idle lands were to be planted
to food crops; if landowners could not or would not plant, the government was authorized to assign persons to plant on such lands.

Rice rationing was systematized by the creation of neighborhood associations sponsored by NARIC. Neighborhood association heads took charge of distributing the rice to their members, at a fixed amount of 1,200 grams (one ganta) per family of four per day in June 1942. This amounted to 300 grams per person a day, which was supposed to be the average amount a Filipino consumed in a day. It would drop further still in the months to come.

The Japanese military administration also sought to increase productivity by introducing new fertilizers (some imported from Japan), and to improve irrigations. In November, 1942, a Japanese irrigation expert arrived to study Philippine conditions and to recommend improvements in Philippine irrigation. Pre-war irrigation and flood-control projects were continued, and new projects were implemented.

The Japanese attempted to set up a controlled economy, with producers and distributors organized into specialized associations, and supply and distribution strictly regulated. Filipino retailers were organized into a nationwide federation, the Federation of Filipino Retailers Associations, through which price controls could be implemented. To control rice procurement and distribution there was the NARIC, under Japanese army management. To control the production, procurement and distribution of other foods, the Food Control Association was created in mid-1942; and to control other prime commodities, the Philippine Prime Commodities Distribution Control Association. To stabilize production of rice, a Federation of Rice Growers Cooperative Associations was launched in early 1943. To promote the use of fertilizers, the Philippine Fertilizer Association was established. There were similar associations for the livestock and fish industries. Most of the associations were headed by Japanese, with Filipinos token members of the various boards.

To make Philippine agriculture more suitable to the needs of the Japanese war economy, the JMA planned to convert surplus sugar cane fields to cotton fields. Sugar in the Philippines was in excess of Japanese needs; besides, sugar was available elsewhere in Japan's colonies and occupied areas. Cotton, however, was a strategic necessity, not only for making textiles, but also for making explosives. The war required explosives more than food: rather than convert the excess sugar lands to rice, it was deemed more strategic to plant them to cotton, even if it was not sure whether cotton would thrive in Philippine conditions.

In March 1943, the JMA announced a grandiose five-year plan to increase production of Philippine staple foods. This plan marked the culmination of the plans previously conducted separately: introduction of new fertilizers, propagation of horai rice, expansion of irrigated lands, and mobilization of the various producer and control associations to systematize production and distribution. The goals were ambitious, promising self sufficiency for the Philippines by the end of the five-year period.
Portions of the plan were put into practice. However, the plan was framed at a time when Prime Minister Hideki Tojo had reiterated his promise to grant the Philippines independence if Filipinos recognized Japan's motives in fighting the war. With the possibility of the Philippines becoming independent (in name, at least), members of the JMA Department of Industries worked only for short-term projects. A civilian employee who arrived in March found virtually no work to do: his seniors told him that with independence coming, there was no need for any more new men. Some were already planning their return to Japan.27

With this mood then, the Philippines entered a transition period. There was less news about the horai rice – because many of the experimental crops had been killed by unexpectedly heavy rains in late 1942, and others had fallen victim to various pests. The cotton industry did not do too well, due to unfavorable weather and soil conditions, abundance of pests, or reluctance of Filipino farmers to plant a crop that was hard to tend, painful to harvest, and destined for Japanese war factories. The price control system proved inadequate and market prices were generally higher than government-set prices despite frequent government raids. The various control agencies were unable to meet their functions partly because transportation and fuel were not under their control (these remained under the Japanese military) and also because the officers spent more of their time in Manila and other cities because conditions were dangerous in the provinces.28

The rice ration system in Manila proved rather stable from late 1942 through 1943, but other areas in the Philippines were unable to effect thorough control. Cases of hoarding and profiteering continued to be reported in the open market.29

While the rice situation was rather stable in Manila during this time, the price of meat rose alarmingly, and spurred on by this, cows and carabaos were brought to slaughterhouses in alarming numbers – so alarming that it seemed farms would be depleted of work animals. The administration had to restrict the number of animals that could be killed, and later it was further ordered that only animals that were certified to be no longer able to work in the fields could be slaughtered.30

Prices rose despite the ceilings set, and a special price control branch was established in the Bureau of Commerce and Industry to check that maximum prices were being followed. In May 1943, the Philippine Constabulary established an Economic Police Division to go after hoarders and profiteers. Much publicity was given to these two agencies, arrests they made, and the establishment of a profiteers' cage, next to the Manila City Hall, where arrested profiteers were imprisoned in full public view.31

Despite these steps, however, prices continued to rise. While the NARIC controlled price was set at PhP 6.50 per sack throughout 1942 (but no one could buy that much, since it had to be bought through the ration system), the price reached PhP 30.00 per sack by mid-1943 in the black market.32 By mid-1943, however, the peace and order situation had deteriorated, and guerilla attackers had become bolder, particularly in Manila, with various assassinations and kidnappings.
occurring. Furthermore, the rains came late, and planting of the new rice crop was delayed.  

