

Short History of Industry and Trade in the Philippines

The War Damage and American Aid

By A. V. H. HARTENDORF

IT is hardly too much to say that the Philippines emerged from the enemy occupation and the war for liberation with a loss of what amounted to a major part of the national wealth with the exception only of the bare natural resources of the country and a virtually naked population.

At least four-fifths of Greater Manila was razed to the ground, but this represented only a part of the loss. Of many other cities,—Bacolod, Baguio, Cavite, Cebu, Davao, Iloilo, Quezon, San Pablo, and Zamboanga, and many of the larger towns, there was little left but the names and the sites. The destruction of public works throughout the country was well-nigh complete. This was because the country suffered not only the destruction incident to battle, but because what was probably the major part of the destruction was deliberately perpetrated. General Eisenhower, who visited Manila in May, 1946, was reported to have been stunned by the spectacle of ruin which Manila presented and to have exclaimed, "With the exception of Warsaw, this is the worst destruction I have ever seen!" It will be remembered that Warsaw was deliberately destroyed by the Germans for having offered resistance.

A month before the American landings along the shores of Lingayen Bay, the Japanese placed demolition charges in most of the large buildings in Manila, both public and private, as well as under all the piers and bridges. And immediately, on the night of February 3, 1945, when the first American contingents entered the city in a surprise maneuver, liberating Santo Tomas and taking Malacañan Palace, the Japanese started blowing up factories and warehouses in Tondo and setting fire to the residence sections, working from the waterfront inward, without warning to the people and machine-gunning those who tried to put out the fires or establish fire-lines. Within 48 hours, during those dreadful days, the Japanese had set off the dynamite charges in all the big buildings and under the bridges over the Pasig River in a planned series which destroyed the heart of the business district. The debris of toppled buildings lay thirty feet deep on the Escolta and on Dasmariñas Street. The destruction was extended into Quiapo, San Miguel, and Sampaloc, but the enemy, fortunately, was not given much time in this part of the city and withdrew to the south side of the River. In South Manila, from Pasay and Singalong and Paco down, they converted practically every concrete building, including churches and convents and school buildings and private mansions as well as government edifices, into strong-points from which only artillery could dislodge them. After the first bombing in September, 1944, by the way, the Japanese had seized practically all of the churches for use as warehouses and depots. The larger part of the Japanese suicide force made a final stand in the ancient Walled City, with certain units also in the three large and beautiful government structures, two of which had been completed only just before the war,—the Legislative, Finance, and Agricultural Buildings, a short distance southeast of the Walled City. When the fighting was over, in the second week of March, there was hardly a stone left on top of another within the old Spanish walls, the beautiful Legislative Building was an obscene pyramid of brownish dust, with only the shell-riddled narrow central section recognizable, the other two buildings also were mere skeletons, and over the whole of Pasay, Malate, Paco, and Ermita it was hardly possible to make out even where the streets had been.

Manila lay waste, stinking with the thousands of dead

of massacre as well as battle. It had lost its piers, docks, and bridges, its electric light and power and gas plants, its telephone exchanges, radio-stations, and newspaper plants, its factories and warehouses and office-buildings, its schools and universities, libraries, museums, churches, and theaters, its hotels and apartment houses, nine-tenths of its private homes, even its parks and avenues and streets. A great city, of a million inhabitants, a metropolis, three hundred years in building, was gone.

The Early Estimates of the War Damage.—The original U. S. Army estimate of the physical damage done throughout the Philippines, as reported in the post-liberation Army newspaper, *Free Philippines*, was \$1,500,000,000, and this was later stated to have been scaled down to \$1,000,000,000.

In March, 1945, the War Damage Corporation (established on December 13, 1941, as a subsidiary of the U. S. Reconstruction Finance Corporation), sent a special mission to the Philippines which submitted a report estimating the losses to private, public, and church property at around \$800,000,000 spread over 750,000 claims, as follows:

	Total loss	Estimated number of claims
Public property	\$195,347,595	1,000
Catholic property	125,000,000	100
Other church properties	14,000,000	15
Private properties	464,420,000	738,000
Total	\$798,767,595	739,115

Figures of the damage compiled by the Bureau of the Census and Statistics during the earlier part of 1945, and then still incomplete, totaled ₱5,589,580,005, distributed as follows:

Real estate improvements, including government buildings, private residential and commercial structures, churches and other religious institutions	₱539,374,320
Government corporations (not including buildings)	81,756,232
Industrial and commercial properties	512,950,454
Agriculture	281,170,790
Public works improvements (excluding damage in the provinces of Agusan, Batanes, Bukidnon, Cantanduanes, Cotabato, Palawan, and Zamboanga)	244,988,081
Personal effects, such as clothes and linen, house furniture, fixtures and utensils, cars, jewelry, books, etc.	262,831,683
Government offices, exclusive of buildings	125,663,477
Libraries (from reports of 2 public and 4 private libraries in Manila only)	5,624,968
Prewar value of Japanese notes issued in exchange for goods and services	335,200,000

Stated the Report:

"As shown above, the damage to real estate improvements is the heaviest. Replacement cost of the destroyed structures at 5 times the prewar value will amount to ₱2,696,876,600. In Manila alone the prewar value of damaged structures is ₱222,853,000."

The Report itemized the estimated damage to industrial and commercial properties, by establishments (December 8, 1941 to July 4, 1945), as follows (exclusive of the values of buildings):

Manufactures	₱135,267,434
Trade	115,304,145
Transportation and communication	94,064,082
Mines and quarries	83,662,805
Service firms	51,158,773
Lumber and sawmills	11,628,535
Finance, banking, and insurance	7,211,596
Professional	3,850,320
Fishing industries	1,097,243
All others	9,705,521

Office of War Information.

This figure was later raised to ₱356,523,214.

The Reparations Demand of \$16,000,000.—

As is well-known, the Philippine Government later posed a reparations claim of \$16,000,000. This may be compared to the national income of \$4,350,000,000 in 1946 and of \$7,586,000,000 in 1951. It may also be compared to the 3,000,000,000 gold marks annually, for 35 years, demanded from Germany after World War I,—about \$720,000,000 a year on the basis of the prewar value of the mark, which, of course, never was or could have been paid. Also to the equivalent of \$300,000,000 (in 1938 dollars) demanded in reparations from Finland by Russia,—and actually paid in 8 years time in equipment, goods, etc.

It is, however, not the intention of the writer to support any reparations claim of any given amount, but only to give some conception of the enormous losses suffered by the Philippines.

