

*Diversifying Urbanity: The Japanese Commercial Community of Prewar Manila*

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**Abstract**

Starting from a small group of transient peddlers and workers early in the 20<sup>th</sup> century, Manila's Japanese commercial community became a diverse group of businessmen whose establishments contributed to the character to the city. Internal and external factors were responsible for the growth of the Japanese community in Manila that by the 1930s the commercial community numbered 250 establishments ranging from small shops to branches of big Japanese corporations such as Mitsui Bussan and Daido Boeki Kaisha (today's Marubeni Corporation). Though the Japanese commercial community in the 20<sup>th</sup> century was a recent arrival and it was small compared to the communities of other nationalities its businessmen showed exceptional acumen that by the 1930s many things that a Filipino bought or ate passed through a Japanese merchant. Sections of Manila became known as "Manila's Ginza" and "Little Tokyo" because of the presence of many Japanese establishments. As the decade of the thirties approached the 1940s the foreign community especially those of the Japanese faced the challenge of rising Filipino economic nationalism caused by the sentiment over the foreign domination of the Philippine economy. Instead of crumbling to the pressure the Japanese commercial community did not just survived but continued its expansion as it addressed the threats to its existence and it was prepared to defend its rights and gains through any means possible including force if necessary.

Keywords: Japanese commercial community, survival, growth

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## The Reentry of Japan to the Philippines

Japan's isolation ended in 1854 following the Treaty of Kanagawa opening Japan to American commerce. Official relations between colonial Philippines and Japan however did not resume until 1888 when the Japanese opened their consulate in Manila. The reentry of Japanese to the Philippines was very slow because of high tariffs imposed by the Spaniards and the unstable local currency. Other factors were the difficulty of the Japanese in communicating with the Filipinos and Spaniards and the influence of the Catholic Church (Yoshikawa, 1995, p. 167)

When the Japanese consulate began operating in Manila it listed 35 Japanese residents including four consular staff members. Among these residents were twelve entertainers and 15 sailors. In 1890 there were only two Japanese in Manila and both of them were consulate personnel. All the Japanese residents of Manila at that time were transients and because of the very few Japanese nationals in the islands the consulate closed down in October 1893. All diplomatic concerns of Japan in the Philippines were handled by the consulate in Hong Kong. In the same year there were 33 Japanese *obreros electricistas* (electricians) listed in the *Radicacion de Extranjeros* as residents of Manila. These electricians were sent by the Yokohama Trading Company to install electric wires in the city. Aside from the electricians there were also five *comerciantes* (businessmen) and five carpenters. According to the *Radicacion de Extranjeros* most of them lived in No. 16 Uli-Uli Street in San Miguel, Manila. The address according to Wada was probably a dormitory or an apartment which accommodated such a number of persons. There was also an ironsmith (*herrero*) and two cooks living in 54 Calle Nueva in Binondo and two plumbers (*fontaneros*). (Wada, 1996, pp. 3-4)

Aside from the Japanese workers, the first permanent Japanese commercial establishment, the Nippon Bazar opened at Plaza Moraga in Binondo district in 1893. The bazaar was originally a joint venture of Tsurujiro Kimura and Shintaro Fukuchi and later operated by Seitaro Kanegae in 1898. (Yoshikawa, p. 169) The bazaar became historically famous because members of the secret pro-independence secret society called the Katipunan and Japanese navy officers met here on March 1, 1895. During that meeting the Katipunan representatives led by Emilio Jacinto asked for help from Japan by supplying the Filipinos with arms which will be used to overthrow the Spaniards.

Another Japanese establishment which opened before the Philippine Revolution was the Osaka Bazar which was also located in Plaza Moraga. When the Philippine Revolution broke out in August 1896, there were other Japanese stores established in Manila. These were the Kaigai Boeki Kaisha, the Iijima Shoten, the Oi Bokushin and the Tagawa Shoten. However out of these establishments only the Nippon Bazar and the Tagawa Shoten stood out in terms of the items sold. The owner of the Tagawa Shoten, Jose Moritaro Tagawa formerly worked with the Nippon and Osaka Bazars before starting his own store. He carefully studied by buying habits and preferences of the Filipino customers which allowed his business to prosper.

