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APERTURA DE LA SESION

Se abre la sesion a las 10:20 a.m., ocupando el estrado el Presidente, Hon. Claro M. Recto.

EL PRESIDENTE: Se abre la sesion.

DISPENSACION DE LA LECTURA DE LA LISTA

Y DEL ACTA

SR. PERFECTO: Senor Presidente.

EL PRESIDENTE: Senor Delegado por Manila.

SR. PERFECTO: Pido que se dispense la lectura de la lista y del acta, dandose esta por aprobada y por presente un quorum.

EL PRESIDENTE: Si no hay objecion, asi se acuerda. (No hubo objecion).

MOCION DE EXTENSION DE PLAZO

SR. MELENDRES: Senor Presidente.

EL PRESIDENTE: Senor Delegado por Rizal.

SR. MELENDRES: Presento la mocion de que se conceda al Comite de Gobierno Interior un plazo de tres dias mas, desde el lunes que viene, para rendir su informe sobre la Resolucion numero 80 de esta Asamblea.

EL PRESIDENTE: ¿Hay alguna objecion a la mocion? (Silencio.) La Mesa no oye ninguna. Queda aprobada.

MR. GULLAS: Mr. President, I rise for a point of personal privilege. Some friends of this side seriously or jokingly expressed to me that I have been too rabidly passionate last night in my speech against the injection of politics in our work. Mr. President, I wish to make just a brief explanation. I did not mean to hurt anybody at all. All I wanted to drive at was to discourage the injection of politics in the deliberation of this Assembly. But the murmurs of protests and the grumblings and wranglings in response to my speech showed that they are not also in favor of injecting politics in our task here. That is the reaction I wanted and I got it, and the incident is closed. I have no reason to hurt anybody here because I consider all men in this Assembly as my brothers, colleagues and friends. (Applause)

MR. CONOL: Mr. President, I would like to make use of my half-hour privilege.

THE PRESIDENT: The Gentleman from Misamis Occidental has the floor.

SPEECH OF MR. CONOL ON JUSTICE OF

MINDANAO

MR. CONOL: Mr. President and Gentlemen of the Convention. I rise, the humblest among the Delegates, to ask your benevolence in listening to the humble voice of a southerner, a voice from the wonderland of the South, so to speak, since Mindanao whence I come is the least known, the least developed, and the least explored region of the entire Philippine archipelago. I rise without the least intention of attempting to deliver an address for vain display, for I confess I am not an expert in the subtle and difficult art of oratory, like others who are favored with this divine gift. Masters and experts of this art of beautiful expression, endowed with silver tongues, have been and will still be heard on the floor of this Convention.

If I rise, Mr. President, to claim the privilege of addressing the highest intellectual representatives of the land ever assembled, it is because I have a message to deliver and problems to lay before you which demand your highest consideration in the framing of the Constitution, for they tend to do justice to Mindanao. I have been sent here, just as every Delegate is presumed to be, with clear and unequivocal mandates of my constituents. I came also with an open mind, imbued with the noblest spirit in contributing all that is within the powers that God has given me towards drafting that Constitution which will stand the test of time and, as Judge Cooley says, "suited to the circumstances, desires, and aspirations of the people, and contains within itself the elements of stability, permanence and security against disorder and revolution."

The combined efforts of the best Filipino talents, genius and sages, not a few of whom are assembled in this august Body with national reputation, and with divine guidance from the Almighty, cannot fail to produce an immortal document. Without in the least pretending to be grouped among the highest intellectuals of the nation, although it is my fortune to be privileged to work with them, I rise to apprise the Gentlemen of the Convention of the most delicate and outstanding problems of Mindanao which are of transcendental importance.

Now that we find ourselves in the threshold of a new life, preparatory to the advent of our cherished and long dreamed absolute and complete independence, as provided for in the Tydings-McDuffie Law, which will be our privilege to enjoy and love, and also our solemn duty to defend and preserve for the future generations, the critical hour for sound statesmanship has arrived. The time is indeed propitious for the immediate and effective solution of all the fundamental problems affecting the entire nation and confronting this Convention, never forgetting to place in the machinery of the Constitution all the pieces absolutely necessary for its proper and efficient functioning.