IV. POLICIES OF THE LAUREL REPUBLIC

Nevertheless, preparations for independence went into high gear. NARIC was transferred to the Executive Commission in late September, to give time for the Filipinos to accustom themselves to its operations again. Subsequently, most of the members of the Department of Industries of the JMA went back to Japan, as did the other Japanese connected with NARIC. 

For a while NARIC operated under dual authority - the Japanese continued to give orders until the Philippine Republic was functioning and until specific rules and regulations were issued. Although it had been transferred to Filipino hands, NARIC continued to serve both Philippine and Japanese needs.

The Philippines was granted nominal independence on October 14, 1943, with Jose P. Laurel as president. The Japanese Military Administration was dissolved, but Japanese military forces and bases remained, and Japanese companies were given the same rights to exploit Philippine natural resources as Filipinos.

With the Philippines "independent", President Laurel struggled to get it going. Among the major problems he faced was a worsening peace and order situation. The organized guerrillas may have been operating to further the victory of the Allies, but other guerrilla groups remained independent and decided the conduct of the war on their own terms. In the rice-producing provinces of Central Luzon, the peasant-based and left-leaning Hukbalahap made procurement of rice extremely difficult for the Laurel government. They viewed NARIC and the Laurel government as tools of the Japanese. USAFFE guerrillas likewise opposed the Laurel republic, viewing it as a puppet republic. Aside from these organized groups, however, were numerous bandits and armed goons who preyed on anyone bringing food. Under these conditions, the Laurel government faced great difficulty in purchasing the coming rice crop.

To win over the loyalty of farmers, Laurel declared 19 November of every year as Farmers' Day, wherein farmers would be given due recognition and incentives. It was observed in 1943 (although the day had to be postponed due to a disastrous typhoon and flood), but did not have significant results in winning over the farmers.

In fact, some of the main rice-producing provinces in Luzon were largely in the hands of anti-Japanese guerrillas, and government-appointed mayors and others were assassinated. The situation became so grave that Laurel considered declaring martial law in Nueva Ecija, the rice granary of Luzon.

Transportation itself was another problem, because the republic did not have control of any transport facilities or fuel - the republic was only allotted certain vehicles and amounts of fuel by the Japanese Army, which sometimes delivered only half of the promised amounts.
NARIC itself was tainted by its having been managed by the Japanese Army; it was well known as an agency for providing food to the Japanese, and what was left over would be rationed off to Filipinos. It was shot through with corrupt individuals, too - a far cry from its pre-war record. Corruption in NARIC, in the price control agencies and in the constabulary further made the price of rice and other foodstuffs in the open market rise and made the attempt to establish a controlled economy fail. With innumerable bribes becoming necessary all the way from producer to consumer, prices in the open market rose. NARIC, on the other hand, had no rice left to distribute.40

The National Assembly investigated the causes for the rise of prices, and, after listening to testimonies of dealers and producers, recommended the creation of a Food Administration to oversee and take direct charge of the food situation. The Food Administration would centralize the activities of the multiplicity of agencies concerned with food production, distribution, and price control.41

The food crisis, however, had reached critical proportions before the new republic had time to plant its feet on the ground. Laurel ordered the continuation of the food production campaign started in 1942 to try to increase the output of vegetables and rice substitutes; but rice was in extremely short supply.42 When NARIC was turned over to Filipino hands it had only enough rice to feed Manila for little more than one month. Producers were not willing to sell their rice for the low price that had been set by the JMA. Besides, farmers were not paid for days, and had to keep returning to Japanese army offices to ask for their money. If the farmers persisted and asked point blank, when they would be paid, slapping and beating resulted. The JMA announced that the buying price of rice would be raised to PhP 5.00 per cavan, but hardly had this announcement been made when the Laurel government announced it would pay higher. The rice producers naturally waited for the higher price to be announced -- which was almost two months later. By that time, prices of almost everything had risen drastically.43