The \$16,000,000 reparations claim was based on the following itemization:

I. Ocean and coastwise shipping properties.....	\$ 196,130,000
II. Industrial and commercial properties (excluding government corporations and transportation and communication facilities, but including fishing industries together with fishing craft (value of buildings excluded).....	366,149,660
III. Government corporations (excluding buildings).....	82,280,890
IV. Air and land (together with inland water transportation and communication facilities including installations).....	299,384,722
V. Highways and other public works improvements (including value of buildings).....	231,746,736
VI. Agriculture, etc.....	425,589,590
VII. National, provincial, and municipal institutions and enterprises (excluding buildings).....	125,663,477
VIII. Household articles and personal effects, etc.....	385,510,123
IX. Government and privately owned homes and buildings.....	547,220,393
X. Value of commandeered goods and services.....	11,148,642,000
XI. Public, college, and university libraries.....	5,624,968
XII. Damage and loss not included in the foregoing categories.....	9,524,000
XIII. Indemnity for loss of human lives during the war (based on 1,111,938 casualties).....	3,335,781,000
Total.....	\$16,159,247,959

Item II, Industrial and commercial properties, which is of special interest to businessmen, was itemized in greater detail as follows:

1. Manufactures (former value was \$135,275,914, but \$75,196,564, representing Sugar centrals, was transported to Group VI where it properly belongs).....	\$ 60,080,350
2. Trade.....	115,333,237
3. Mines and quarries.....	83,662,805
4. Service firms.....	51,194,588
5. Sawmills and loggings.....	14,948,000
6. Finance, banking, and insurance.....	7,211,596
7. Professional.....	3,868,563
8. Fishing industries including fishing craft.....	20,145,000
9. All others.....	9,705,521
Total.....	\$366,149,660

Item VI, Agriculture, referred to under "I" in the foregoing table, was itemized as follows:

1. Agricultural crops.....	\$183,787,240
2. Livestock and poultry.....	68,137,520
3. Farm implements.....	7,599,140
4. Crops abandoned and trees destroyed or cut down due to war operations.....	21,646,890
- 5. Productive structures.....	
a. Sugar centrals.....	75,196,564
b. Rice mills and hullers and threshing machines.....	5,154,000
c. Desiccated coconut factories.....	1,140,000
d. Coconut oil mills.....	5,600,000
e. Copra driers, including warehouses and other establishments.....	2,604,800
f. Abaca stripping machines.....	2,500,000
g. Abaca stripping sheds.....	1,000,000
h. Abaca denting machines and knives.....	20,000
i. Hemp presses for baling.....	1,200,000

j. Tobacco curing barns.....	4,360,000
k. Rice, abaca, and tobacco warehouses.....	7,600,000
l. Irrigation systems.....	2,500,000
m. Other farm improvement.....	35,543,436
Total.....	\$425,589,590

The Philippine Rehabilitation (Tydings) Act of 1946.—With the exception of Item X, Value of commandeered goods and services (as measured by the issue of Japanese war notes), and Item XIII, Indemnity for loss of human lives, the \$16,000,000 reparations claim may be checked against the public and private claims adjudicated by the U. S. Philippine War Damage Commission which was created under the terms of the Philippine Rehabilitation (Tydings) Act, approved April 30, 1946.³

This Act, to which further reference will be made in due course, authorized the Commission to expend a total of \$400,000,000 in payment of private war-damage claims. The Act provided for another \$120,000,000 for the restoration of public property, but of this amount only \$57,000,000 was allotted to the Commission, the balance being allotted as follows: \$40,000,000 to the U. S. Public Roads Administration for the rehabilitation of roads and bridges in the Philippines; \$18,000,000 to the Corps of Engineers, U. S. Army, for the rehabilitation of ports and harbors; and \$5,000,000 to the U. S. Public Health Service for the restoration and improvement of the health services. The Act furthermore provided for the transfer of \$100,000,000⁴ in "surplus property of the United States in the Philippines." The total, thus, provided, was \$620,000,000, or \$1,240,000,000.

The funds provided for war damage compensation were to be taken, according to the terms of the Act, "out of any money in the United States Treasury not otherwise appropriated", but it was also provided that—

"any money or bullion... and any other property received by the United States from the Japanese Government or the Japanese people, whether by way of reparations or restitution on account of war losses in the Philippines,"

might be transferred by an executive order of the President of the United States to cover the amounts thus appropriated, but, as everyone knows, the Treaty of Peace with Japan, negotiated some years later, provided that—

"except as otherwise provided... the Allied Powers waive all reparations claims of the Allied Powers and their nationals arising out of any actions taken by Japan and its nationals in the course of the prosecution of the war..."

This meant that the whole, or virtually the whole of the war damage payments made in the Philippines came from the American Government, that is to say, the generous American people.

The War-Damage Payments by the United States.

—According to the final (1951) report of the U. S. Philippine War Damage Commission, the Philippine Government submitted claims for destroyed and damaged national, provincial, and municipal government property in the amount of some \$380,000,000, but inasmuch as the Commission itself had only a total of \$57,000,000 to dispose of for this purpose, the compensation was limited to this amount and the payments actually made totaled some \$110,500,000. Roughly itemized, the Government received some \$68,600,000 in compensation of damage done to the public schools; \$13,840,000 for damage to national government buildings; \$9,200,000 for damage to hospitals and dispensaries; \$8,300,000 for damage to provincial and municipal buildings; \$6,100,000 for damage to water-works and irrigation systems; and \$4,400,000 for damage to various government corporations.

³Public Law 370, 79th Congress.

⁴The value of the surplus U. S. Army property turned over to the Philippine Government was much greater (the procurement cost of the property actually transferred was estimated at \$1,121,400,000), but due to the difficulty of guarding and storing it, the spoilage and the looting, and the corruption which entered into the disposal, the Government realized only a small fraction of the real value.

The damage done to private property was of course much greater than that to public property and hence a much larger sum (\$400,000,000) was provided in compensation. Some 1,250,000 separate claims were filed, the total damage claimed amounting to ₱2,250,000,000.

Of these claims, according to the Commission's report,—

"nearly 1,000,000 were for \$500 or less; approximately 247,000 were from \$500 to \$25,000; more than 1,600 were from \$25,000 to \$50,000; those from \$50,000 to \$250,000 totaled 1,360; and there were 320 for more than \$250,000."

Claims totaling some ₱1,084,433,000 in value were approved, but as there was only some ₱800,000,000 available for payment, claimants ultimately received (in two payments) some 52.5% of the approved amounts of their claims in excess of \$500.