Aside from the stores there the Japanese entered the brothel business. In 1898 one Japanese brothel was officially reported in Carriedo Street in Manila. It had a coffee shop as a front and had two women who arrived from Nagasaki who arrived in Manila via Singapore and Iloilo. The Japanese consul denied that there were Japanese brothels in Manila. (Wada, 1986, p. 296) Before the influx of Japanese women, foreign prostitutes such as those from Russia

and France came to Manila. In 1899 four Japanese women arrived from Hong Kong and were initially refused to land because they looked like prostitutes. Two were allowed to disembark when they showed proper travel documents and evidence that they could support themselves while they were in the Philippines. The other two were sent back to Hong Kong. In the same year Japanese prostitutes were reported plying their trade in the Sampaloc district and there was one incident involving an American corporal who was arrested because he struck a Japanese woman and dragged another by the hair because they refused to serve him beer “in a house of ill fame.” (Wada, p. 296)

As American rule became stable the Americans embarked on several public works projects which demanded skilled labor. Economic hardships in Japan caused by the devaluation of the Japanese yen following Japan’s involvement in the Sino-Japanese War in 1894-1895 and the Russo-Japanese War in 1904-1905 triggered an exodus of impoverished Japanese. The Japanese community of Manila grew from a few handfuls in 1899. One hundred seven individuals were reported in 1900; by 1903 there were 920 and in 1904 it grew to 2,770.

In 1903 Col. Lyman Kennon who was building the Benguet Road brought in 800 Japanese workers from Okinawa. Kennon needed the Japanese workers to replace the Filipino and Chinese workers who could not withstand the rigors of the mountain climate. The Japanese workers eventually increased to 1,500. According to Watanabe of the 800 Okinawans workers only 300 survived when the road was completed in 1907 (Watanabe, p. 323). Of the total number of Japanese workers 500 opted to stay in the Philippines. Around 250 to 300 former workers went to in Davao to work in the plantations there. The rest went to Manila to become artisans, cabinet makers and workers in trades that the Filipinos themselves could not supply. They were joined by other Japanese immigrants who opened laundry shops, bakeries, candy factories and dry goods stores. Others found employment as gardeners, carpenters and mechanics. According to Guerrero (1966, p. 33) Through sheer industry and hard work the Japanese community in Manila was able to build up a reputation among the Filipinos and the Americans.

At this point most of the Japanese who came to the Philippines were transients. After earning enough money they returned to Japan. Their common dream was “Save money, go back to Japan, marry a Japanese lass even though I have reached the age of forty.” According to Kiyoshi Osawa who came to the Philippines in 1925, many of his countrymen clung to such dreams. (Osawa, p. 3)

Other Japanese immigrants shifted from being laborers and carpenters to become merchants and shop owners. This was a significant aspect because the Japanese immigrants were almost always artisans and craftsmen. They became itinerant vendors who sold ice cream cones and *barquillos* or sugar wafers. One of the most successful of these immigrants was a street peddler named S. Awata who carefully studied the needs of Filipino consumers. Soon he became a store owner and sold all kinds of Japanese goods. Originally Japanese stores catered to the immigrant Japanese community. Soon they began appealing to Filipino consumers. They learned that Filipinos demanded goods that look good but were sold very low prices. In a random interview of a Filipino consumer by an American journalist in 1937 the Filipino said”

A Filipino worker cannot afford to pay one peso or two pesos for a shirt made in your country (the United States). He wants a Japanese-made shirt which he can get for only 30 or 40 centavos. (Quiason, 1958, p. 336)

The great difference between the labor and manufacturing costs allowed the Japanese to undersell their Chinese and Filipino competitors. They even had a system of delivering the goods to their buyers. Between 1902 to the outbreak of the First World War in 1914 Japanese stores grew from a small handful to around 20 in 1914. Though the Chinese continued to dominate the retail trade the share of Japanese stores continued to increase from 5% in 1930 to 20% in 1938. (Yoshikawa, p. 85)

With the influx of more Japanese immigrants the Japanese government upgraded its consulate in Manila to that of a consulate general in 1919. It moved from the sleepy section of Manila to the Wilson Building in Binondo which was the business center of Philippines. At that time there were 2,068 Japanese residents in Manila out of a total of 9,800 in the Philippines. The Japanese in the Philippines comprised 42% of all Japanese in Southeast Asia. To protect Japanese interests in the Philippines the Japanese government supported semi-government organizations. One of these was the Nanyo Kyokai or the Philippine Society of Japan which had its office at the Overseas Branch of the Taiwan Governor General's Office in Tokyo. The Philippine organization was the Firipin Kyokai and its first President was Consul General Ichiro Nuida. (Yoshikawa, p. 85)

### **Problems Encountered**

Like any foreign community, the Japanese community of Manila had its own problems. The most prominent of these problems was prostitution. Generally Japanese men did not bring their families with them when they went to the Philippines and many of them patronized brothels. The economic hardship in Japan caused a proliferation of brothels in Manila.

