

Governance of the Philippines:

**The US colonial period
1898-1946**

Dr. Jesus P. Estanislao

Governance of the Philippines:

The US colonial period, 1898-1946

Dr. Jesus P. Estanislao

Published by

The Institute for Solidarity in Asia
Manila, Philippines

Governance of the Philippines: The US colonial period, 1898-1946

©2020 by The Institute for Solidarity in Asia, Inc.
14th Floor Trident Tower, 312 Senator Gil Puyat Avenue
Makati City 1200, Philippines

All rights reserved.

No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher, except in the case of brief quotations embodied in critical reviews and certain other non-commercial uses permitted by copyright law.

Author: Dr. Jesus P. Estanislao
Creative Producer: Late Bloomer Books

ISBN 978-971-93437-9-0
Published by the Institute for Solidarity in Asia, Inc.



About the Author

DR. JESUS P. ESTANISLAO, PH.D.

Currently:

- Chairman, Center for Excellence in Governance (Philippines)
- Founding Chairman, Institute of Corporate Directors, Institute for Solidarity in Asia (Philippines)
- Visiting Professor, IESE Business School (Barcelona)

Dr. Jesus P. Estanislao is an economist widely recognized as the country's foremost authority on good governance. He has spent his career rehabilitating institutions in the public and private sectors, and eventually founding non-profit governance reform institutes such as the Institute for Corporate Directors (ICD), Institute for Solidarity in Asia (ISA), and now the Center for Excellence in Governance (CEG). He obtained his doctorate in Economics from Harvard University, his master's degree in Economics from Fordham University, and his undergraduate degrees from the University of San Carlos.

He served as Secretary of Finance as well as Secretary of Economic Planning during the presidency of Corazon Aquino. He was also appointed Chairman and CEO of the Development Bank of the Philippines, which he rehabilitated from 1986-1989.

He was the Founding President of the University of Asia in Manila & the Pacific

and Founding Dean of the Asian Development Bank Institute in Tokyo. He was awarded the rank of Commander of the Philippine Legion of Honor in 1992, MAP Management Man of the Year in 2010, and the Hernando de Soto Award for Democracy in 2013, among others. In 2012, he also became the first ever recipient of The Outstanding Filipino Award (TOFIL) in the field of good governance.

Dr. Estanislao is the author of several books on governance. This book, *Governance of the Philippines: the US Colonial Period 1898- 1946*, is the second volume in a series that has already featured a review of *Governance in the Philippines: the Spanish Colonial Period 1565-1898* as its first volume.

About the Publisher



The Institute for Solidarity in Asia (ISA) is a non-stock, non-profit, non-partisan governance organization that envisions a Dream Philippines where every government institution delivers, and every citizen participates and prospers. ISA continues to work closely with handpicked national government agencies (NGAs), local government units (LGUs), hospitals, schools, and professional associations in hopes of achieving socio-economic breakthroughs by collaboration.

ISA was founded in 2001 by former Finance and Economic Planning Minister, Dr. Jesus Estanislao (now Chairman Emeritus). The institution is currently led by Francisco Del Rosario Jr. (Chairman), Rex Drilon II (Vice Chairman and President), Leonardo Berba (Chief Executive Officer), and Christian Zaens (Executive Director).



CENTER *for* EXCELLENCE
in GOVERNANCE

The Center for Excellence in Governance (CEG) is a consortium of institutions, committed to raising the governance standards in the country. CEG is an open venue for the exchange of good experiences and successful practices related to personal and national governance.

Forming the CEG consortium are: the Institute for Solidarity in Asia, the Institute of Corporate Directors, the Center for Family Advancement, and the Center for School Governance. Together, these organizations work to strengthen society's value chain in the public and private sectors.

Foreword

Having put out a book on “Governance in the Philippines during the Spanish Colonial Period, 1565-1898”, I thought it a logical next step to work on “Governance of the Philippines during the American Colonial Period, 1898-1946”. My stint as a Visiting Professor at IESE Business School in Barcelona, Spain gave me an opportunity to undertake these initiatives. I give special thanks to Jordi Canals, the former Dean, and Franz Heukamp, the current Dean of IESE, for having given me such a rare opportunity.

In the advocacy for good governance—as in so many other fields—we absolutely need to learn from the past, in the hope that we can apply those lessons to the present, as we keep going and trying to build the long-term future. For Filipinos, this need is an imperative. Many of us have little acquaintance with governance, its principles, and its practices; moreover, our familiarity with the past, such as what we had to endure during the Spanish and American colonial periods of our history, is in many instances superficial and anecdotal.

A better appreciation of what we went through—from the governance perspective, during the two periods of our history when we were a colony, first under Spain, and then under the United States—can help inform, guide, and orient our current governance efforts towards building a “Dream Philippines” by 2040. But we can obtain the benefit of governance hindsight from the past only if we allow the “facts of history” to speak for themselves, with less of the understandable emotionalism and anti-colonial ideology in assessing our colonial history. These two books on governance during our two distinct colonial periods have been written with a view towards presenting some governance lessons we can use in our advocacy for good governance and responsible citizenship, moving forward to 2040.