Of the payments exceeding \$25,000 in value, the following is an itemization by type of industry:

Agriculture.....	₱ 33,812,000
Manufacturers and dealers.....	23,004,000
Mining companies.....	18,001,000
Sugar centrals.....	13,433,000
Public utilities.....	9,840,000
Health, education, and religion.....	8,657,000
Sawmills and lumber companies.....	3,560,000
Other claimants.....	15,670,000
Total.....	₱125,377,000

The writer earlier referred to the destruction wrought in the cities other than Manila. The following tables, based on the final report of the Commission, will give some idea of the comparative damage. The figures are given in round numbers:

Public Property Claims

City	Number of Claims	Amount of Claims Pesos	Number of Claims Approved	Total Payments Pesos
Bacolod.....	7	722,000	3	375,000
Begio.....	5	6,390,000	1	949,000
Cavite.....	4	758,000	3	348,000
Cebu.....	10	6,070,000	2	1,500,000
Davao.....	2	553,000	2	628,000
Iloilo.....	11	3,215,000	2	1,237,000
Quezon.....	27	55,610,000	2	9,840,000
San Pablo.....	1	664,000	1	503,000
Tagyaytay.....	2	149,000	1	39,000
Zamboanga.....	3	872,000	2	750,000
Manila.....	171	152,875,000	27	32,577,000
Undistributed.....	8	31,177,000		

Private Property Claims

Bacolod.....	7,337	16,554,000	7,020	4,099,000
Begio.....	4,167	50,451,000	3,480	5,514,000
Cavite.....	1,378	6,074,000	1,081	1,814,000
Cebu.....	16,428	75,822,000	14,215	23,882,000
Davao.....	7,418	16,514,000	6,924	5,772,000
Iloilo.....	6,885	29,156,000	5,920	6,470,000
Quezon.....	1,160	5,981,000	1,153	2,188,000
San Pablo.....	2,865	10,399,000	2,541	2,342,000
Tagaytay.....	546	390,000	195	120,000
Zamboanga.....	8,936	15,226,000	8,251	5,200,000
Manila.....	33,529	485,941,000	34,880	124,550,000
Undistributed.....	2,162	249,000,000	712	10,979,000

The amounts of the private property claims paid by the Commission in the various provinces, give some idea of the relative as well as the widespread nature of the damage. Negros Occidental, the great sugar province, led the list with ₱77,000,000. Then followed in order: Iloilo Province, ₱30,000,000; Mountain Province, the premier mining province, ₱28,000,000; Rizal, ₱23,000,000; Nueva Ecija, ₱23,000,000; Cebu, ₱22,000,000; Lanao, ₱20,000,000; Pampanga, ₱20,000,000; Leyte, ₱19,000,000; Camarines Sur, ₱16,000,000; Cagayan Province, ₱15,000,000; Batangas, ₱15,000,000; Samar, ₱15,000,000; Capiz, ₱15,000,000; Cotabato, ₱15,000,000; Pangasinan, ₱14,000,000; Larlac, ₱13,000,000; Bataan, ₱12,000,000; Camarines Norte, ₱11,000,000; Laguna, ₱11,000,000; La Union, ₱11,000,000; Ilocos Sur, ₱10,000,000; Isabela, ₱10,000,000; Quezon Province, ₱10,000,000; Sulu, ₱9,000,000; Misamis Oriental, ₱9,000,000; Negros Oriental, ₱8,000,000; Masbate, ₱8,000,000; Albay, ₱8,000,000; Bukidnon, ₱8,000,000; Davao Province, ₱6,000,000; Antique, ₱6,000,000; Zamboanga Province, ₱6,000,000; Zambales, ₱6,000,000, and so on.

The largest government claims were paid in the provinces of Iloilo, Cebu, Capiz, Pangasinan, Negros Occidental, Rizal, Mountain Province, and Leyte.

There was hardly a province, city, or town which was spared the devastation of war.

In comparing the figures of claims presented to and adjudicated by the Commission with the figures compiled by the Bureau of the Census and Statistics later used as the basis for the reparations demand on Japan, it should be understood that the Philippine Rehabilitation Act allowed compensation—

"for tangible real and personal property only and enumerated the perils which must have caused compensable loss or damage. It required that the claimant had to have an 'insurable interest' in the property under claim on or before December 7, 1941 [start of war], and continuously to the date of loss or damage. Furthermore, it provided that the Commission must adjudicate claims on the basis of the 'actual cash value' of the assets at the time of loss, or on the postwar replacement cost, whichever was lower. With high reproduction costs in the postwar period, all claims were settled on the basis of actual cash value at the time of loss which the Commission determined to be representative prewar value less depreciation." (Commission's final report.)

While the Philippine Government figures embraced what was more or less the total damage suffered by the whole country and all its people, the Commission's approved damage figures did not include the vast damage suffered by several large classes of persons, though their losses were as "tangible" as those who did receive compensation. According to the Commission's report:

"Total disallowances were made on slightly more than 91,000 claims, principally because the claimants were ineligible nationals who were not covered by the Rehabilitation Act. The law provided that the Commission could pay, in addition to citizens of the Philippines and the United States, only those nationals of friendly nations which granted reciprocal war damage payments to American citizens resident in those countries. It proved further that to be eligible such nationals must have resided in the Philippines for 5 years prior to December 7, 1941. The Commission determined that only citizens of Australia, Canada, Switzerland, Nicaragua, and Sweden could qualify under these provisions of the law and they filed relatively few claims; the number filed by ineligible nationals, however, was substantial."

There must have been many foreign nationals in the Philippines who did not even present a claim, knowing that they were not eligible to receive compensation. It will be noted that the provisions of the law excluded British and Spanish and Chinese nationals, and their losses, together, must have been as great or greater than the losses of American nationals at least.

The Rehabilitations Act made no distinction between American and Filipino claimants and beneficiaries, but it did provide that payments in excess of \$500 were not to be made until an executive agreement had become effective between the United States and the Philippines with respect to future trade relations pursuant to the terms of the companion act, Public Law 371, generally known as the Bell Trade Act, which will be referred to again later in this "Short History". This provision in effect discriminated in favor of the smaller against the larger claimants. Not knowing, at the beginning, how many claims would be presented, and in what amounts, the Commission also early determined that a margin must be provided to insure that at least some payment would be made on all approved claims so that the whole \$400,000,000 would not be exhausted before all legitimate claimants would be assured of at least a portion of the intended benefits. It therefore decided that no payments would exceed \$250 to begin with; later this was raised to \$500, which figure was maintained until after all claims had been filed and analyzed. Of the 1,250,000 claims filed, approximately 1,000,000 were for \$500 or less, and these claimants were paid a total of around \$132,000,000. About a third of the money, therefore, went to the smaller claimants who were practically all Filipinos. But this was not all. Of all the claims filed, some 1,240,000 were filed by Filipinos, while only 2,618 were filed by Americans,—around 1/5 of 1%. And while the Filipino claims totaled ₱2,243,700,000, the American

claims totaled only \$110,708,000. (Some 5,400 Chinese claims totaled \$55,666,000; 178 Spanish claims, \$8,554,000; 256 British claims, \$19,271,000; 104 Hindu claims, \$3,085,000; 81 Swiss claims, \$2,020,000; 26 Dutch claims, \$1,424,000; 19 French claims, \$1,285,000. There were even 2 German claims, for a total of \$10,267!)