Manila thus suffered from an actual rice shortage by November 1943. Hopes for harvesting the early rice crop in November were dashed when a typhoon came and flooded Manila and the provinces surrounding it. Transportation and communication were out for days, and the impact of the flood on Manila was immediate: prices skyrocketed within a few days. From just above PhP 30.00 a sack, the price of rice shot up to PhP 150.00 a sack. A month later it reached PhP 200.00.44

With no rice coming in and stocks in Manila virtually zero, rations were first reduced and later stopped. In order to alleviate the plight of the poor, Laurel ordered the establishment of community kitchens, which gave cooked rice free to the destitute. To allow rice to enter Manila from any source, Laurel also lifted the ban on bringing rice into Manila, provided it did not exceed one sack. (56 kilos) per person.45

Because rice was allowed to enter Manila, some blackmarketeers took advantage of this opportunity to bring in much rice to Manila, only to sell it way beyond the controlled price. The Laurel government hesitated to arrest the smug-
glers and the many illegal vendors who had proliferated in Manila's Tutuban railroad station, fearing such arrests might stop the entry of rice to Manila entirely. It reasoned that it was better to have rice for sale at high prices than not to have rice at all. 46

To centralize all agencies and operations relating to food production and distribution, Laurel established the Food Administration which was granted immense powers to deal with the crisis. Named Food Administrator was Jose Sanvictores, who had experience with government agricultural estates before the war. With the creation of the Food Administration, the NARIC monopoly on rice was reimposed, and private individuals were forbidden to bring rice into Manila. 47

Because of NARIC's blackened image, however, as well as the Japanese continuing to milk it dry, Laurel ordered its dissolution and in its stead created the Bigasang Bayan (National Rice Granary) in early January 1944. The BIBA was wholly Filipino-run and catered exclusively to Filipinos, under the Food Administration. The Japanese would have to procure rice on their own. 48

The Bigasang Bayan had almost nothing to start with, and faced many difficulties of securing rice in Central Luzon. A trickle of rice came to Manila, partly through BIBA, so that by late January 1944 it was able to resume rationing rice -- but at a minuscule 120 grams per day per person, just over the quantity of one normal meal. It would drop still further to only 60 grams, with a supplement of 60 grams of sweet potato; and still later the ration would disappear altogether. 49

However, since the Japanese were left out of BIBA, they bought on their own, at prices they could well afford, since they controlled the issuance of currency. Rice producers found BIBA's price too low, and despite Laurel's personal appeals to the producers to sell, many producers chose to sell to those who paid higher: the Japanese Army and Japanese companies or to black marketeers. The Japanese companies in particular, had a reputation for buying at whatever price it chose, usually twice or thrice the government price. Thus, prices in the open market rose accordingly. Other rice producers who wanted to cooperate with BIBA would not, because they were in Manila and their farms were in Huk or guerilla hands. 50

Appeals were made to the rice producers. The BIBA buying price was raised slightly higher, and BIBA offered free transportation provided a percentage of the rice was sold to BIBA. To alleviate the food situation, a plan to form consumers cooperative associations to replace the old NARIC neighborhood associations was put into effect; the cooperatives did not have to wait for BIBA to give them rice, they could send their own representatives and buyers to the provinces to obtain rice for the group. 51

Laurel tried to tap experts in the field of economics. He created the Economic Planning Board to draft long-range economic plans for the Republic. To give BIBA the benefit of other experienced minds, Laurel created a Board of Directors. But even with able minds, there was little that could be done immediately to solve the shortages and rising prices. Rice supply was limited, transporta-
tion was almost impossible, peace and order were deteriorating, and there was little respect for the administration.\textsuperscript{52}

Laurel created special courts to try exclusively cases involving profiteering and hoarding; serious cases could be punished by life imprisonment or death sentences. A few cases were filed, and in two cases the defendants were found guilty and sentenced to long prison terms. But peace time judicial procedure demanded reviews of the cases, appeals, and possible retrial. Other cases were dropped because of technical shortcomings or deficiencies in procedure. In any case, the courts had little effect on the continually rising prices.\textsuperscript{53}