Before 1909 the red light area of Manila was in Escolta Street which served as the rest and recreation area for US troops. The street was lined up with saloons which were later transferred by Governor Dwight Davis to Sampaloc district. The brothels were concentrated at Gardenia Street also in Sampaloc. In 1909 there were around 30 brothels and 300 prostitutes (Wada, p. 301) Residents in the area who were then children recalled that there were many Japanese women wearing kimonos at the verandas of the old Spanish-style houses. Soon the brothels sprouted to other areas like Calle Alix, Balic-Balic and Sulucan. There were also brothels in San Miguel, Quiapo and Santa Cruz districts.

The Japanese prostitutes were called *Karayuki-san* which is a 19<sup>th</sup> century term from "Kara" which referred to China and "yuki" which is a suffix which means "to go." (Wada, 1996, p. 34) At the time Japanese women who went to China were called *Karayuki*. Later the term referred to women who went abroad to become prostitutes. Most of the Japanese girls came from Kyushu and recruiters often deceived girls from poor Japanese families about non-existent jobs in the Philippines. The recruiters connived with ranking sailors to smuggle the girls in the Philippines and upon arriving in the islands the recruiters charged the girls exorbitant fees to cover hotel expenses, transportation costs and entrance fees. Once the girls earned enough money they sent part of their earnings to Japan. The village head would know about the good news and would lose no time to charge income tax. In this way prostitution helped increase the national coffers of Japan. (Wada, p. 1986, 296)

Whenever a brothel was established other businesses followed. The prostitution industry fuelled other businesses. These included bazaars which supplied Japanese dry goods and restaurants for Japanese food. The other businesses were photography shops, boarding houses and hotels. The brothel industry also supported trades such as kimono-making, tailors and

dressmakers of Western-style clothes. Seitaro Kanegae specifically mentioned that some of the bazaars depended on the brothel industry. He mentioned the Matsui, Fukuda, Noguchi, Mahui, Sonoda bazaars, the Ogawa Watch Shop, the Aoyama Photo Studio, the Fujimoto Barbershop and a number of hotels, restaurants and refreshment parlors. (Wada, p. 301)

There was a high incidence of crime in areas in the brothel areas. Japanese men lived a life of crime by swindling, gambling and heavy drinking. Stabbings were common as they organized themselves into gangs. Venereal diseases were common that even the US Army was concerned because it needed men who were physically fit as the United States had just entered the First World War. On October 16, 1918 the Mayor of Manila Justo Lukban took drastic measures by cordoning off the red light district at Gardenia Street and raided all prostitution dens. The Japanese men and women who were caught inside the prohibited zone were arrested and deported to Japan while the Filipino prostitutes were also rounded up and sent back to their home provinces. The round-ups and deportations lasted until 1925. (Wada, p. 296) Some Japanese women avoided being deported because they were married to Filipinos. The Japanese community called the former Japanese prostitutes who survived the crackdown and shifted to more a more decent livelihood as the *daigakude* or college graduate. Some of these *daigakude* became owners and operators of restaurants and hotels in Manila.

While Mayor Lukban was praised for his campaign of cleaning the city of brothels, he was chided by the Supreme Court for arbitrarily violating due process and the rights of the Filipino and Japanese women. Most of the Japanese prostitutes were gone after the First World War but the Japanese women who remained risked humiliation by Chinese and Filipinos who still called them *karayukis*. This situation forced Japanese men to confine their women at home for fear of being insulted. It reinforced the perception by the Filipinos that the Japanese were an aloof people and cannot be assimilated into Filipino society.