The Rehabilitation Act made no provision for compensation for losses suffered through the gigantic issues of Japanese military notes. These issues, as first estimated by the Bureau of the Census and Statistics, came to a total of approximately ₱8,000,000,000, but a revision, by a Japanese liaison officer in Tokyo, in September, 1945, of the figures for the monthly issues from January to July, 1945, increased the total to over ₱11,000,000,000.

The Japanese Military Note Issues.—The manner in which the Japanese shoveled out their war notes (called "Mickey Mouse" money during the occupation) is clearly shown by the itemized monthly issues.

During the first three months of 1942, the issues were only from around ₱9,000,000 to ₱10,000,000 a month, but the monthly issues during that year were so heavy that by \$16,000,000 in December brings the total circulation at the end of that year to around ₱14,000,000. The monthly issues increased still more rapidly during 1943, rising from around ₱17,000,000 in January to over ₱38,000,000 in December, which brought the total circulation at that time to around ₱480,000,000. The issues increased from ₱51,000,000 in January, 1944, to ₱119,000,000 in April, and from then on mounted rapidly to ₱866,000,000 in November and to over ₱1,000,000,000 in December; the total circulation then stood at nearly ₱5,000,000,000. The January, 1945, issue amounted to more than ₱1,500,000,000 for that month alone. After January, 1945, the Bureau of the Census and Statistics figures were a nominal ₱250,000,000 monthly up to and including July, but the Japanese officer referred to estimated that the issue for February was over ₱1,300,000,000, for March ₱1,100,000,000, for April ₱888,000,000, for May ₱675,000,000, for June ₱462,000,000, and for July ₱250,000,000. The total in circulation was thus brought up to ₱11,148,642,000,—the figure used for the item "Value of commandeered goods and services" in the Philippine reparations claim.

An interesting point in this connection is supplied by the statement that has been hazarded in some quarters that the issue by the United States Army of notes counterfeiting the Japanese war notes added materially to the Japanese-created "inflation". The fact is that counterfeit Japanese war notes were brought to the Philippines on American submarines and distributed to the guerrillas in various parts of the country. Official information on this subject is still "classified" (secret), but the writer has it on first-hand authority that this was done only during the latter half of 1944, mostly after the American landings in Leyte, and that the total thus distributed ran only to between ₱50,000,000 and ₱100,000,000. This was therefore but a drop in the "Mickey Mouse" flood.⁵

The "value" of the Japanese war notes at various periods during the enemy occupation in terms of the prewar Philippine peso was studied soon after the liberation by a number of experts, including Mr. Isadore Alk of the Foreign Funds Control Section of the U. S. Treasury Department and Mr. Frank N. Belgrano, Jr., of the Bank of America, who was financial advisor to U. S. High Commissioner McNutt. At the request of President Osmeña, Mr. D. L. Ballantyne, of the Chase National Bank in the Philippines in 1945 as Special Economic Advisor to the President. Mr. Ballantyne developed a schedule by which sums in Japanese currency can be evaluated in terms of the prewar peso, this being necessary in the calculation of the real value of various business transactions conducted during those years,—involving mostly the payment and collection of debts. The Ballantyne schedule is substantially the same as the schedules recommended by others who worked on the problem and later came to have the force of law in matters of the exchange concerned.⁶ The schedule follows:

1942	All months	1.00
1943	January	1.05
	February	1.10

⁵This counterfeit money was distributed to the guerrillas to finance their local activities, but it is freely available to them, with no exchange required. It was printed in all the Japanese denominations from 1 to 20 "pesos," later 100, and finally 500, but the latter bill was little used. The Psychological Warfare Branch of the American Army at the time considered flooding the country with this counterfeit by dropping it in large quantities, "millions" at a time, from airplanes, with the idea of rendering the Japanese army notes so entirely worthless that they could no longer be used by the enemy to "buy" their supplies. It was found, however, that the Japanese themselves had already so inflated the currency that any American contribution toward that end was unnecessary.

⁶See article by E. Selph in the August, 1949, *American Chamber of Commerce Journal*.

March	1.10
April	1.20
May	1.25
June	1.30
July	1.40
August	1.50
September	1.60
October	1.70
November	1.80
December	2.50
1944	
January	4.00
February	6.00
March	6.00
April	9.00
May	12.00
June	15.00
July	20.00
August	25.00
September	30.00
October	40.00
November	60.00
December	90.00
1945	
January	120.00

With respect to item X in the Philippine reparations claim, a note appended to the document from which the writer took his figures states:

"As reported in the Memorandum of the Bureau of the Census and Statistics to the Chairman, Philippine Reparations Mission, dated May 28, 1946, the value of commandeered goods and services paid for in Japanese war notes may be deflated, if necessary, by using the Ballantyne-Tucker scale, to the aggregate prewar monetary value of such goods and services, estimated at ₱535,220,000."

The Indemnity Claimed for Loss of Life.—The Rehabilitation Act made no provision for compensation for the loss of life. Item XIII in the Philippine reparations claim, "Indemnity for the loss of human lives", was based on an estimate of the Department of Health and Public Welfare, submitted under date of November 29, 1946, of 1,111,938 casualties and an indemnity of ₱3,009 a head, "as provided in the Revised Civil Code."

The U. S. War Damage Commission.—The U. S. Philippine War Damage Commission⁷ performed its duties in the Philippines with notable integrity, efficiency, and dispatch, and although the compensation paid fell far short of even only the material damage suffered, the amount of nearly a billion and quarter pesos which flowed into the Philippines under the terms of the Tydings Rehabilitation Act made possible a physical rebuilding of the Philippines within a few years that might otherwise have taken decades. Though private property-claim payments did not begin until around April, 1947, and did not assume any great volume until June, 1948, the final payments not being made until near the close of 1950, prospective beneficiaries were enabled in many cases to obtain needed credit to begin the rehabilitation of their businesses long before they received their compensation.