In the early days of our peaceful struggle for the emancipation of our country, it was Congressman Bacon of the United States who advocated a bill providing for the immediate independence of the Philippines but retaining for the United States the Island of Mindanao. A storm of protest arose all over the Philippines against the bill, which confirmed the national and eminently patriotic thought and feeling of all liberty-loving Filipinos that should we succeed in our persistent struggle for independence, said priceless boon would be enjoyed by and for the entire Philippine territory, and not an inch of our soil or a bit of our population less; likewise should we succumb and perish in the fight, that all united should perish.

Behold our flag, the undying symbol of our nationality born in the din of battle, the priceless heritage handed down to us from our predecessors who fought and died in the dead of night. It has become our sacred duty to preserve and love, nay, our solemn obligation to revere and die for this flag. Behold the three stars shining on that flag,—one proudly stands for the Island of Luzon, the other for the Visayan Islands, and still another for the Island of Mindanao. It simply cannot mean otherwise, and though Mindanao does not exactly constitute one-third of the entire Philippine territory, yet that star is a solemn, just and unmistakable recognition that Mindanao is a vital part of the Philippines. Without it, the name Philippine Islands will be a misnomer; without it the history of the

Philippines will be sadly incomplete; and without it, one star will eclipse forever from the Philippine firmament, not to say tearing down that portion of the flag where that third star shines, to our disgrace and ignominy as Filipinos and of our posterity.

Yes, Mr. President, the Island of Mindanao is accorded historical importance, a place of distinction and honor in the Philippine flag. The entire population of Mindanao joined in the chorus with the brothers of the North and in the cry for freedom and patriotically responded to the call of duty. Even the non-Christians, our Mohammedan brothers, joined in the ranks. But we ask, what has been done so far to develop Mindanao and solve, at least, its outstanding major problems? True it is that in the past, investigators after investigators—legislative, administrative or otherwise—were commissioned and sent there to study its economic, social and political problems. But those official investigators, after spending a couple of hours in superficial observation, returned to Manila and wrote voluminous reports containing this and that recommendation, which only slept the sleep of the just and were heard no more.

Now that we are committed to the colossal task, and not unmindful of the heaviest burden and responsibility of drafting the supreme law of the land that we willingly shoulder, the Delegates coming from the more fortunate parts of the Philippines can never remain passive and indifferent, without disgracing their nationality as Filipinos, to the just and proper appreciation and solution of the outstanding problems of Mindanao.

Before discussing only two of these problems, permit me to give you a skeleton idea of Mindanao. It is an island in the southern part of the Philippines, almost as big as the Island of Luzon. Vast tracts of virgin forests and plains lie uncultivated, the immense natural resources are still undeveloped, and the fertility of the soil generally admitted to be second to none—all tending to demonstrate without fear of successful contradiction that Mindanao in the future will be the granary and depository of untold wealth of the Philippines. The Island of Luzon has quite a number of provinces; but Mindanao has only 9 provinces, 6 of them specially organized and only 3 regularly organized.

The three regularly organized provinces are Occidental Misamis—of which I am a humble member of the Provincial Board and Delegate to this Convention— Oriental Misamis and Surigao, these three located in the northern part thereof. The specially organized provinces are Agusan, Bukidnon, Cottabato, Davao, Lanao and Zamboanga. Four of the latter have considerable Mohammedan population.

The first problem of national, nay, international importance, is the so-called "yellow peril." Silently but effectively, our Japanese neighbors are penetrating into the heart of Mindanao, particularly in the province of Davao, appropriating to themselves the most fertile valleys and plains and the richest regions, extracting therefrom the wealth of her natural resources by the introduction of modern and scientific methods of farming and making the Filipinos virtually tenants, if not slaves, instead of masters of their own land. The Japanese population is increasing alarmingly in Davao, and time may come when the Japanese delicate problem may become so complicated as, God forbid, to endanger the very existence and security of the future Philippine Republic.

The hour for effective, decisive and well-directed action, therefore, is now. A check should be made at once on the further acquisition of land of the public domain, directly or indirectly, by foreigners. If the present living Filipinos cannot possibly bring under cultivation and fruition the virgin lands of Mindanao, let them wait for future industrious Filipino hands to cultivate and exploit them! Let us all, therefore, be committed to the nationalistic policy of preserving the lands of Filipinos for the Filipinos. Let us preserve and guard this wealth for our posterity.

