

LEONARD WOOD: HIS FIRST YEAR AS GOVERNOR GENERAL

1921-1922 *

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FORTY-FIVE YEARS AGO THIS OCTOBER 15, LEONARD WOOD became the seventh American governor general of the Philippine Islands. At the insistence of President Harding, as well as many Filipino and American leaders, he agreed to accept the post for one year.¹ In that year, it was expected that he would clean up the debris left by the "New Era" of Francis Burton Harrison. He would stay a year and then return home to a position at the University of Pennsylvania. As provost of that great university, he would have ample opportunity to repair his political fortunes. Yet, he was to remain in the Philippines for six long years.

His first year has been characterized as one of harmony and cooperation. But this was hardly true. Leonard Wood would find it impossible to get the government out of business. He would also find himself enmeshed in the backwash of the Quezon-Osmeña rift. Still, in comparison to what had been anticipated by many Americans and Filipinos, that first year was very calm. Compared to the years that followed the cabinet crisis of 1923, that first year was very harmonious.²

I

Leonard Wood was under no illusion as to any supposed honor his government bestowed upon him when it urged him to be governor general. He was aware that he was jeopardizing his reputation by becoming chief executive of the Philippines so soon after the publication of the Wood-Forbes Report. Earlier in the year, he had told Resident Commissioner Jaime C. de Veyra that the Filipino people would have every right to be angry with any commission that scrutinized them. Moreover, he pointed out that the next governor general would find things difficult after the publication of a commission's report. Yet, Wood had always put service to his country above personal interests.³

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¹ It was with even greater reluctance that Wood headed the joint mission with W. Cameron Forbes. See M. Onorato, "The Wood-Forbes Mission," *Philippine Historical Bulletin*, VIII (March, 1964), 1-19.

² For an analysis of the Cabinet Crisis, see M. Onorato, "Governor General Leonard Wood, Manuel L. Quezon, and the Cabinet Crisis of July 17, 1923," in a forthcoming Quezon number of the *Philippine Historical Bulletin*.

³ Leonard Wood to Albert R. Brunner, Personal, June 30, 1922, *Papers of Leonard Wood* (Manuscript Division, Library of Congress, Washington, D.C.) Box 159; Jaime C. de Veyra to Osmeña, Strictly Confidential cable, February 19, 1921, *Papers of Manuel Luis Quezon* (Quezoniana Collection, National Library, Manila); Victor G. Heiser, *An American Doctor's Odyssey* (Seventeenth imp.; New York: W.W. Norton and Co., Inc., 1937), 419f.

The Filipino leaders, therefore, accepted Wood with mixed emotions. They were curious and anxious, especially in the light of his Report.⁴ His message to the Legislature, however, put them at ease. His willingness to work with the leaders prompted the *Philippines Herald* (October 18, 1921) to say

It is clear, therefore, that the new chief executive deserves nothing but the loyal support of all because he has nothing but the interest of all in his program of government.

The Legislature was quick to pass a resolution of support. As Rafael Palma put it to ex-Governor Harrison in 1924, the leadership was willing to support Wood in the hope that he would further Filipino autonomy.⁵

Some of the Americans in the Philippines felt that Wood had remained behind to reverse the course set by the Harrison administration. They were rudely jolted by his refusal to play their game.⁶ Moreover, his decision to retain the Council of State, as well as those men who had served in Harrison's cabinet, infuriated many Americans. In fact, by the time of the cabinet crisis, Wood had lost the respect of most of the American community. They believed that he had knuckled under to Quezon and Osmeña.⁷

II

On September 19, 1921, Secretary of War John W. Weeks instructed Wood to remove the Philippine government from the businesses that it had acquired during the "New Era." He was to do this quickly but with little loss to the government. In the event that he could not negotiate the immediate sale of those enterprises, he was to see that the government's investment was safeguarded by efficient and competent management.⁸

In March 1922, the Board of Control which was composed of the Governor General, Osmeña and Quezon, decided that the Manila Railroad should be placed under private management. The railroad was to be leased to the J. G. White Company (New York) for a seven per cent return based on the net income. Moreover, the proposed lease had safeguards which were designed to protect the people from exploitation. But Quezon and Osmeña soon found fault with the plan. With an eye on the general election in June, they were

⁴ Gregorio F. Zaide, *The Philippines Since the British Invasion* (Manila: Philippine Education Co., 1949), 259; Maximo M. Kalaw, "The Political Problems That Confront Governor-General Wood," *Philippines Herald* (Manila), October 19, 1921, 4.