Enemy Property Turned over to the Philippine Government.—The value of the enemy property in the Philippines, turned over to the Philippine Government by the United States after the war,—in the form of lands, buildings, machinery, sunken ships, cash, etc., amounts to a considerable total, still being added to, but as the appraisals were in many cases nominal, no satisfactory total figure can be arrived at. Additionally, and of no small importance, is the fact that the turning over of the pre-war Japanese landholdings, in Davao especially, put an end, it is to be hoped permanently, to the "Japanese problem" there which plagued the country for so many years.

The first Office of the Enemy Property Custodian was a purely military one set up within the headquarters of the U. S. Army in the Philippines during the period of the liberation, but soon afterward General MacArthur requested the establishment in Manila of a branch office of the Alien Property Custodian of the United States to administer here the Trading with the Enemy Act, as amended. This Office⁸ was established on September 12, 1945, a week or so after the surrender of Japan.

⁷Frank A. Waring, Chairman, Francisco A. Delgado, John A. O'Donnell, Phillip L. Charles, Secretary.
⁸Roger E. Brooks, Manager.

The Tydings-McDuffie Act of 1934, which established the Philippine Commonwealth, provided that the United States, by proclamation of the President on July 4, 1946, surrender all rights of sovereignty in and over the territory of the Philippines and of possession of all United States Government property here with the exception of certain military reservations, naval fueling stations, and designated properties suitable for United States diplomatic establishments. The authority of the United States Alien Property Custodian in the Philippines would therefore have ended upon the proclamation of independence, and as both American and Philippine Commonwealth officials realized that certain problems concerning alien property required solution before that time, the United States Congress in accordance with an agreement between the two countries, enacted the Philippine Property Act of 1946, approved July 3. This Act provided that the Trading with the Enemy Act would continue in force in the Philippines, and to this end the President of the United States, by executive order, established the Philippine Alien Property Administration as an independent agency under his Office, effective October 14, 1946.⁹

Some five years later, on June 29, 1951, the rights, functions, etc. of the Philippine Alien Property Administration were terminated by another executive order and transferred to the U. S. Attorney General, these rights and functions to be administered by him or by such officers and agencies of the U. S. Department of Justice as he might designate. The Attorney General designated the Office of Alien Property, U. S. Department of Justice, and the present Philippine Office of this agency was established on June 30, 1951.¹⁰

Under the program thus carried out, title to enemy property in the Philippines was taken by the United States Government in accordance with the provisions of the Trading with the Enemy Act, which provided for a return of property so seized to those persons who were not enemies and could prove that they were the owners prior to the vesting action by the United States, and also that Americans and Filipinos to whom there were debts due from enemies whose properties were seized would be reimbursed out of the proceeds of their debtors' vested properties. It can be understood that all this called for a great deal of investigation and legal work. The Philippine Property Act provides that the enemy property or the proceeds thereof remaining after disposition of such claims and the costs of administration are to be transferred to the Republic of the Philippines.

Accordingly there has been transferred by the United States Government to the Philippines approximately the following:

80,000 hectares of agricultural land	} chiefly abaca lands in Davao Province
150,000 hectares of agricultural land in which the Japanese had leasehold interest	
400,000 square meters of residential and commercial land	} mostly in or near Manila
50 buildings	
3,000 items of machinery and other personal property	
135 sunken vessels and, in cash, ₱4,550,000.	

This represents from 70 to 75% of the enemy property in the country which was vested. Roughly 10% was disposed of in the satisfaction of proved claims and for costs of administration. The remainder, or approximately 20% of enemy property in the Philippines is still held by the Office of Alien Property pending the disposition of remaining claims and litigation. As these are disposed of, there will be still further transfers of property and cash to the Philippine Government.

The Great Non-Assessable Damage.—Both the Philippine Government's figures and those of the War Damage Commission covered only the more or less tangible damage,—damage capable of being appraised. There was vast damage which, though intangible, was equally real,—the virtual destruction of the country's established organization as a functioning whole and the weakening of all its social institutions,—political, economic, educational, religious, and the family itself; and, concomitant thereto, the physiological and mental and moral damage suffered by the entire population without exception, whether young or old and extending even to the unborn.

The spread and depth of this ruin was not immediately apparent, but showed itself gradually in the continuing high death rates and incidence of disease, the general lawlessness and contempt of government, the violence and criminality, marked by a barbaric disregard of the value of human life, the general blunting of the moral sense and abandonment of ethical standards, and the cancerous corruption in both public and private spheres.

To understand this it should be realized that the Philippines, though it resisted the enemy, not only passively but by force of arms, throughout the length of the occupation, and finally joined in the battle for liberation, had not, by itself, fought a victorious war. The Philippines suffered defeat and lay well nigh helpless under the heel of the conqueror for more than three years. War, although it brings its evils to the victor as well as the vanquished, is, for the victor, a tonic national experience, but defeat and forced submission to a cruel enemy for such a length of time is unmitigated evil. For every tortured man there was a tortured family; with every broken home, a dream died; with the death of every one of the hundreds of thousands of those slain in battle, murdered by the secret police, or massacred in the final frenzy, the nation died a little. Not alone the fear and the hatred, but the humiliation and the shame bit deep into every heart. The liberation by America was a matter for delirious joy, for a few weeks; then bitterness, or, worse, the apathy of a sense of irreparable loss, returned again. The people were not only naked and hungry and in countless cases utterly bereft, but sick and confused. The damage was to the soul, the spirit,—psychotic. Recovery from this, the greatest damage of all, will take a generation or more. America sought to heal these wounds, too.

The Rehabilitation of Human Lives.—The principal agencies in this effort were—are, the U. S. Veterans Administration and the U. S. War Claims Commission.

In monetary terms, the U. S. Veterans Commission, from the year 1946 to the end of 1952, disbursed over ₱615,000,000 in payments to war veterans and their widows and orphans,—or about half the amount which came into the Philippines under the terms of the Tydings Rehabilitation Act.

These disability and death compensation payments, pensions, etc. of the Veterans Administration, do not include the retirement pay disbursed by the U. S. Army, Navy, and Airforce in the Philippines, which amounted to some ₱600,000 in 1941, but since the war to more than three times that amount annually.¹¹

The War Claims Commission, in payments principally to interned civilians and prisoners-of-war and their widows and orphans, has now disbursed some ₱8,000,000 to residents in the Philippines.