A constitutional precept is, therefore, recommended prohibiting foreigners, directly or indirectly, from owning or leasing any land under the public domain and private lands for more than, say, three or five years. On the other

hand, since ours is essentially an agricultural country, laws must be enacted by the Legislature providing for the easy and practicable distribution of public agricultural land to deserving and needy Filipinos, or modifying the present cumbersome modes of distribution in which the applicants are made to wait for months and even years for the approval of their prospective applications. Let agricultural public lands be divided into lots of 10 hectares each and distribute them without cost to deserving applicants, giving them valid titles thereto at once and protecting them from the trouble and expense of going to court to defend their ownership. Distributing equitably the fertile lands of the Philippines to the poor will solve the unemployment problem and make them small landowners. It will undoubtedly detain the tentacles of the communistic octopus now beginning to spread and gain foothold in this beloved land of ours, if our poor become contented, prosperous and happy.

The second problem of equal magnitude is the legitimate desire of the natives for a corresponding if not an equal representation in the legislative halls and other departments of the Government. I sincerely advocate for the extension of the right of suffrage to our non-Christian brothers. For the sake of justice, equality and fraternity, Mindanao should be given more representative districts and at least two senatorial districts in the event the present bicameral system of Legislature is adopted by the Convention. With this just and reasonable petition for whose due consideration I sincerely appeal to the sense of justice of my fellow-Delegates, it is obvious that four resident senators and an increased number of resident representatives for Mindanao, wholly identified with the local problems, feeling their own necessities, will make themselves heard authoritatively in the halls of the Legislature and convey thereto, from time to time, such immediate and pressing local problems as only natives understand and feel, and thereby promote the general welfare and happiness of the islanders.

Under present arrangement as provided for in the Jones Law, the entire Island of Luzon has six senatorial districts and the Visayan Islands about five, but poor Mindanao does not have even one which she can proudly and exclusively call her own. The three regular provinces of Occidental Misamis, Oriental Misamis and Surigao were made to form a part of the Island of Bohol in the eleventh senatorial district. Bohol, being very far away in the north and separated by a big body of water from Mindanao, has problems exclusively her own, distinct and independent of, and absolutely of no relation with, the three provinces of Mindanao; hence, the union has no foundation whatsoever, geographic or otherwise, and no valid reason can be adduced in favor of its further continuance.

The six specially organized provinces—Agusan, Bukidnon, Cotabato, Davao, Lanao, and Zamboanga—were annexed to Sulu, and, with Baguio, Mountain Province and Nueva Viscaya, all of Luzon, constitute the twelfth appointive senatorial district. Perhaps the present arrangement might have been justifiable under the circumstances then prevailing at the time the Jones Law was passed on August 29, 1916. But certainly today, after the lapse of 18 years and with the rapid progress in education, science, industry, and agriculture, the special provinces of Mindanao should not only be converted into regular provinces, but also a just, fair and reasonable treatment for them and the rest of Mindanao in the apportionment of the senatorial districts should be seriously considered in the Constitution.

It is a paradox, Mr. President, that while the provinces in Luzon and the Visayan Islands are far more advanced and progressive—especially in educational facilities, means of communications and transportation, hygiene, and so on—than those in Mindanao, the former are amply represented in the Senate by men of their respective districts; but Mindanao, whose problems are varied, complicated and of far reaching consequences, is inadequately and poorly represented, if at all. I came across an article published in the *La Vanguardia* on July 4, 1934, and other papers advocating a plan, supposed to originate from the Department of the Interior, providing for the redivision of the Philippine territory into 28 provinces, and giving five senatorial districts to Luzon, three to Visayan Islands, and two to Mindanao. This idea, which gives Mindanao two senate districts, although manifestly less than those

assigned to Luzon and the Visayan Islands, is nevertheless a just recognition, although quite late, of the importance of said Island. It is an eloquent tribute to reason and justice. A Constitutional precept, is, therefore, earnestly recommended that in the event we adopt the actual bicameral system of Legislature, Mindanao should be divided into two senate districts: the first, to consist of the northern provinces of Surigao, Agusan, Oriental Misamis, Lanao, Occidental Misamis, and the northern portion of Zamboanga comprising the towns of Dipolog, Dapitan and Katipunan; and the second district to consist of the southern provinces namely, the present territory of Zamboanga minus the two northern towns already named, Bukidnon, Cotabato, Davao, and Sum.