Another attempt at increasing food production was started on Laurel's birthday in March 1944. With much fanfare, quotas were set and governors and mayors were made responsible for meeting them and for expanding areas planted to food crops. To mobilize manpower, Laurel decreed mandatory labor at food production activities for all Filipinos between 16 and 60, one eight-hour day a week. After much publicity, however, this decree died down, overwhelmed by the realities of transportation shortages, thieves (planters were beaten to the fruits of their labor by robbers or stray, hungry animals), and increasing dangers of being molested by guerrillas or bandits posing as guerrillas on one hand, and Japanese soldiers on the other.\textsuperscript{54}

In May 1944, Laurel decided to resort to confiscation. He ordered the PC to confiscate hoarded rice in various locations. However, due to corruption and other causes, the yield of this move was very low. Furthermore, there were cases of non-hoarders being victimized, and some or most – of the rice actually seized somehow vanished.\textsuperscript{55}

The failure of BIBA, of the price control agencies, and of the various plans of distribution was due partly to the incapacity of the Laurel government to effectively implement its plans, basically because it did not have the means (the Japanese controlled transportation, fuel, issuance of money, and others). Further hampering the Laurel government was the low esteem it had in the eyes of most of the Filipinos, who recognized its weakness and daily saw only the arrogance of the Japanese. But the Japanese themselves sowed the seeds of the confusion. The controlled media reported endless Japanese victories and only rosy news of big rice harvests and price ceilings. Behind these stories, the Japanese were buying rice with wads of money that were printed en masse, many of which had no serial numbers. The rice shortage was real, and the Japanese were buying whatever was available at exorbitant rates, thus escalating prices.\textsuperscript{56}

Laurel tried to ease the rice situation by again allowing the people to bring rice in to Manila – but most of this flowed into the hands of the blackmarketeers. Eventually, the administration re-imposed the ban on bringing rice into Manila, trying to establish a complete monopoly of the rice industry by the BIBA. But there were too many loopholes, bribery was rampant, and this ban had little effect on the blackmarketeers.\textsuperscript{57} To try to alleviate the problem, the government granted raises and bonuses to government officials and employees several times, but only
after rice and other food commodity prices had gone beyond reach.58 Personal
appeals by Laurel and other government officials to rice growers brought promises of aid, but no concrete action because some of the rice growers themselves no longer had control of their farms.59

Making matters will worse was the confusion caused by the worsening trend of the war for Japan. Despite press reports of victories, air raid precautions and defense drills were held in Manila and other key cities, each time causing the price of rice and other foodstuffs to jump still higher. In August 1944, US planes were again over Philippine skies, and in September Manila received its first air raid since 1942.60

Because of the increasingly dangerous conditions in the provinces, more and more people streamed into Manila as Japanese brutalities mounted and banditry and depredations by rogue guerrillas increased. By the end of 1943, Manila's population had almost doubled its prewar number. More mouths to feed, but less rice came in. Despite government efforts to depopulate Manila, the population remained above one million (the pre-war population was around 60,000, and even that was considered crowded). Besides, there was no transportation out of the city except at exorbitant rates, and the Japanese military discouraged depopulation because it meant less laborers for building defenses and airfields and unloading and moving military cargo.61 Compounding the situation was the fact that the Japanese had decided to defend the Philippines. Starting from June 1944, division after division was sent to reinforce the troops in the Philippines for a decisive battle. The arriving troops needed to be sheltered and fed - but many of the ships transporting rice from other Japanese territories were being sunk on the way.62

While the Laurel government thought up new plans, the Kempeitai acted on its own and began seizing rice hoarded in Manila, without the knowledge of the Filipino administration. Homes of innocent people as well as of hoarders were broken into and rice forcibly taken. Laurel complained strongly and demanded that all the rice be given to the government. Reluctantly, the Kempeitai turned it over, but only after humiliating the Filipino representatives. Laurel then ordered all those with excess stocks to turn them over to the government after a week, threatening more confiscation. Some stocks were turned over, but prices remained high and supply low.63

Laurel finally gave up his plans to continue trying to solve the food crisis on his own, and with no choice, replaced BIBA with a joint Filipino-Japanese agency, the Rice and Corn Administration, or RICOA for short. RICOA combined the facilities and personnel of the BIBA and the Japanese Army rice procurement agency, but as had been foreseen, most of the rice harvested and procured by RICOA went to the Japanese Army.64