¹¹Not to do any of these payments of the Veterans Bureau or the retirement pay just mentioned, disbursed by the American armed forces, include the "arrears in pay," paid to the USAFFE for the period from July 30, 1942, to the time of the processing back into the service in 1944 and 1945; or to the "current pay" paid from 1946 on until June 30, 1946, or earlier. Some of the recognized guerrillas also shared in this back pay and current pay. According to figures obtained by the writer from the Philippine Army, the total back pay disbursed to the USAFFE and the guerrillas amounted to ₱773,390,457.33 and the total current pay to ₱159,401,114.36, or a total of ₱932,791,571.69, all paid by the United States Government. And these figures, of course, did not include the pay of the Philippine Scout organization, which was an integral part of the U. S. Army itself. These payments can not be looked upon as "aid" to the Philippines, as they arose out of contractual obligations, yet the disbursement of such large sums to Filipinos did constitute indirect assistance to the country.

⁹James Mcl. Henderson, appointed Philippine Alien Property Administrator, December 9, 1946.

¹⁰Stanley Gilbert, Manager.

Additionally, the Manila Branch of the Bureau of Employees' Compensation, U. S. Department of Labor, has, since, 1946, been expending annually around ₱2,000,000 mainly in disability and death benefits to United States Government employees in the Philippines, employees working for contractors on U. S. defense bases, and civilian American internees victimized in the war.

All this was in rehabilitation of human lives rather than property.

The U. S. Veterans Administration.—The Veterans Administration in the United States, which operates as an independent agency responsible direct to the President, had an office in the Philippines ever since 1922, except during the war years, but before the war it was small and the local beneficiaries numbered only some 7,500. Since the war the number had greatly increased and payments are now being made regularly and monthly to more than 100,000 persons widely scattered throughout the Philippines. The Veterans Administration in the Philippines¹² is by far the largest in any part of the world outside the United States, and the Philippine establishment is unique in that more than 2/3 of its business is with Filipinos and not Americans. Up to the end of 1952, the Administration here had received a total of nearly 210,000 separate claims, of which some 128,000 were based on service in the Philippine Army and recognized guerrilla units. Death compensation claims numbered 105,000 and some 25,000 living veterans have filed claims. National Service Life Insurance claims numbered 74,000.

Death compensation goes to the widows, orphans, and dependent parents of men who lost their lives in wartime service or from serviced-incurred disability. Disability compensation goes to living, but disabled veterans. Hospital treatment is also authorized for service-connected disabilities and some 900 veterans are at present confined in about 40 different hospitals in the Philippines. In time the hospitalization will be carried out in the great hospital to be built at Diliman, Quezon City. Vocational rehabilitation and education benefits have been going to veterans of the U. S. Army and Navy and Philippine Scouts (enlisted prior to October 6, 1945), the veterans receiving a subsistence allowance as well as the cost of tuition and supplies; some 6,000 former Scouts have been receiving this training, but the number of beneficiaries is now decreasing rapidly with the completion of the program. The other forms of payment, however, will continue for a long time, throughout the life of the beneficiary in many cases and in some cases throughout the lives of the next generation.

The first considerable payments of the Veterans Administration in the Philippines began in 1946, the total, including administrative expenses, being ₱2,599,000 that year, but this amount appears small in comparison to the more than ₱172,164,000 disbursed in 1952.

A detailed table of USVA disbursements from 1946 to 1952, inclusive, follows:

USVA DISBURSEMENTS BREAKDOWN
—by Calendar Year—

Year	Disability and Death Compensation	Insurance Benefits	Subsistence Payments to Student Veterans	Salary and Other Administrative Expenses	Totals
1946	₱ 503,258.00		₱ 618,229.46	₱ 1,477,062.34	₱ 2,599,077.80
1947	11,270,685.44	11,157,191.98	4,980,320.04	2,417,569.36	29,825,766.82
1948	34,389,189.26	24,077,759.36	14,046,501.35	3,200,070.48	75,713,520.32
1949	11,616,342.32	40,175,202.10	21,909,445.82	3,572,802.04	117,283,792.36
1950	48,622,271.14	41,919,313.32	27,327,441.36	6,016,855.14	115,885,880.82
1951	73,489,237.34	33,778,479.66	15,254,830.22	6,490,422.26	131,288,769.48
1952	113,033,747.94	40,556,130.38	10,171,585.80	8,404,345.54	172,165,809.66
Total	₱232,935,210.99	₱191,664,076.80	₱70,576,133.62	₱29,585,326.16	₱644,762,567.48

¹²The average monthly payment for the VA in the Philippines is ₱160,000 but in January, 1950, reached ₱220,628.02. (More money has been paid out in other months but not regularly.) Other administrative expenses includes (a) retirement payments to the PVB for the veteran hospitalization program under Public Law 865; (b) tuition, books, and supplies for student veterans; and (c) maintenance expenses of the VA itself. The increase in these expenses after 1950 was due to the increase in the interim hospitalization program, for, actually, expenditures for salaries of employees have decreased since then.

The U. S. War Claims Claims Commission.—The War Claims Act of 1948 provided for the payment of compensation to civilian American citizens interned or in hiding in the Philippines and a number of other Pacific areas during the war in the amount of \$60 a month (\$25 in the case of minors); to members of the U. S. Armed Forces (interpreted to include the Filipinos in the USAFFE) held as prisoners-of-war, \$1 a day; and to religious organizations functioning in the Philippines and affiliated with religious organizations in the United States, the fair value of relief supplies (food, medicines, etc.) furnished to civilian American citizens or members of the U. S. Armed Forces in the Philippines. The Act created the U. S. War Claims Commission to receive, adjudicate, and provide for the payment of these three types of claims, the deadline for the submission of which was set as of March 31, 1952.

Public Law 303 of the 82nd Congress, approved April 9, 1952, amended the War Claims Act by entitling prisoners-of-war to an additional \$1.50 a day for each day of imprisonment, the deadline for this type of claim being set as of April 9, 1953. Act 303 also entitled the religious organizations to compensation for damages suffered by their educational or welfare institutions (hospitals, schools, orphanages, but not churches), the deadline for submission of these claims being set as of October 1, 1952.

It is worthy of note that while the U. S. Philippine War Damage Commission paid claims on the basis of the pre-war value of the destroyed structures, less depreciation, Public Law 303 provided for the payment of the claims of the religious organizations on the basis of the "postwar cost of replacement."

The War Claims Commission¹³ opened offices in Manila on November 1, 1950, and received over 10,000 claims from civilian internees and persons who had remained in hiding during the war, over 128,000 claims from military personnel, and over 10,000 claims from various religious organizations, all under the original Act. Under the Act as amended, it received 85 claims from the religious organizations for damage to their educational and welfare institutions, within the specified period which has now expired, and up to February 13, of this year, it had received 36,000 claims from former prisoners-of-war for the additional compensation allowed them.