The Japanese diplomatic officials reacted to Mayor Lukban's crackdown by supporting him. Since many of the Japanese immigrants were undocumented aliens and were not registered with the Consulate General, diplomatic officials could not protect them whenever the Manila police took action against their illegal activities. As early as 1907 the Japanese consul even cooperated with the police in banishing his troublesome countrymen to Japan. (Yoshikawa, p. 178) Most of the early Japanese immigrants were poor and uneducated and many of their small businesses such as refreshment and massage parlors were often fronts for illegal activities especially prostitution. A number of Japanese men who were married to Filipino women were violent, cruel and miserly. Often they used their marriage to circumvent Philippine laws by using their wives' names to acquire land. The educated ones hired lawyers and formed friendly ties with Filipino politicians.

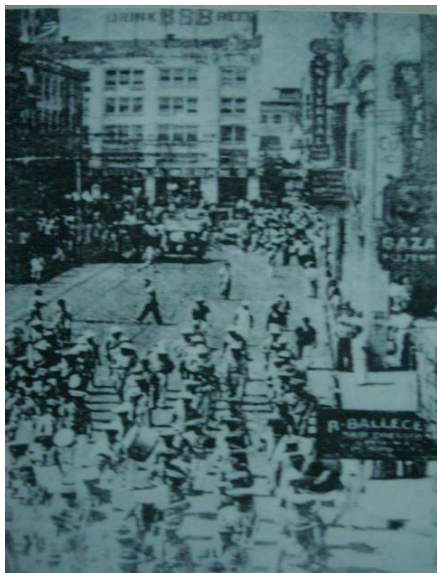
The Japanese government took steps to cultivate friendly relations with the Filipinos by minimizing irritants. It established a Bureau of Industries office in Manila to help Filipino firms doing business with Japanese companies, A Japan Information Bureau was created to manage a school that taught the Japanese language to Filipinos. The bureau also operated a library for Filipinos and sponsored educational trips to Japan for students, newspapermen and politicians.

## Continued Growth and Increasing Diversity

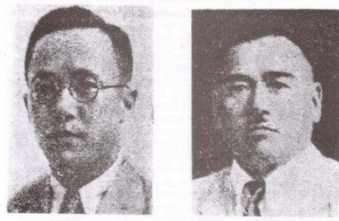
With the end of World War I, the number of Japanese business establishments continued to grow as more Japanese immigrants came to the Philippines. From 8,000 immigrants in 1918 the number swelled to 20,262 in 1939. In Manila there were 1,612 Japanese in 1918, in 1930 the population reached 3,984. With the increase in the number of Japanese residents so did the business establishments. In 1914 there were 41 Japanese-owned bazaars, 21 trading firms and numerous small shops and refreshment parlors. There were also 73 registered businessmen, bank clerks and 104 store employees. By 1931 there were 243 Japanese businessmen and by 1936 there were a total of 303 establishments. (Wada, p. 23)

In studying these Japanese business establishments a wealth of anecdotal information can be found. One such story is about the Eigetsu Hotel in Santa Cruz which was owned by an elderly *daigakude* who could still be seen in her kimono. Another establishment was the Sakura or Cherry Restaurant owned by another *daigakude* named Mitsu Shimizu who was described by Osawa as the Amazon and female knight of the town because of her feistiness. Cherry or Sakura in Japanese was Mrs. Shimizu's professional name. She had a *maiko* or geisha apprentice named Osato-san working for her. Osato-san played the samisen before the customers and loved to tell the classics. According to Mr. Osawa Osato-san was the only woman among Manila's 5,200 residents who can be rightfully called a geisha. (Osawa, p. 51)

The Miyazaki Garden became famous for breeding its own orchids which were exported abroad. Other businesses that stood out were the Sun Studio owned by Mr. T. Yamamoto which produced excellent portraits. Another was the Sun Studio made photographic postcards some of which portrayed beauty pageant winners in the annual Manila Carnival. Another studio was the Triangulo Studio which was a pioneer in covering weddings and parties. (Watanabe, p. 1)



Rizal Avenue in Manila where many Japanese businesses once stood. In the top foreground, is the neon sign advertisement of the Balintawak Beer Brewery which was majority Japanese-owned. The Japanese residents of Manila also managed a number of massage parlors, many of which were managed by women. In the Rosenstock's Directory of Manila a number of massage shops carried information that the shops were owned and run by women. There were barbershops owned by Japanese and girls were employed as barbers. (Jose, 2015, p. D1)