In closing, Mr. President, it is the fervent hope and ardent desire of this humble southerner that, in giving the final touches to the sacred document that we are about to write for our dear Philippines and for posterity, the injustices, inequalities and discriminations of the past be entirely eliminated, so that upon its completion not a voice of murmur and discontent would be raised from any section of the country. Instead, we rightfully expect that the same would be acclaimed throughout the length and breadth of the Philippines by the Christians and non-Christians, men and women, old and young, rich and poor alike irrespective of party and religion. Then and only then can we go back home to our respective districts happy in the thought that we have done our duties to the assured unification, priory and honor of our country. I thank you.

MR. GUEVARA: Mr. President, will the Gentleman yield?

THE PRESIDENT: The Gentleman from Misamis Occidental may answer.

MR. GUEVARA: The Gentleman spoke about the Japanese having taken hold of some parts of Mindanao. Will the Delegate from Misamis Occidental specify what portions of Mindanao the Japanese are now holding?

MR. CONOL: According to reliable information I gathered from the Delegate from Davao, the Japanese are leasing the land of the public domain indirectly by making Filipinos appear as applicants: but in truth and in fact, the Japanese are the ones cultivating and holding the lands giving only certain portion of the products to the Filipinos who appear as applicants.

MR. PELAYO: Mr. President.

THE PRESIDENT: The Gentleman from Davao.

MR. PELAYO: Mr. President, as a Delegate from Davao, I beg leave to be granted the privilege to speak on Japanese immigration to Davao in order that this Assembly may have further reliable information regarding the problems of Davao.

THE PRESIDENT: The Gentleman from Davao has the floor.

(El Presidente cede la presidencia al Delegado Sr. Guevara).

DISCURSO DEL SR. PELAYO

MR. PELAYO: Mr. President and Gentlemen of this Convention: Since my arrival in the City of Manila, many colleagues have asked me a dozen times to tell them something about Davao and Mindanao. I told them that my answer would be a very long one, and some of them advised me that I should take the floor of this Convention to tell something about Mindanao and the Province of Davao particularly in connection with the Japanese immigration there. So, I take this opportunity to speak to you this morning on the problem, of Japanese immigration in Mindanao and also on the land problems therein.

Mr. President, my task is difficult and delicate because these problems involve international questions; hence the Japanese problems in Mindanao are serious ones confronting the Philippines today. I know that committees have

gone to Mindanao, especially to Davao, and investigated conditions existing therein. Legislative committees and Malacanang committees have gone there also for the same purpose. But up to now, those committees have not made public their findings; up to now those committees have not recommended anything towards the proper solution of these Mindanao problems. Why? Because they encountered there one difficulty—there is no citizen, no resident in Davao willing to come out and speak freely his mind and to express to the committees the facts that he knows. There is no citizen there, no public spirited citizen, willing to come out to tell the truth and nothing but the truth regarding the problems in Mindanao. Why, my friends? I regret to say that such unwillingness is due to fear, but not fear of bodily harm. No. Fear of incurring the displeasure of the Japanese elements there; fear of losing this patronage and friendship.

Japanese interests in Mindanao have great influence upon the people there, particularly those in the Government and the higher-ups in Mindanao, especially in Davao. To the lawyers, the Japanese elements are the best clients; to the doctors, they are the best patients; to the public officials, they are the best friends, especially when Christmas time comes. (Laughter.)

That is the situation which these committees from Manila found when they went to Davao. So, up to now, the Government has not done anything, has not proposed anything towards the solution of the problems existing therein. As Delegate from Davao, however, I think it is my duty to the Province of Davao and also to my country to tell the real conditions existing there.

Let me tell you the brief history of Japanese immigration to Davao. Some fifteen or twenty years ago, Davao was just another ordinary province of the Philippines. Its inhabitants went about their tasks unknown and unnoticed. The newspapers never cared for the things going on there. Then one day a man from the Empire of Japan ventured into the province. He was a mere adventurer, but possessed with vision. Because of his industry and thriftiness, he was able to accumulate a little fortune. He acquired a piece of land to cultivate; later on, he became the greatest and the No. 1 hemp planter in Davao. He founded a corporation which now bears his name—the Ohta Development Company. As was to be expected, all the laborers, tenants and employees in the corporation were men who came from Japan. Japanese laborers and tenants began to pour into Davao. They worked in the haciendas and plantations of that corporation. Thus began the stream of Japanese immigration into the fertile and rich valleys of Davao. These Japanese tenants, these Japanese laborers became rich people there.