By the end of last year (1952), the Commission had paid over \$2,500,000 to American citizens in the Philippines who were interned or who managed to remain in hiding for longer or shorter periods of time, and over \$1,500,000 to Filipino prisoners-of-war. The life of the Commission is limited to March 31, 1955, and it is expected that before that time is up it will have paid to residents in the Philippines, former internees and prisoners-of-war, and to various religious organizations a total estimated at over \$60,000,000.

The Bureau of Employees' Compensation, U. S. Department of Labor.—The War Claims Act of 1948, already referred to, delegated to the Bureau of Employees' Compensation, U. S. Department of Labor, the responsibility for the payment of disability and death benefits to American civilian internees, but the Manila branch of this Bureau¹⁴ began operations in the Philippines even before that time, in September, 1945, in connection with claims which come under several different Acts as administered by the Bureau.

The largest number of claims, some 15,000, came under the Federal Compensation Act of 1916 (as amended), as this Act provides for workmen's compensation to United States Government employees for accidental injury or death sustained while in the performance of duty; aliens, also, are paid compensation under a special schedule which provides compensation payments in line with local compen-

¹³ Paul F. Kinnare, Director of Philippine Operations.

¹⁴ Joseph Gelfo, Assistant Deputy Commissioner.

¹² Brig. Gen. Ralph B. Lovett, Manager.

sation laws. The majority of the local claims arose out of the war operations at the Cavite Navy Yard, Corregidor, Manila Port Area, and Bgtaan, as there were large numbers of civilians employed at these places and many were killed and injured. The bulk of these claims has already been paid.

Under the U. S. Defense Bases Act, the Bureau has handled over 4,000 claims in connection with payments by insurance companies or self-insurers, this law applying only to employees working for contractors on a defense base.

Under the War Claims Act of 1948, the Bureau has received some 1,272 claims up to this writing (February 20, 1953) in connection with disability and death benefits for American civilian internees; the adjudication of some 500 of these can not be affected until after the War Claims Commission had paid the internee detention benefits of \$60 for each month of internment or in-hiding.

As already stated, beginning with the year 1946, the Manila branch of the Bureau of Employees' Compensation has been disbursing some ₱2,000,000 annually on claims reported here.

The payments of this Bureau, together with the compensation paid by the War Claims Commission, have done more to rehabilitate individual American internees, especially, than the payments of the U. S. Philippine War Damage Commission. The payments of the latter were for property destroyed, and were only part payments at best. The detention and the disability payments and the death compensation paid to widows and orphans, were paid, in many cases to persons who had had little material wealth, even before the war, and helped those who in illness and bereavement needed help the most.

Social and Cultural Rehabilitation.—Among the non-assessable damage was that done not only to the morale of the people but to their cultural institutions,—the press and the radio, the libraries, the schools. This, also, received American attention from the very beginning.

The Office of War Information.—The Office of War Information (OWI) was established by order of President Roosevelt during the war in June, 1942, and was attached to the Psychological Warfare Branch, GHQ—AFPAC, in October, 1944,—the month of the Leyte landings, and from Brisbane, Australia, the radio section of this organization sent daily short-wave broadcasts beamed to the Philippines, news-items being given at dictation speed so that radio-owners, listening in secret, could jot them down and pass the information on to their friends. The press and publications section of OWI also printed "tactical" leaflets in hand-drawn Japanese calligraphy for the purpose of attacking the morale of the enemy troops; a monthly picture magazine, *Photo Review*, was printed too, and was smuggled into the Philippines by submarines.

A vanguard of the OWI, headed by Frederic (Fritz) S. Marquardt, of the *Philippines Free Press* in pre-war days, took part in the Leyte invasion and came into Manila with the liberation forces. The fighting in Manila still raged when on February 9, 1945, the OWI issued "No. 1 of Vol. 1" of the *Manila Free Philippines*, a 1-page tabloid distributed free; later 4 pages. It was printed in the shop of Manuel Manahan, now publisher of the *Bagong Buhay*; subsequently the paper was printed in the Carmelo & Bauermann plant on Azcarraga Street,—50,000 copies, five times a week, together with some 50,000 copies of the *Photo Review*, and nearly 2,000,000 copies weekly of a 1-sheet Japanese newspaper which was dropped over the enemy forces still fighting. In addition to this, more than 30,000,000 leaflets a week were being printed toward the end of the war mainly for propaganda among the enemy troops not only in the Philippines but throughout East Asia and in Japan, this vast production being made possible by the

OWI's assisting in the rehabilitation of other printing plants in Manila. About the middle of March, a charge of 5 centavos a copy was made for the *Manila Free Philippines* as by that time a number of privately published newspapers had sprung up. On the 17th, the *Free Philippines* announced that it would go out of business and that the issue of the 20th would be the last, but on the 22nd the paper "resumed" publication because of a "city-wide protest" following its discontinuance. The last actual issue was that of September 3, 1945, by which time Manila already had a multitude of small, privately-printed newspapers, many of which, by the way, were adventurous and irresponsible.

The USAFFE, when it was withdrawing from Manila in late-December, 1941, ordered all radio broadcasting equipment destroyed, but the Japanese were able within a short time to rehabilitate the 10,000-watt KZRH station, which had its studios in the Heacock Building, first appropriating its call-letters but later using the letters "PIAM". For three years this station spouted nothing but enemy lies. The OWI radio section, operating under the call-letters KZFM, established itself immediately in the half-ruined City Hall of Manila and began broadcasting in English, and also in Japanese. Soon after the end of the war, the facilities were turned over to the Philippine Government, which operates the station today.

The motion-picture section of the OWI, to which the internees in Santo Tomas owed the first pictures they saw in the Camp after Liberation, assisted in restoring moving-picture theaters in the Philippines and in making American films once more available. Before that, the people were generally made welcome to view the pictures shown at the various Army encampments throughout the country.

Meanwhile the OWI's library section was established in the Soriano Building, on Plaza Cervantes, which structure was somewhat less damaged than most others in the area. It was formally opened in September, 1945, as the "United States Information Library", with more than 4,000 books on its shelves.

The United States Information Service.—President Truman dissolved the OWI on August 31, 1945, and directed the State Department to carry on existing information functions under the Interim International Information Service (IIIS), and by the end of that year the Office of International Information and Cultural Affairs (OIC) had been established to administer the peace-time information program. Since 1945 the overseas operation has been known as the United States Information Service (USIS), and it was this organization which took over the peace-time functions of the OWI in the Philippines. It centered its efforts on assisting the Commonwealth Government in establishing or reestablishing various informational and educational facilities, the Library, especially, extending its activities and helping in the establishment of new libraries throughout the country. When the Philippines became independent, in July 4, 1946, the USIS was invited by the Government to continue its activities in assisting the new Republic in its educational program.