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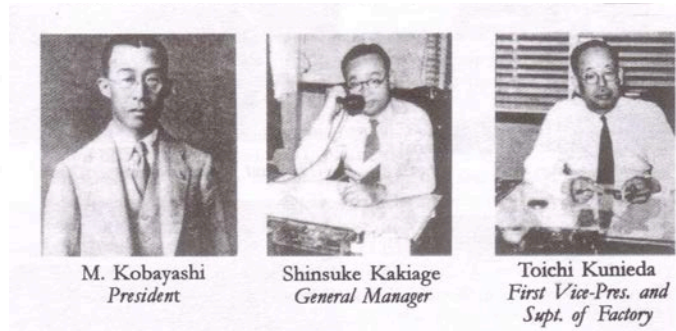
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### Some of the prominent Japanese businessmen in Manila during the prewar period

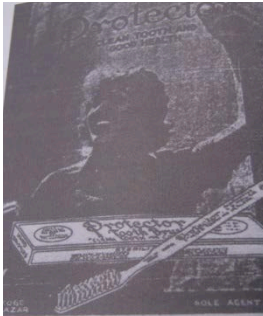
Behind the Japanese bazaars and the retailers were the big trading firms. The oldest firm which did business in the Philippines was the Mitsui Bussan Kaisha which had its headquarters in Rosario Street in Binondo, Manila. It entered the Philippines in 1898 and it supplied coal from the Miike mines in Kyushu. At first the company did not even have a branch office in the Philippines and it was actually based in Hong Kong. Later it established a representative office at the second floor of the building that housed the Nippon Bazar. The Mitsui Bussan outlet was involved in the importation of coal, cotton, wax and cement from Japan. Its biggest venture was the coal business and its biggest customer was the US Navy. The company also exported Philippine abaca, cigars, sugar and copra to Japan. Later Mitsui diversified into dry goods distribution, steamship services, distribution of matches, fertilizer, cement, cigar, copra, coal and abaca, insurance and automobile dealership. In 1937 it became a part-owner of the Tagum Logging Company in Davao and the Balintawak Beer Brewery in Bulacan. (Watanabe, 1935, p. 364)

The second giant Japanese company was the Daido Boeki Kaisha which was based in Kobe. It was involved in the importation of hardware goods and specialty products which were sold in Japanese bazaars. The company had its offices at the Hong Kong and Shanghai Bank at Juan Luna Street in Binondo and it had branch offices in Cebu, Iloilo and Davao. Daido Boeki imported iron and steel products for the construction industry. It operated a hardware store which sold Asano Portland Cement, Yamnar diesel engines and Bridgestone tires. Other items were farm equipment, celluloid goods, all kinds of metals, onions and wheat flour, automobiles, and musical instruments. On the other hand it exported scrap iron, maguay, fish and fish products, abaca, copra, kapok seeds, corn, fish products, trochus shells and mineral ores. (Watanabe, p. 267)

Another big trading company was the Osaka Boeki Kaisha which also operates the Osaka Bazar as its retail outlet. It popularized Kikkoman soy sauce, Pilot pens, Kurokami hair dye and Katol mosquito coils. The last item was so popular that all mosquito coils in the Philippines were called katol.

  
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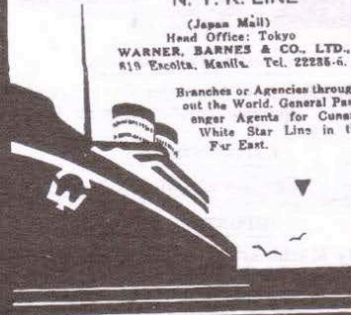
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Some of the Japanese businesses in Manila and their Products

Japanese shipping firms had their offices in Manila. The oldest of these was the Nippon Yusen Kaisha (NYK) or the Japan Shipping Line. It was the pioneer in the Philippine-Japan shipping route. It started sailing to Manila from Kobe and its ships regularly connected the Philippines to Nagasaki, Kobe and Yokohama to the Chinese ports of Hong Kong and Amoy and those of Taiwan. Other Japanese shipping firms were the Osaka Shosen Kaisha and the Ishihara Sangyo Kaisha. The big Japanese trading companies such as Mitsui and Mitsubishi had their own shipping companies which carried passengers and cargo across the oceans.