When the war came, the price of hemp reached out to the skies. Hemp at that time was gold. One abaca plant commanded the price of one peso, so that a hectare of land in Davao at that time sold for one thousand pesos and more, because in one hectare of land one thousand abaca plantas could be grown.

The Japanese, aware of the opportunity offered by the province of Davao, began to pour in by the thousands. Davao filled up with Japanese. Ohta then had acquired 1024 hectares of land. He did not have sufficient lands whereon these Japanese subjects could work. So he formed dummy corporations through which he was able to acquire large tracts of land from the Government, which are now being cultivated by the Japanese people. When our countrymen there saw what the Japanese were doing, they awakened to the realization that the Japanese were beginning to grab all the lands in Mindanao. Then arose the land racket—land acquired by Filipinos for speculation....

According to our land laws, no foreigner can acquire from the Government any public land either by lease or by purchase. So what is being done in Davao today is for the Japanese to get a very influential Filipino—a man of his confidence—and ask him to file an application in the Bureau of Lands for a large tract of land, one thousand hectares. This land applied for by a Filipino is turned over to the Japanese under a certain form of contract. Of course, the Filipino applicant cannot directly enter in any contract with any Japanese, because that is prohibited by

law. Furthermore, our land laws provide that an applicant who has acquired land by lease from the Government cannot sublease it to any person, .especially to foreigners.

But the people of Davao have found a means to go around the law. They have there many forms of contracts; their essence and spirit are as follows: Ninety percent of the produce obtained from the land goes to the Japanese and only ten percent remains with the Filipinos who serves as an instrument for that Japanese. Today in Mindanao, especially in Davao, eighty or fifty per cent of all the productive agricultural areas belongs to the Japanese and only ten percent remains with the Filipinos. That is the picture which you will find when you go to Davao. That is the real situation existing there, and I have come out with these facts because I owe its telling as a duty to ray province and to our country.

MR. CONFESOR: Will the Gentleman yield?

THE ACTING PRESIDENT: The Gentleman may yield, if he so desires.

MR. PELAYO: Willingly.

MR. CONFESOR: Is it not true that the development of agricultural lands in Davao, especially public lands acquired by Filipinos, is due to the capital invested by Japanese in Davao?

MR. PELAYO: Does the Gentleman mean public lands?

MR. CONFESOR: Public lands acquired by Filipinos and leased to the Japanese—is their development due to the capital invested by the Japanese?

MR. PELAYO: I want to correct the Gentleman. Filipinos who acquired the lands through lease cannot sublease them.

MR. CONFESOR: I am not referring to leases but to purchases by Filipinos.

MR. PELAYO: Purchased from the Government?

MR. CONFESOR: Yes, sir.

MR. PELAYO: What does the Gentleman mean?

MR. CONFESOR: The Filipinos purchased public lands from the Government, then leased those to the Japanese.

MR. PELAYO: Yes, sir. In some form or another they do, although it is not lease in the true sense of the word. They go around the law so that the contract will not appear as a lease. They call the contract by any other name except lease because that is prohibited by the public land laws.

MR. CONFESOR: The Japanese then do not own the lands, but the Filipinos do.

MR. PELAYO: Legally speaking, they do not own the land, but in Davao the Filipinos are so confident of the Japanese and trust them so much, hence they are given the opportunity. The Japanese there are very honest and do not violate the contract. They follow the conditions even of a verbal contract.

MR. CONFESOR: In other words, through these Japanese, those lands of Filipinos are being developed now; and because of the integrity of the Japanese, as the Gentleman has just declared, the Filipinos are obtaining benefit from the lands without cultivating those lands themselves.

MR. PELAYO: Yes, sir. But the Filipinos obtain only very little benefit. Just think, ninety per cent of all the produce goes to the Japanese.

MR. CONFESOR: Without any investment on their part?

MR. PELAYO: Well, with no material investment. What they invest is their reputation, they being Filipino citizens. That is their investment.