⁵ Palma to Harrison, April 24, 1924, *Papers of Francis Burton Harrison* (Manuscript Division, Library of Congress, Washington, D.C.)

⁶ Walter Wilgus, "Cleaning up the Philippines," *Review of Reviews*, 76 (August, 1927), 149.

⁷ Colin MacRae Hoskins to Harrison, February 17, 1922, James Ross to Harrison, March 3, 1923, Ernest Westerhouse to Harrison, July 4, 1923, *Harrison Papers*; Camilo Osias, "A Year of Governor Wood's Administration," in Quezon and Osias, *Governor-General Wood and the Filipino Cause* (Manila: Manila Book Co., 1924), 83. Wood, in fact, believed that the Council of State served as a link between the legislative and executive branches of government. See Wood to Secretary of War Weeks, November 1, 1922, *Wood Papers*, Box 158.

⁸ Weeks to Wood, September 19, 1921, *Wood Papers*, Box 158. For a Filipino scholar's view of Woods efforts to comply with Week's directive, see Jose P. Apostol, *The Economic Policy of the Philippine Government: Ownership and Operation of Business* (Manila: University of the Philippines, 1927), 93-101.

worried over possible political repercussions. In an effort to save them from any embarrassment, Wood suggested that the Board of Control permit the railroad's Board of Directors to appoint a manager which could be either an individual or a corporation.⁹ But when they rejected this suggestion, Wood left it to them to decide what they would do with the MRR.¹⁰ As a result, the railroad was never leased nor sold.

At the same time he was discussing the future of the MRR, Wood was looking at the Philippine National Bank. On April 29, the Board of Control agreed that the PNB should liquidate its holdings as quickly as possible. There were to be no further loans to sugar centrals unless money was needed to facilitate the shipment of crops. The Bank was not to be permitted to risk its depositors' funds in the form of long-term, non-liquid loans. The PNB was to be converted to an agricultural bank as soon as it was feasible.¹¹

The general manager of the PNB, E. W. Wilson, had other ideas. Along with many Filipinos, he had become convinced that his bank had a definite banking role to play in the development of the Philippines.¹² Finally, the Board of Control, together with the Bank's Board of Directors, called for his resignation because of his refusal to follow their directives.¹³ Yet, the fight that Wilson and others had put up, together with the refusal of Osmeña and Quezon to stand by their earlier decision, meant that the PNB was saved. In May 1923, Wood informed Washington that the Bank would remain a regular commercial institution. It would be administered, however, along more conservative and safe lines.¹⁴

During 1922, Wood suggested the sale of several sugar centrals that owed the PNB some \$18,500,000 in unpaid loans. In February 1923, Salvador Laguda, Secretary of Commerce and Communications, suggested—with Quezon's backing—that the government sell only those centrals still hopelessly in debt. Thus, some protection would be afforded those centrals which might otherwise have been forced to compete with the marginal bank-supported sugar centrals. However, at the last moment, Quezon decided against the sales and Wood, once again, acquiesced.¹⁵

⁹ March 10, 12, April 8, 1922, *Wood Diary*, Box 16.

¹⁰ May 9, 1922, *Wood Diary*, Box 16. According to the general manager of the Philippine National Bank, Osmeña and Quezon kept dodging the issue of the railroad whenever Wood tried to bring the matter to their attention. See E. W. Wilson to Harrison, Personal and Confidential, July 14, 1922, *Harrison Papers*.

¹¹ Wood to E. W. Wilson, April 29, 1922, *Wood Diary*, Box 16.

¹² May 16, December 13, 1922, *Wood Diary*, Boxes 16, 17; Wood to Weeks, August 31, 1922, *ibid.*, Box 17.

¹³ January 12, March 28, April 6, 1923, *Wood Diary*, Box 18. An interesting facet of Wilson's stewardship of the PNB is the fact that the Filipino leadership turned on him despite his efforts to save the Bank from closure. See Wilson to Harrison, May 20, 1924, *Harrison Papers*, Box 47. After the cabinet crisis, E. W. Wilson was redeemed—he became an outstanding American banker. See Alfredo Samson, "Too much 'Government by Army Officers' caused the Break," *Philippine Press Bulletin*, V (August, 1923), 2. When he resigned from the Bank, his resignation hardly caused a ripple in the Manila press. This was, no doubt, because the politicians wanted him, an American, out of the Bank.

¹⁴ Wood to General Frank McIntyre, cable, May 19, 1923, *Wood Cablegram Book*, Box 189.

¹⁵ January 20, 1923, *Wood Diary*, Box 18; Apostol, 97.