The growth of the Japanese commercial community would not be possible without the role of Japanese financial institutions. The largest of these was the Yokohama Specie Bank which was also known as the Yokohama Shoten Ginko. It had a capital of 100,000,000 yen and an additional reserve of 131,000,000 in 1935. Supplementing the Yokohama Specie Bank was the Bank of Taiwan which was based in Taihoku. Both banks provided valuable financial support to Japanese businesses in Manila. That support enabled these businesses to expand into manufacturing, mining and lumber. (Watanabe, p. 107)

There were also a number of Japanese mutual aid associations or *tanomoshiko* which provided financial support to various Japanese businesses. Among them were the Japanese Mutual Loan Association, the Manila Japanese Mutual Loan Association and the Manila Ko Sei Kai. Aside from providing financial support the last secured jobs for its unemployed members and it operated a dormitory for those who were temporarily unemployed. (Yoshikawa, pp. 175-176)

By the late 1930s the Japanese developed a significant presence in Manila and sections of the city especially along Manila's downtown at Rizal Avenue in Santa Cruz district as far as Echague in Quiapo became known as Little Tokyo and Escolta was dubbed as Manila's Ginza because of the presence of so many Japanese shops and businesses.

### **Reactions to the Growth of Japanese Businesses**

Though the Filipinos generally welcomed the Japanese as well as other foreigners there was a sense of wariness towards outsiders as a result of a rising nationalist sentiment. This sentiment was stirred up by demagogues who questioned the foreign domination of the Philippine economy. Writing in the newspaper *Sakdal*, the Tagalog poet Benigno Ramos wrote:

Wouldn't it gladden us if it could be said that the whole stretch of Escolta is owned by Filipinos. Rosario (Street) is not for the Chinese, but for our countrymen. Rizal Avenue, is not for the Japanese, but for our own?<sup>1</sup> (*Wada*, p. 82)

Though these words were not aimed directly at the Japanese but to foreigners in general, Ramos felt that it should be the Filipinos who should benefit from the economy not the foreigners. Another sign of rising economic nationalism was the prohibition under the 1935 Constitution limiting foreign capital in any business to only 40% while Filipino capital should be at least 60%. Following the inauguration of the Philippine Commonwealth in 1935 the legislature passed laws to limit the activities of foreigners. Commonwealth Act No. 100 or the Forestry Act made it illegal for foreigners to engage in logging; Commonwealth Act

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<sup>1</sup> The original Tagalog was: "*Hindi kaya ikagagalak n gating sarili kung maturing ang buong Escolta ay ari ng mga Pilipino, ang Rosario ay hindi sa Intsik kundi sa kababayan din natin ang Ave(nida) Rizal ay hindi sa Hapon kundi sa kabalat din natin?*" From Ramos, "Ang Tunay the Kalaban," *Sakdal*, October 18, 1934.

No. 118 required that three fourths of crewmen of fishing boats must be Filipino and Commonwealth Act No. 141 or the Public Land Act made it impossible for foreigners to acquire land in the Philippines. In 1939 the legislature passed the Anti-Dummy Law which provided punishment for Filipinos who allowed themselves to serve as fronts by foreigners. The law was intended to curb the practices of foreigners of putting the names of their businesses in the names of their Filipino partners. The Immigration Act of 1940 restricted to 500 individuals of every nation who can immigrate to the Philippines. There was also a bill restricting retail trade to Filipinos. (Yu-Jose, 1992, p. 122)

In responding to the challenges posed by Filipinos the Japanese showed extraordinary resilience and flexibility. Many Japanese took steps to becoming Filipino or American citizens. The Japanese government urged their countrymen to learn the Tagalog language in anticipation that this dialect might become the national language. (Goodman, ND, p. 40)

In anticipation that the import trade might be restricted to Filipinos, many Japanese firms shifted their operations into manufacturing. One of the biggest investments before the Second World War was the Balintawak Beer Brewery in Polo, Bulacan which was established with capital from Mitsui Bussan and other Japanese investors. Mitsui also invested in a shoe factory. Numerous factories were established by the Japanese. Among them were the Kinkwa Meriyasu, the Noguchi, the Toyo Shirt, the Tomonaga Shirt and the Rex Shirt factories. (Goodman, p. 40) There was even a candy factory, the O' Racca Confectionery factory which became the islands' biggest candy factory and importer of sweets. The Mori Bicycle Factory began turning out bicycle frames though most of its components came from Japan. (Watanabe, p. 364)

Most of all the Japanese businessmen took pains to befriend Filipino politicians and secure the services of their best lawyers. Among these politicians were Jose P. Laurel, Claro M. Recto and Quintin Paredes. These politicians would later serve as collaborators during the Japanese occupation. With the tightening measures against them the Japanese were prepared to use force if necessary to protect their gains in the Philippines. (Yu-Jose, p. 123)

The Japanese could have adapted well in the face of the challenges if not for the outbreak of the Second World War in the Philippines. After Japanese bombs fell on Manila on December 8, 1941, many business establishments including those of the Japanese were ransacked by mobs. Two hundred ninety Japanese residents including Mr. Osawa were immediately rounded up and taken to the Old Bilibid Prison and later to the New Bilibid Prison. But as the Japanese military began to approach Manila, they were taken to the Manila Japanese School where they were freed by the Imperial Army.