I dedicate this volume to the American “Thomasites”, mostly young, fresh-out-of-college, idealistic Americans who each sought a great adventure at the start of their professional life. They travelled the seas, literally the Pacific Ocean, in order to make a difference. They may have been a mixed bag; they were few, only about a thousand of them. But they helped set a game change for our country: the eventual establishment of the public school system in the Philippines. We are all beneficiaries of their idealism and commitment. My hope is for us to have more than a thousand young, idealistic, and committed Filipinos who can follow in the footsteps of the American Thomasites, this time building a good governance system for our country.

On a more personal note, I dedicate this book to my parents, both of whom were born at the very dawn of our US colonial period (my father Januario in 1897; and my mother Maria Loreto in 1900).

I also owe a very special note of thanks to Ms. Alyssa A. Nuñez, a graduate student finishing her Master of Science in Industrial Economics at the University of Asia & the Pacific. She did an excellent job in tracking data and constructing the data series. Without her, the technical appendix of this book would not have been possible.

Manila, March 2020

Introduction

In much of our discussion on contemporary issues, we are often reminded of the need for focus, realism, and the imperative of delivering results.

Focus necessarily trains our attention and interest on the “here and now”. We have enough problems and issues that confront us now, in 2020, right here in our beloved Philippines. We are then told that these are the problems and issues which should claim virtually all of our attention. Anything else outside of this span may be brilliant and visionary, but it would not be worth wasting time and attention on it.

Realism demands our sticking to facts as they are, and what we can do to change them if we are unhappy with them. Many of us do look at the facts that are before us through the prism of politics and of government. This naturally draws a dividing line: between those who are happy with the current political dispensation and those who currently hold the levers of government; and those who are not.

The demand for action and for the delivery of immediate results often translates into a search for an “alternative candidate” around whom many voters can rally, and whom they would be willing to support at the next turn of the electoral cycle, i.e. in 2022. All too often this search leads to a dead end and to a deep sense of hopelessness and disillusionment, especially among those who have little love, if any, of current political realities.

We have an absolute need to get out of the all-too-often futile discussion that slavishly tries to meet mainly the demands for focus, realism, and the imperative of delivering results. After all, the contemporary issues we discuss are about our country, about the development of our people, and about the progress of Philippine society, economy, and polity.

One thing is certain about the Philippines: she will be around long after our generation, and many generations after us, have gone. Beyond the immediate, short-term, current issues that crop up, we—as a country, as a people, as a society—need to face up to other issues that are often more important, longer-term, and more systemic than the ones we have to confront now, today, and in the next several months and quarters leading up to 2022. One such issue is climate change and its impact on our coastal communities, which are the overwhelming majority of Philippine communities. Climate change may merit only a yawn but this is one long-

term, systemic issue that will not fade away by our lack of interest and attention. What about the demographic winter that is already happening in many countries of the world, including the biggest economies in our region? This is coming our way, and whether we like to think about the issue or not, it is bound to confront us, as it is confronting even such close-by countries as China, Japan, and South Korea. With respect to our maritime and other resources, have we given them the strategic importance they deserve for the long-term strength and progress of our country? The list of issues that are of great and prime relevance to the Philippines can go to formidable lengths. They may demand a “long-term” perspective. And they won’t go away, even if we choose to keep burying our heads in the sand.

One other thing that is certain about the Philippines and about the life and welfare of our people: there is more to them than politics. Indeed, as a nation-state and as Filipino citizens, there are other facets that are of at least equal importance as the dynamics of political life and the turns of the political wheels. Surely, who is on top of the political ladder now and who is likely to occupy the top spot of that ladder come 2022 are vital topics. But what about the equipment, training and formation we provide for our human resource base, which we profess to be the most important asset of our polity and economy? And what about the upgrading and smart, rapid build-up of our infrastructure and of the processes in our administrative machineries, which shape and significantly determine the efficiency and competitiveness of our industry and polity? Then, what about the values we uphold and actually observe and live, let alone the integrity of our systems and procedures in the institutions and enterprises, both within the public and private sectors?

One final thing that is certain about the Philippines: the voters made a fateful choice in 2016; and they are going to make another fateful choice in 2022. The actions and decisions of millions of Filipinos included in the electoral rolls are of great importance in shaping the results and outcomes that our political process delivers. But of greater importance for the life of our country are the actions and decisions those millions of Filipino voters take during the long period in between elections. Electoral exercises happen every three years, and elections for President happen every six years. Moreover, it takes just a few minutes to cast a vote, and we elect only one person as President in 2022 and then again in 2028, 2034, 2040, and so forth. But what about the actions and decisions we ordinary voters take every day, indeed 24/7 in the long time stretch in between elections? Aren’t these of even greater importance? Don’t they carry even more enormous weight in shaping our immediate realities as well as our longer-term future as a people?