With the government unable to provide rice and control prices, the people had to fend for themselves. When they could still afford to, they joked about the situation: The Philippines was no longer "Pilipinas", but was now "Pilapinas". While the Spaniards had brought relihiyon (religion), and the Americans brought
edukasyon (education), the Japanese had brought rasyon (ration). Controlled prices were true only in the controlled newspapers; when buyers showed the prices list in the Tribune, vendors sarcastically told them to buy at the newspaper offices. RICOA, since it did not provide any solution to the rice problem, was called "Lokoa."65

But the people had to survive, regardless of the government plans. Smuggling, stealing, bribery were all resorted to; some even considered this patriotic because they were indirectly hurting the Japanese and the Filipinos collaborating with them. "So that we won't die of hunger, let's steal the rice of the Japanese and the Filipino collaborators!" cried one guerrilla leaflet in Manila. Others walked long distances to the provinces just to buy rice. When inflation became so bad that the Japanese-printed money had almost no value, those who needed rice bartered furniture, jewelry, clothes, and anything of value just to survive. Others stole rides aboard the few trains and jumped off with their rice sacks before reaching Tutuban station where the checkpoints were. Still others smuggled rice through the Pasig river; others bribed inspectors and police. The more daring jumped into the oily waters of Manila Bay and the Pasig River to recover rice in sunken Japanese vessels. (This rice smelled and tasted terrible, but it was better than nothing). All these troubles sometimes came to naught, when bandits or self-proclaimed guerrillas or even children robbed them of their food.66

Through this all, the opportunists, hoarders, speculators, cheaters, and the corrupt — many of them aliens — had a field day, victimizing the people. Some would be prosecuted after the war, but many more escaped justice.67 There was no solution to the rice problem and in the end total chaos reigned. Laurel and several members of his cabinet were forced by the Japanese to move to Baguio; the people in Manila were left to fend for themselves. The better off found ways of surviving, but the indigent began dying of starvation. By December 1944, the dead and dying were becoming common sights in Manila’s streets. Almost all the people in Manila saw only one solution to the problem: the return of the Americans and the liberation of the islands from the Japanese.68

V. THE RETURN OF THE AMERICANS AND POST-WAR POLICIES

The Americans did return and the Japanese occupation at last ended. Only then was there again food to ration out or buy. Initially the Americans fed Manila through Army stocks, establishing a ration system and distribution points. To facilitate distribution, rationing, and sales, MacArthur created Philippine Civil Affairs Units (PCAUs) which followed U.S. combat troops and began civil relief operations in liberated territory. The PCAUs were only temporary, and ceased operations with the re-establishment of the Commonwealth government. PCAU rations were much higher than at any time during the Japanese occupation; averaging 450 grams of rice per day, although in the absence of rice, bread or corn meal was served.69
The Commonwealth government, which was restored on Philippine soil a few days after the American landing on the island of Leyte, quickly issued a list of maximum prices, based on pre-war levels. This list was made applicable to Manila and other liberated areas as soon as the Commonwealth government was restored in those areas. There was no way to enforce it, however, and prices remained high. The Emergency Control Administration, which had been created at the outbreak of war, was reconstituted, but it did not have facilities or manpower to impose the price limits. Even the Americans could not eradicate the black-market which remained from the Japanese period.

Since farms were severely affected by the fighting at the end of the war, imports through the U.S. Army and the United Nations Relief and Rehabilitation Administration were critical during the first months after the war. The Department of Agriculture and Commerce, Bureau of Plant Industry, and NARIC were reconstituted in mid-1945, however, and these encouraged the rehabilitation of rice and other farms.

The Philippines was proclaimed independent by the U.S. on July 4, 1946, and the republic's first president was Manuel Roxas, who served with NARIC before the war, had been the chairman of the Economic Planning Board under Laurel, and had been chairman of the Bigasang Bayan Board in 1944. Several government officials and advisers in agriculture and food also had served in the Laurel government, and thus some of the lessons during the Japanese-occupation food administration were put to use.

To help the republic rebuild its war-torn agricultural lands and to aim for self sufficiency in food supply, Roxas decreed food production programs similar to the wartime and occupation period campaigns. Development of irrigation systems, use of fertilizers, and more modern methods of farming were recommended, echoing similar programs before and during the occupation. However, nothing as severe as the occupation-period controlled economy was ever attempted.