When it became apparent that Soviet Russia was not living up to its pledges to work with the other nations in achieving universal peace and set out openly to destroy the free way of life everywhere, USIS was called upon to promote an understanding of the aims of the United States and the United Nations, and early in 1947 the USIS in the Philippines was considerably reinforced. After the outbreak of the Russian-directed aggression in Korea, in 1950, the USIS was given the added task of unmasking this treachery through the "Campaign of Truth."

The USIS is now maintaining 5 principal programs,—concerned with libraries, the press, motion pictures and other audio-visual aids to instruction, radio, and an ex-

change of professional men and students. These programs are being carried out through some 18 USIS centers in various parts of the Philippines, the work being aided by some 23 "mobile units" in an effort to reach the remotest barrios. Through posters and pamphlets, various types of displays, motion pictures, and even stage plays, through releases to the press and the radio-program, "The Voice of America", and working mainly through the public and private schools, numerous civic organizations, and the Armed Forces of the Philippines, the USIS is carrying on not an "Americanization" but a "democratization" effort which has probably never before been equalled in the Philippines, and which, certainly was never more needed except perhaps during the earliest days after the American occupation of the country in 1898. The USIS is playing a most important role in counteracting the evil effects of more than three years of Japanese rule and propaganda here.

The OIC operated for two years without other Congressional authorization than the appropriation acts, and for the fiscal year, 1947-48 its operating funds were severely cut. But in January, 1948, Congress passed the Smith-Mundt Act which authorized the continuance of overseas information activities.

The U. S. Educational Foundation in the Philippines.—Closely related to the work of the USIS is that of the U. S. Educational Foundation of the Philippines; in fact, the two services are inter-related,¹⁵ the basic documents which created the Foundation being the Fulbright Act, approved August 1, 1946, and the Fulbright Agreement between the United States and the Philippines, signed March 23, 1948. Under their provisions and in accordance with the policies of the Board of Foreign Scholarships, appointed by the President of the United States to supervise Fulbright programs all over the world, the Foundation in the Philippines prepares a program each year providing for grants to some 40 Filipino graduate students and 2 lecturer-researchers, enabling them to study and to carry on special work in American institutions of higher learning, and, conversely, providing also each year for some 9 American visiting lecturers, 2 advanced research scholars, 4 teachers, and 6 graduate students to come to the Philippines. An amount of ₱400,000 is received each year by the Foundation to finance this 10-year educational exchange program. During the past 5 years, from 1948 to 1952, Filipino researcher-lecturers sent to the United States numbered 13, and Filipino graduate students sent to the United States numbered 198. The Americans sent here in exchange numbered 48 visiting lecturers, 14 teachers, 8 advanced research scholars, and 24 American graduate students. These Americans were assigned to various Philippine institutions,—the University of the Philippines, the Bureau of Education, the Philippine Normal College, various provincial normal schools, the Philippine School of Arts and Trades, the Bukidnon National Agricultural School, the Philippine Women's University, Silliman University, the Ateneo de Manila, and the Central Philippine College.

Under the Smith-Mundt Act, already mentioned, during the 5 years from 1948 to 1952, inclusive, 36 Filipinos were awarded travel and observation awards, which

¹⁵Dr. James L. Mender was the first head of USIS as Chief Public Affairs Officer, American Embassy, from 1947 to September, 1952, when he was succeeded by RALPH R. BUNICK. The Chief Public Affairs Officer is concurrently Chairman of the U. S. Educational Foundation in the Philippines. The Honorary Chairman is the American Ambassador. Acting Chief Public Affairs Officers during the interim period, 1945-1947, included Edward Kramer, Catherine Porter, and Willard A. Hanna.

unlike the Fulbright grants, do not provide for formal training, but for a period, usually 6 months, of travel to different parts of the United States where arrangements are made for them to observe the typical operations in the field of their particular interest. Among the Filipinos granted the awards were 8 newspaper-, radio-, and motion-picture men, 9 Labor Department men and labor leaders, 7 school officials and teachers, 5 social welfare workers, 4 men engaged in various Philippine agricultural institutions, 2 other government specialists, and 1 librarian.

Under the Smith-Mundt teacher education program, awards were additionally made to 24 other Filipino educators for short periods of training in American universities. Smith-Mundt funds have furthermore been used to supplement Fulbright travel grants in 55 cases. Last year (1952) a program was begun, under the Act, to bring a number of American specialists to the Philippines.

The educational exchange programs under the Fulbright and Smith-Mundt Acts are entirely distinct from the training received by over 700 Filipinos sent to the United States during a period which ended in mid-1950, under the provisions of the Philippine Rehabilitation (Tydings) Act, at a total cost of around ₱7,200,000, as a part of the rehabilitation of various government departments, bureaus, and services, among them public works engineers, public health officials, merchant marine officers, aeronautics specialists, meteorologists, coast and geodetic survey men, fisheries experts, etc.

Even under the "pensionado" system adopted by the Philippine Government in the early days of the American occupation, no such numbers of Filipinos were ever sent to the United States, and in the old days they were usually young people, undergraduates. Those sent after the war were chiefly adults, many of them already occupying technical posts and positions of leadership in various fields. Because of the aging and death during the war, the Filipinos could not wait for the leisurely training of young people. It needed men trained on the job and for the job, as soon as possible.

The writer has not been able to obtain any data on the overall cost of the work of the OWI, the USIS, and the USEF in the Philippines, but the cost, all borne by the United States, must have been great, running into many millions of dollars.

Other Aid, and First-Aid.—Other aid given the Philippines, especially to the Philippine Armed Forces, will be taken up in course, also the great program of the U. S. Mutual Security Agency (MSA), first called the Economic Cooperation Administration (ECA). This came later. In fact, all the aid so far described began only some years after the Liberation. The rebuilding of the country could not wait that long. It had to start in Manila in February, 1945.

Manila was without a single public utility service; there was no light or power, no gas, no telephone service, no transportation, little shelter, no food, and, most serious of all, there was no water.

What was done? What was done immediately was done by the American Army. The Army not only rescued, but it saved. And if the whole cost were counted, we should find that the total far exceeded the Philippine ₱16,000,000 reparations claim. Reparations were waived by the United States, but it footed the bill.

(To be continued)