MR. CONFESOR: Is it not a fact that those lands are bought by Filipinos at P10 per hectare?

MR. PELAYO: No, sir.

MR. CONFESOR: How much?

MR. PELAYO: Lands in Davao are being sold from P15 to P25 a hectare.

MR. CONFESOR: Let us take the maximum P25. Is it not a fact that a hectare of abaca plantation yields between P200 to P250 now?

MR. PELAYO: No, sir.

MR. CONFESOR: How much?

MR. PELAYO: A hectare of hemp yields annually from ten to twenty piculs. The price of hemp now is about P5 a picul; so it is P50 for ten piculs.

MR. CONFESOR: Ten per cent of P50 is P5.

MR. PELAYO: Yes, five pesos.

MR. CONFESOR: The Filipino's investment in a hectare of land is P25. Consequently, he earns on his investment twenty-five per cent without doing any work on his land. Does the Gentleman consider it bad investment to earn twenty-five percent?

MR. PELAYO: From the point of view of the Filipino's pocket, that is a good investment. But we are not after our own personal interests; we are after the interest of the country, of our children's children.

MR. CONFESOR: Who is to blame for that situation in Davao? Is it not the Filipinos themselves?

MR. PELAYO: There are several factors to be considered. Filipinos who allow themselves to be instruments or tools of the Japanese are to be blamed and condemned.

MR. CONFESOR: Is it not a fact that many Filipinos in Davao have become prosperous and the province itself is now well off from the economic point of view because of Japanese investments in that region?

MR. PELAYO: Well, that is true. Many Filipinos there have become prosperous through speculation; but we must not look only for the things of the present. We must look for the things that are to come.

MR. CONFESOR: I am with the Gentleman in that regard. But isn't the situation in Davao today not as the Gentleman has attempted to picture before this Convention because of the method of development of agricultural lands in Davao by the Japanese?

MR. PELAYO: It is very bad, internationally speaking

MR. CONFESOR: But the Gentleman admits that many Filipinos are becoming prosperous on account of that system?

MR. PELAYO: Yes, sir. I admit that.

MR. CONFESOR: Now, if any one of us goes to Davao, will he see personal progress and advancement from the

economic point of view?

MR. PELAYO: Well, if the Gentleman follows the same method he might become prosperous there also.

MR. CONFESOR: Have not the people in Davao been benefited by that system?

MR. PELAYO: Only a few individuals there—those who allowed themselves to be dummies—are the ones benefiting. But non-Christians are very much prejudiced because their lands are being grabbed.

MR. CONFESOR: Suppose the Japanese left Davao, what would be the economic situation of the people?

MR. PELAYO: They would be better.

MR. CONFESOR: Would not there be a collapse in the economic structure of that region?

MR. PELAYO: I don't think so. If the Japanese leave Davao, naturally they will leave behind them their plantations, their bodegas and everything. We can administer those and get income out of them.

MR. CONFESOR: Do you believe that the Filipinos would be able to finance the continuous development of these agricultural lands after the Japanese leave Davao?

MR. PELAYO: I believe they can. There are some Filipino businessmen in Davao who have capital. If they organize themselves into a corporation or association for that purpose, I think they can. But nowadays no Filipinos in Davao have done that because Japanese organizations are doing it.

MR. CONFESOR: In other words, the Filipinos in Davao have not made any attempt to organize themselves to develop their own lands?

MR. PELAYO: Well, they have done that individually, but not collectively.

MR. CONFESOR: What is that?

MR. PELAYO : Ten, fifteen or one hundred Filipinos should get together and organize themselves into a corporation, like what the Japanese have, and engage in farming or in hemp planting.

MR. CONFESOR: Have they succeeded?

MR. PELAYO: Some of them have succeeded, I know. But the corporations in Davao are Japanese corporations.

MR. CONFESOR: Why are not Filipino corporations organized there to counteract the Japanese interests?

MR. PELAYO: I cannot answer the Gentleman's why; but I am telling him here the actual facts, the real conditions existing in my province. Another reason why the Government has not found any solution to the problems existing in Mindanao is that many high public officials own large tracts of land in Mindanao, especially in Davao, and such lands are now in the hands of the Japanese.

MR. CONFESOR: In other words, there has been connivance on the part of public officials in Davao in relation to land transactions.