It would take more than five years for the post-war Philippine rice industry to reach its pre-war production levels. Productivity per hectare remained at the same low figure it had been before the war. Prices never went down to the pre-war levels and the post-war government never regained the authority that it had before the war. Modernization of Philippine agriculture would come slowly, and only in the late 1960s and early 1970s was some degree of self-sufficiency in rice achieved; for a brief period the Philippines even exported rice.

To stabilize prices and food supply, today's government has a National Food Authority, with a new Bigasang Bayan under it. But today, the same problems that plagued the Philippines during the occupation – and before – sometimes come back: rice insufficiency, necessity of importation, hoarding, and price increases. It is ironic that now, when there is no war or occupation by a foreign power, these conditions still remain.


Yields in central Luzon, however, were usually higher than the national average; Nueva Ecija, the main rice-producing province, could go as high as forty cavans per hectare. Still, this was small compared to, say, Taiwan's average of 62 cavans per hectare. Hito Gunseikanbu, Sangyobu [Japanese Economic Control] (28 April 1943), in Institute for Developing Economies library (hereafter Sangyo Kankei), p. 161.


5Commonwealth Act 600 granted Quezon emergency powers; Commonwealth Executive Order No. 233 established the Emergency Control Board; Executive Order 335, 1 April 1941 created the CEA.


9For the situation in Manila in December, 1941 and the Japanese entry into the city, see: "The Past, the Present, the Future", *City Gazette* (1 January 1943); Lichauc, *Dear Mother Putnam*, pp. 1-12. On the crowds at the NARIC warehouses, see Victor Buencamino, "Manila Under the Japanese Occupation: (Fragments of Wartime Memoirs)", *Bulletin of the American Historical Collection* (hereafter BAHC) VII:3, 1979, pp. 7-8.


12NARIC men were looted or killed by bandits, while other men posed as NARIC agents to steal rice. Buencamino, "Manila Under the Japanese Occupation", BACH, VII:3, various problems involved in the harvest and buying up of rice. See also Yomiuri Shimbun interviews with Yamagoshi, Uzaki, Itsuto [?] Takahara, Shozo Yasuda, and Shigeru Otsuka, in Showa Shino no Tenno, Vol. 11, pp. 14, 30, 45, 89-94; Michizo Yamagoshi, Gunseika ni okeru Hito Sangyo no Suii [Transformation of the Philippine Economy under Military Administration] (December 1943) (microfilm copy in the Institute for Developing Economies library), pp. 27-28.


15The Japanese Military Administration's Department of Industries supervised economic matters; under it was the Bureau of Agriculture Section and the Bureau of Foods. The Philippine Executive Commission retained virtually unchanged from the Commonwealth government the Department of Agriculture and Commerce, under which was the Bureau of Plant Industry. The 14th Army had an Intendance Department responsible for supplying and paying its officers and men, as well as transients.


20Yamagoshi, Gunseika ni okeru Hito Sangyo no Suii, pp. 6-7; Tribune, 20 May 1942.

21Executive Order No. 40, in OJJMA. IV, pp. 31-32; Showa 17 Nendo Hito Shokuryo Taisaku Gaiyo, Sangyo Kankei, p. 154; Yamagoshi, p. 43.

23OG, Vol. 2, No. 2 (February 1943), p. 243; Sanvictores Summarized report; Showa 18 Nendo ni tai suru Hito Hiryo Taisaku Yoko [1943 General Plan for Philippine Fertilizer], Sangyo Kankei, pp. 131-134; Tribune, 30 October, 18 December 1942.


26OJIMA VI, PP. 30-31; Outline of the Five-Year Plan of the Increased Production of Foodstuffs in the Philippines by the Department of Industries, JMA, OJIMA, Vol. 11, pp. 8-11; Yamagoshi, pp. 73-80.


28Minutes of the Meeting of Cabinet, 11 May 1994 in Mauro P. Garcia (ed.), Documents of the Japanese Occupation of the Philippines (Manila: Philippine Historical Association, 1965), p. 84; Tribune, 20, 27 January, 5, 13, 19, 20, 23, 28 February, 4, 9, 10, 13 March 1943. Some of the destruction of the cotton crop was deliberate, as an act of sabotage or noncooperation. Interview with Honesto Vitug, who was a photographer for one of the cotton companies in Pampanga; Agoncillo, p. 535; Yamagoshi, p. 15; Yomiuri Shimbun interview with Yamagoshi, Showa Shi no Tenno, Vol. 11, p. 19.