With the ransacking of businesses in Manila's downtown, its little Tokyo and its Ginza were no more. Though many Japanese businesses resumed operation at the beginning of the Japanese occupation the Japanese commercial community was gone. During the war many Japanese residents were forced to serve as guides and interpreters for the Imperial Forces. When the Americans returned in February 1945, most of Manila was razed to the ground by artillery and fire. Thousands of Japanese were killed in the campaign to retake the Philippines.

At the end of the war, the surviving Japanese civilians were interned at the Old Bilibid Prison and were later transferred to a camp in Cabuyao. In November 1945 an order for their deportation was issued. A number of detainees did not wish to go back to Japan since they

lived in the Philippines most of their lives. About a hundred made a petition to remain in the country but were warned if they stayed they might be killed by Filipinos. The Filipinos blamed the local Japanese for assisting the invaders during the brutal occupation period and were thirsting for revenge. That month the detainees including Mr. Osawa were taken to the pier of Manila and shipped back to Japan. (Osawa, p. 259) It would take until 1967 when normal relations between the Philippines and Japan were fully restored. (Baviera, 1999, p. 320) By that time the old prewar Japanese commercial community of Manila was long gone as its former sites were taken over by the Chinese, the Filipinos and the Philippine government. (Osawa, 1989, p. 274)

## **Conclusion**

The Japanese commercial community of Manila grew as a result of Japan's economic hardships the first two decades of the 20<sup>th</sup> century. The Philippines and most of Southeast Asia was an area of expansion. It attracted thousands of Japanese who came to the islands to earn a living. Originally most of the Japanese migrants were temporary residents but later some came to live on a more permanent basis and many of them established businesses which later grew and prospered.

The Japanese commercial community showed an extraordinary will to survive and prosper by studying the habits and preferences of the Filipino consumer. Aggressive and innovative marketing strategies caused their businesses to grow and soon the power of the Japanese merchant community was felt by the Philippines despite its relatively small size compared to other nationalities doing business in the Philippines. So significant was the influence of the Japanese commercial community that one historian concluded that whatever any Filipino bought, ate or wore passed through a Japanese trader. (Quiason, p. 201) To the Japanese the Philippines was their area of expansion and they sought to retain their goals. Katsutaro Inabata, the President of the Osaka Chamber of Commerce, commented in 1933, "to be in the Philippines does not seem to be a foreign country. To us Japanese it seems as if we were at home." (Goodman, p. 1)

There were some problems involving the Japanese community and the authorities. This was solved through a constructive approach by the Japanese diplomatic officials who never condoned the illegal activities of their countrymen. On the other hand the Japanese government took steps to reduce irritants between the immigrant community and the local authorities. The Japanese commercial community reached its peak in the 1930s that parts of Manila were "Japanized" with the presence of many Japanese businesses. Japanese presence diversified the urban environment of Manila as parts of it became known as Little Tokyo or Manila's Ginza in addition to Chinatown in Binondo or the American quarter in Malate.

Rising nationalist sentiment among Filipinos resulted in the passing of some laws curbing foreign domination of the Philippine economy. Instead of buckling down the Japanese commercial community devised ways of dealing with the legal restrictions. They developed friendships with Filipino politicians and hired lawyers who may help them in protecting their gains. They even contemplated in using force if necessary.

The outbreak of the Second World War to the Philippines destroyed everything that the immigrant Japanese had built. The former peaceful coexistence between the Filipinos and Japanese was replaced with a general hostility towards the Japanese residents as they were required to country during its occupation of the Philippines. It cannot be denied that some Japanese served out of a sense of duty. When war ended Manila's Japanese community was destroyed and the surviving residents were deported. The sites of the former Japanese

businesses are now nothing but a shadow of what was a formerly a vibrant immigrant community of Manila.

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