Limiting our interest and attention span on the short-term, on the political process, and on the person we choose as President may well be our usual cup of tea. We have been so used to drinking only such a cup. But for the sake of our progress as well as our destiny as a people, we need to significantly expand the coverage of our interest and attention span: from mainly the short-term, to the much longer term; from mainly the political facet of life, to a much more comprehensive inclusion of all the other important facets of our national and personal life; and from only the choice of President and other public officials we elect through the electoral cycle which turns every three or six years, to the choices and other decisions we make as responsible citizens throughout the long period in between elections. This would be quite a shift. It would be of great strategic significance. It happens to be the shift that practicing good governance and responsible citizenship would enable us to make. This is the shift we at the Center for Excellence in Governance have been advocating and spreading.

Beyond today, tomorrow, and 2022; beyond politics; beyond the President and other public officials! This is what governance is mainly about. It is no less about being practical, action-oriented, and delivering results. But it is also about being principled and being a visionary; about being clear regarding priorities that are genuinely strategic, systemic, and transformational; and above all, it is about delivering game-changing outcomes that lift our people up to much higher ground, where many more of our dreams can come true.

Governance is a journey we absolutely need to undertake. It is a journey of more than ten thousand steps. Moreover, it is one that should take us to a future that is more in line with our dreams and aspirations as a people.

To guide us in our governance journey towards our long-term future, we should draw lessons from various sources. While we should be open to learning from the experience of others, we should first fall back on what we have gone through as a people. Indeed, we can benefit from a few lessons from the governance of the Philippines during the Spanish colonial period, 1565-1898 (this has been covered by the first volume in a three-book-series, written under the auspices of the Center for Excellence in Governance). There may also be a few useful lessons from the governance of the Philippines during the US colonial period, 1898-1946. This volume is the second of the series. A third one should follow, to cover the governance of the Philippines during the 75 years, 1946-2021, that we have been living as an independent nation-state. Governance lessons drawn from the past—no matter what shade of color we choose to paint and present our experience—should

be able to provide us with useful references, as we keep going on our governance journey towards shaping our “Dream Philippines”.

This volume on governance during the US colonial period looks at a time horizon of close to 5 decades, when the US ruled over us as a colonial power. The US stay as a colonial power over our islands was certainly long enough to qualify as a governance exercise. Moreover, Americans from the start of their colonial rule treated us as a distinct political entity—as a separate governance unit, the Philippine Islands—whose autonomy as an independent nation-state they would in time recognize. Thus, it is possible to refer to their colonial rule as a governance exercise over a separate, distinct governance unit—the Philippines—that would never become part of the United States, and whose citizens would never be American citizens. Under this light, we can refer to US colonial rule as an exercise of “governance of the Philippines” (no longer as “governance in the Philippines”, which we thought was more appropriate to refer to Spanish colonial rule).

US exercise of sovereignty over us was not limited to an ever-increasing grant of political autonomy to Filipinos. Very early during the US colonial period, the Americans tried to win “hearts and minds” by sharing the task of governance with Filipinos. Indeed, the process of “Filipinization” of the governmental structure may have been gradual; it may have been too slow for the Filipino political leaders of the time; but it was inexorable. In the end, the Americans set us free, and at least on paper withdrew their sovereignty over us. However, they did not limit themselves to politics, no matter how focused our early political leaders were on it. They also showed deep concern about mass education and about economic development. In fact, the Americans—arguably—may have shown more interest on our eventual economic independence and capacity for promoting social equity and ensuring our national security than our early political leaders, who were more engrossed in obtaining ever-greater political autonomy and authority. This may well be one governance lesson we can draw from our experience under US colonial rule: governance is comprehensive and all-encompassing. Politics is very important and absolutely critical. But it is NOT the only facet we have to consider and take care of, in building ourselves up as a separate, independent nation-state.

Finally, during that long period, 1898-1946, US Presidents, US Governors-General of the Philippines, and other American government officials came and went. Each one may have been a very important influence on the Philippines during their time in office. But the broad brush of colonial history was much bigger and more influential than any one of them. In other words, individual political and

official personalities may have weighed heavily in shaping the overall future of the Philippines as an independent republic and nation-state. But of at least equal weight, if not considerably heavier, was the collective influence left by so many unnamed Americans—such as the “Thomasites”, the American administrators of the public school system, and other lower-ranking US officials within the colonial government in the Philippines—as well as countless Filipinos, who manned the ramparts, so to speak, to help ensure that a strategic shift agenda for the Philippines would be pursued and carried out through thick and thin. A governance lesson: the “governed” are as important and influential as the “governors”.

In this volume, we allow a few American narrators to provide a narrative of American colonial rule over the Philippines. Since Americans were in the governance seat, it is their narrative used as a reference. We then drew from such a narrative what modern governance discipline would refer to as: the “strategic shift agenda”, then a “governance charter”, and finally “the strategic themes”, which would provide a common cover—umbrellas—for various closely interconnected strategic initiatives. Then, the strategic initiatives pursued under the strategic theme umbrellas would be laid out to construct a “transformation road map”. All these would indicate that US colonial rule over the Philippines was an exercise in governance: a long-term process, which was comprehensive in that it included other facets than the purely political, and which counted upon the involvement of both the “governors” and the “governed”. It is a governance exercise we can draw a few governance lessons from: it is our hope that these lessons can be of use as we move forward in the few decades ahead, following a governance pathway, in shaping our long-term future, and in giving substance and reality to our “Dream Philippines”.