29 Beikoku Shubai Haikyu Tosei Kiko, Sangyo Kankei, p. 147; Tribune, 2, 23, 27 September 1942, 12, 13 March 5, 14, 30 April 1943. Interviews with Edgar J. Krohn and Malay confirm that there was no appreciable difficulty in getting rice at this time. Uzaki, in Showa Shi no Tenno, Vol. 11, p. 33, states that rationing kept prices in check in Manila.


32Official rice prices were often announced in the Tribune; occasionally black market prices were reported in the letters to the editor. Price summaries are also found in Hartendorp, Japanese Occupation, I, 103, 106, 269; II, 269-270 and Kerkvliet, "Creative Retreats", p. 25; Sumeragi, Mo Hitotsu no Firipin Sen, p. 93.

33Tribune for June-July 1943; Lichauco, Dear Mother Putnam, 100-110; Juan L. Labrador, Diary, pp. 161-165.


38Proclamation 11, RPOG, Vol. 1, No. 4 (January 1944); Tribune, 16 December 1943; Minutes of the 29 November 1943 Cabinet Meeting, UP.

39Problems with fuel and transportation were repeatedly voiced in the Laurel Cabinet Meetings, for example, in Minutes of the 25 November and 16 December 1943 Cabinet meetings, UP. See also Lichauco, p. 151.


44November 15 to 17 marked the worst of the flood. Marcial Lichauco stated that the flood was the worst in 40 years, although Edwin Andrews, an intelligence agent in Negros, reported it as the worst in 16 years. Lichauco, 17 November 1943 entry; Andrews to Douglas, Radio NR 246, 13 February 1944, Whitney Papers, MacArthur Memorial (hereafter WP); Yomiuri Shimbun interview with Uzaki, Showa Shi no Tenno, Vol. 11, p. 33; Lichauco, pp 139-141; Labrador, Diary, pp. 179-180; Sumeragi, Mo Hitotsu no Firipin Sen, p. 66; Tribune, 16, 17, 19, 20, 21 November 1943.

45Yamagoshi, p. 90; Minutes of the 2 and 21 December 1943 Cabinet Meeting, UP; Lichauco, 8 January 1944 entry; ISRM (Phillips) to MacArthur, NR 11, 5 December 1943, NR 31, 21 December 1943, WP; Wendell Fertig to MacArthur, NR 473, 13 December 1943, WP Lichauco, 4 December 1943 entry, Tribune, 14, 24, 25, November 1, 23, 28, 29, 30 December 1943.

46Minutes of the Meeting of the Cabinet, December 2, 1943; Tribune, 1, 4, 11 December 1943; Agoncillo, p. 539.

47"The Case of Dr. V. Buencamino", p. 204; Buencamino, Memoirs, pp. 330-331; Food Administration Order (hereafter FAO) No. 1, Mauro P. Garcia collection, Sophia University Library (hereafter MPG); Tribune, 11, 15 December 1943.

48FAO No. 8, MPG; RPOG, Vol. 1 No. 4 (January 1944), pp. 382-383; also Laurel 5 January 1944 speech before Neighborhood Association heads, RPOG, Vol. 1, No. 4 (January 1944), pp. 401-404; Tribune, 1, 6 January 1944; Lichauco, pp. 147-148.

49Labrador, pp. 185-186; Lichauco, p. 153; Tribune, 11, 12 January 1944.

50Minutes of the Meeting of the Cabinet, 9, 16 and 21 December, 1943, 13 and 25 January, 3 February 1944; UP; Labrador, p. 198; Tribune, 1 and 6 January, 1944.

51Minutes of the 29 February 1944 Cabinet Meeting, UP; Ordinance No. 8, RPOG, Vol. 1, No. 6 (March 1944), pp. 620-625; Tribune, 1, 6 January, 1, 4 March 1944. Concrete rules and regulations on the structure of the Manila Consumers Cooperative Associations were embodied in FAO No. 29, RPOG, Vol. 1, No. 7 (April 1944), pp. 790-792.
but readers wrote back about how difficult it was to book passage on any vehicle out of Manila. The civilian view of the arrivals in Manila is seen in Lichauco, pp. 167-169; Labrador, pp. 203, 208-210.