MR. PELAYO: I do not exactly say that there has been connivance, but I know and the record of the Bureau of Lands can testify that high officials in the Insular Government have large tracts of land in Mindanao with Japanese tenants and laborers right now.

MR. CONFESOR: Are they officers of the Bureau of Lands?

MR. PELAYO: Well, I cannot tell exactly if they are officers of the Bureau of Lands, but for complete

information, I refer the Gentleman to the records of the Bureau of Lands.

MR. CONFESOR: Are there Constabulary officers who also own big tracts of lands ?

MR. PELAYO: I think there are.

MR. CONFESOR: How about members of the Legislature?

MR. PELAYO: I think there are.

MR. CONFESOR: What about members of the judiciary in Davao?

MR. PELAYO: I think there are.

MR. CONFESOR: What about members of the provincial board?

MR. PELAYO: Of what province?

MR. CONFESOR: Of Davao.

MR. PELAYO: Well, I think so.

MR. CONFESOR: So, without admitting that the system of development of land in Davao is entirely wrong but for the sake of argument, admitting that it is wrong, the fault is not on the part of the Japanese but on the part of the public officials in Davao, insular, provincial and municipal; is that not a fact?

MR. PELAYO: The fault is on both sides. The Japanese gave the incentive; they gave the cause. When the Filipinos are offered the opportunity, naturally

MR. MONCADO: Will the Gentleman yield? MR. PELAYO: I would like to continue.

THE ACTING PRESIDENT: The Gentleman declines to yield.

MR. PELAYO: I have one more point to develop; after that I will answer the Gentleman from Cebu.

(Continuing.) I also wish to point out that Davao has been declared a port of entry, so that Japanese vessels arrive there three or four times a week. That fact encourages immigration to Davao. But these Japanese vessels do not always drop anchor at the pier of Davao. They sometimes drop anchor close to the different haciendas and we do not know what they do there at night. There are rumors not confirmed officially, that these Japanese vessels going there unload cargoes of ammunition. I hope that is not true. I have even heard the rumor, but not confirmed officially, that a detective went there incognito to investigate what, nobody knows.

I believe, Mr. President, that one of the remedies we can apply to this Japanese immigration in Davao is to close its port. That will not facilitate the entry of Japanese immigrants to Davao. They will have to pass through Manila and receive there a very long processing. That will discourage Japanese immigration to Davao.

Now, I am willing to answer the question of the Gentleman from Cebu.

MR. MONCADO: Has the Gentleman any idea if Ohta Development Company is subsidized by the Japanese government?

MR. PELAYO: I do not know for I have not gone over the books of that company. But the Ohta Development Company has three or four dummy corporations in Davao operating under different names but financed by it.

MR. MONCADO: I understand the Gentleman is a practising attorney there.

MR. PELAYO: Yes.

MR. MONCADO: Will he be glad to serve the Government force and work incognito to investigate if the Japanese government is subsidizing this company?

MR. PELAYO: If our Government will give me that authority, I shall be glad to.

MR. MONCADO: It is not necessary for the Government to give him that authority. For the sake of our country, I know the Gentleman would be willing to do it.

MR. PELAYO: Authority is needed for personal protection.

MR. MONCADO: Is the Gentleman familiar with the history of the Southern Manchuria Railway of Manchukuo?

MR. PELAYO: All I know is just what I have read in the papers.

THE ACTING PRESIDENT: The Delegate from Davao declines to yield on that point. He desires to proceed further.

MR. MONCADO: May I suggest to the Gentleman from Davao to study carefully the problem?

MR. PELAYO: I would be very willing to study the problem if the Gentleman will give me the facts.

MR. MONCADO: Very well. The Manchurian problem will be the problem of Mindanao in the future, so it is the Gentleman's duty as a citizen of the Philippine Islands to study it.

MR. PELAYO: That is why I have given the facts about Davao so that our Government can find the real solution. I am just telling the facts as they actually exist (Applause).

LEVANTAMIENTO DE LA SESION

MR. GULLAS: Mr. President, I move to adjourn.

EL PRESIDENTE INTERINO: Si no hay objecion, se levanta la sesion hasta el lunes, a las cinco de la tarde. (No hubo objecion)

Eran las 11:20 a.m.

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