Despite his inability to carry out the instructions of Secretary Weeks, Wood did everything to get honest and competent management for the government businesses. Because of his determination to keep politics out of the administration of the government enterprises, the PNB and MRR, together with several of the other businesses, began to show some profit before Wood's death.¹⁶

III

In spite of the several setbacks he sustained, Wood was satisfied with the overall cooperation given him by the leaders during his first year in office. While the Quezon-Osmeña rift caused some of the government's plans to be set aside, he was still pleased with the progress made.¹⁷

During that first year, his request for government economy resulted in the budget being reduced from \$52,000,000 to \$37,500,000. This was done without any curtailment of public works, school construction or public health services. At the Philippine government's urgent request, the United States Congress permitted a further increase in the debt limit of the Philippine Islands. This was the second time in two years that Congress raised the limit of indebtedness.¹⁸ As a result of these bond issues, the peso slowly moved back to par. This caused Camilo Osias to write:

One of the greatest services for which Governor Wood must be given unstinted praise is his determination to stabilize credit... This is a national problem which merits the backing of every patriotic man and, making allowances for honest differences of opinion, Governor Wood should be given active support in this to the very last day of his service in the Philippines whenever that day will be.¹⁹

By June 1923, the Legal Reserve Fund of the government was restored. There was now gold behind the peso. Economy was the watchword that first year. Wood was satisfied with the confidence placed in the government by the people and their leaders, especially since his administration was forced to increase the national debt.²⁰

The successes of that first year did not revolve only about fiscal matters. Rinderpest—the dread cattle disease—was curbed. The courts regained the confidence of the people. Efficiency, honesty and competence were restored to the insular government. Public health became a matter of serious concern to the legislators. At the behest of Governor General Wood, who had been

¹⁶ Raymond L. Buell, "Philippine Independence," *Foreign Policy Association Information Service*, VI (April 30, 1930), 66.

¹⁷ Wood to Guy Murchie, September 20, 1922, Wood to Elihu Root, November 11, 1922, *Wood Papers*, Boxes 160, 162.

¹⁸ For the congressional debate relative to increasing the debt limit, see *Congressional Record*, 62, pt. 6 (May 5, 1922), 6408, 6418-6421, 6423.

¹⁹ Osias, pp. 87-88. As Osias wrote his article, it was believed that Wood's departure for the States was imminent. Because of the praise he gave Wood, Osias was sharply criticized. See Osias to Harrison, April 12, 1923, *Harrison Papers*.

²⁰ Wood to Brunner, May 12, 1922, *Wood Papers*; Wood to Brunner, Personal, June 30, 1922, *loc. cit.*; Wood to Root, November 11, 1922, *loc. cit.*; *Philippines Herald* (Manila), June 10, 1923, 1.

a doctor, the first national child welfare congress was held in December 1921.²¹

The leper colony at Culion came under the sympathetic eye of Leonard Wood. At his request, the Legislature appropriated \$500,000 for treatment and research at Culion. In September 1922, he wrote that his efforts for the lepers were worth all the anxiety and loneliness he endured since taking office.²²

IV

His efforts to sell the government businesses were not the only instances where Wood found himself caught up in the whirlwind of Philippine politics. As a result of the Quezon-Osmeña rift of 1921-1922, he found his constitutional authority challenged by Quezon and his followers.

Within three weeks of assuming office, Governor General Wood became the focus of a political attack. Like all his predecessors, he had sought the advice of Sergio Osmeña concerning some appointments. It was established practice. In fact, W. Cameron Forbes advised Wood to seek Osmeña's counsel.²³ As the speaker of the Philippine Assembly (and later the House of Representatives) and as president of the Nacionalista party, Osmeña was the logical choice as advisor to the governors-general since 1907. By 1921, however, Osmeña's iron grip on the Legislature was waning. By turning to the Speaker, Wood had antagonized Quezon's followers in the Senate. Since the Senators had the power of confirmation, they felt that Wood should have consulted them.²⁴ The furor died down when the *Philippines Herald* (November 4, 1921) reported that Wood had promised to discuss appointments in the future with the legislative heads of both houses. This tempest in the Legislature was symptomatic of the growing antipathy between Manuel Quezon and the Speaker.