Proclamation No. 31, published in full in Tribune, 3 October 1944; Sabido Memorandum, Documents, pp. 198; also Tribune, 1, 3, 4, 11, 24 October 1944.
64 Executive Order No. 104, MPG; Ordinance No. 44, MPG; Sabido Memorandum, Documents, p. 187; Tribune, 16, 17 November 1944. Interestingly, Laurel's executive order was issued after specifics of the organization and its operation had been published in the Tribune; Testimony of Arturo V. Tanco, in U.S. vs. Tomoyuki Yamashita, pp. 3716-3728; Hartendorp, History, p. 144; Agoncillo, Fateful Years, p. 561.

65 Agoncillo, Fateful Years, pp. 539, 542-543.

66 Interviews with Amelia Carunungan, Armando Malay, and others, Manila, June 1984 and subsequent dates; Report on Peace and Order… in Manila, 31 December 1944, in Garcia, Documents, p. 149; Laurel to Alunan, 5 May 1944 and Alberto Ramos to Sabido, 11 December 1944, both in JPLML; HQ, Kalayaan Command, USFIP. Intelligence Summary NR.14, 31 August 1944, WP; Agoncillo, Fateful Years, pp. 545-547; V.W. Salud to Ramon Macasaet, 7 June 1944; JPLML; interview with Lamberto Avellana, 6 August 1990. Avellana, a stage director, received half of his pay in rice. Labrador, 12 May 1944 entry; "Hunger in Manila", WP; del Castillo, "Groaning under the Japanese;" p. 111. The quote is from a typewritten leaflet found pasted on a post at the corner of San Andres and Daitoa Avenue: "Mga Kababay, dinarambong ang ating pagkain ng mga tulisanong Hapones, na katulong ang mga taksin na Pilipino; ginugutom tayo! Upang huwag tayong mamatay ng gutum, agawin natin ito!" by Liga Ukol sa Pambansang Pagpasasarili (League for National Liberation), cited in Report on Peace and Order, Documents, pp. 148.

67 See, for example, F.C. de la Rama, I Made Millions and Lost Them (Manila: National Ad Philippines, 1957) and Sergio Osmeña, Jr., "Dear Dad" (unpublished manuscript, JPLML) for the perspective from the economic collaborators; also various People's Court records at UP.

68 See Reports of Peace and Order of the Military Governor of the City of Manila, December 3, 1944 and January 1, 1945, in Garcia, Documents, p. 144-162 for typical death statistics. Note especially figures for Bagumbuhay (Tondo), where the poor were centered. Also, Lichauco, pp. 193-198.

69 On PCAUs, Annex 6 (Basic Plan for Philippine Civil Administration) to Basic Plan for Musketter, 10 July 1944; Annex 5c (Special Plan for Philippine Civil Administration and Relief) to Staff Study Operation Mike One, 7 October 1944; and Civil Affairs Section, General Headquarters (GHQ), Army Forces in the Pacific (AFPAC), Philippine Civil Affairs, 25 August 1945, pp. 2-7, 31-32, 55-57, and related appendices. All three documents in MacArthur Memorial; the latter was Gen. Whitney's official report to MacArthur on the operation of the PCAUs and overall civil affairs conditions in the Philippines. Also, interview with Col. Ricardo Galang, 2 October 1992, who worked side-by-side with the PCAUs in Manila, and Pedro Changco, 28 July 1995, who was with PCAU 24 in Cebu and Bohol. See also Hartendorp, History, pp. 181-182, 221-223; George E. Jones, "Army Trucks Ease Manila Food Crisis," New York Times, 11 February 1945; George E. Jones, "Hungry Filipinos Fed by Americans," New York Times, 22 February 1945. There was no PCAU counterpart in the invading Japanese army in 1941.


72 Hartendorp, History, p. 236; PHCAR VII, p. 92; Administrative Order No. 41; Philippine Committee Special Report, introduction.

73 Philippine Committee Special Report, pp. 1, 4, 26-27, 33; PHCAR VII, p. 90.

74 For general views on the post-war condition and development of Philippine economy and agriculture, see Hartendorp, History; Kerkvliet "Creative Retreats," pp. 18-19; Sergio Osmeña, "Draft Report:" BAHC, I:3 (May 1973); II:2 (Apr. 1974); II:3 (July 1974); and Vicente Valdepenas, Jr. and Gemiliano M. Bautista, The Emergence of the Philippine Economy (Manila: Papyrus Press, 1977).