The second discordant note was sounded in March 1922. As a consequence of the split in the Nacionalista party, only five bills came out of the regular session of the Legislature. Because of the fiscal needs of the government, Wood proclaimed an extra session. Osmeña, however, asked the Governor General if the Legislature might be permitted during the special session to consider those private bills which had been passed by one house, but not by the other, during the regular session.²⁵ Wood gave the necessary consent as a gesture of goodwill and cooperation.²⁶ When the extra session

²¹ Walter Robb, "Wood's Philippines After One Year's Work," *Outlook*, 133 (January 31, 1923), 220. Writing in 1925, Dr. Frank C. Laubach considered the child congress to be Wood's greatest achievement in the Philippines. See *The People of the Philippines* (New York: George H. Doran Company, 1925), 425.

²² Wood to Murchi, September 20, 1922, *loc. cit.* Soon after the cabinet crisis of 1923, Wood was ridiculed for his efforts on behalf of the lepers. See *Philippines Herald* (Manila), July 28, 1923, 8.

²³ Forbes to Wood, October 5, 1921, *Papers of General Frank R. McCoy* (Manuscript Division, Library of Congress, Washington, D. C.), Box 28.

²⁴ *Philippines Herald* (Manila), November 3, 1921, 1-2.

²⁵ February 6, 1922, *Wood Diary*, Box 16; Wood to Osmeña, February 14, 1922, *ibid.*, Box 16.

²⁶ Wood to Secretary of War Weeks, Confidential, March 31, 1922, *Wood Papers*, Box 162.

adjourned, the government's measures, save one, had been enacted and quickly signed into law.

As for the private bills, some fifty were sent up to the Governor General for his signature. Wood, however, felt obliged to veto sixteen of them. One bill wanted to void the new assessment law upon which the budget was based. The other vetoed measures were either poorly worded, obviously political in nature, or ill-advised in view of the financial crisis in the Philippines.²⁷

Immediately, Wood became the target of attack. Maximo M. Kalaw, writing in the *Philippines Herald* (March 19, 1922), accused Wood of destroying the Jones Act through his misuse of the veto power. Since the governor general was not elected by the Filipino people, his vetoes were wrong unless suggested and supported by the people themselves. Kalaw pointed to Harrison's refusal to veto any measure, especially after he had been attacked by the politicians for having dared to use the veto power. Thus, Harrison turned down only five measures. On March 31, 1922, the *Philippines Herald* carried another article by Kalaw. Having learned that Wood vetoed all sixteen bills upon advise of his cabinet, Kalaw argued that the Governor General should have sought legislative advice since the Legislature alone reflects the will of the people. The cabinet, he pointed out, while Filipino except for the vice-governor who served as secretary of education, was nevertheless part of the executive branch; and since Wood did not consider the cabinet as responsible to the Legislature, the vetoes were not the result of the people's will as expressed through their Legislature. What Professor Kalaw probably did not know was that Wood had consulted with Quezon as to the merits of the vetoed bills.²⁸ It might have been interesting to see how Kalaw would have continued his line of reasoning.

On March 27, *La Nacion*—the Democrata party organ—asked why the Governor General was being attacked for his use of the veto power. Harrison, by his lack of control, brought ruin upon the country; Wood, because he meant to do his duty, was being abused. (Curiously enough, *La Nacion*—a year later—bitterly abused Wood for supposedly knuckling under to Quezon.) Moreover, the newspaper continued, he had informed the Legislature why he could not sign those sixteen bills. This was more than the Senate was willing to do when he sent in his appointments for confirmation.

In the course of the controversy, the *Philippines Herald* (March 26, 1922) published²⁹ an editorial cartoon which showed Governor General Wood murdering a Filipina, who represented Filipino autonomy, with a two-

²⁷ March 10, 1922, *Wood Diary*, Box 16; Wood to Weeks, Confidential, March 31, 1922, *loc. cit.*; J. Ralston Hayden, *The Philippines, A Study in National Development* (New York: Macmillan Co., 1950), 220-221.

²⁸ March 10, 1922, *Wood Diary*, Box 16.

²⁹ On March 29, the publisher, Conrado Benitez, apologized to Wood for the cartoon. He admitted, however, that the cartoon did captivate the editors. This, in spite of the fact that the cartoon did not reflect the paper's attitude toward Wood. See Conrado Benitez to Wood, March 29, 1922, *Wood Papers*, Box 159. The day before, in a public apology, the paper stated that the cartoon did not represent an actuality but rather a possibility. The paper went on to say that a caption which would have conveyed this meaning had been foolishly

edged dagger entitled "veto power." Since Wood refused to become excited over the cartoon,³⁰ the furor among the American community in Manila died down.³¹ Wood's use of the veto power, which he exercised throughout his six years of service, has left him open to the charge of being an autocrat.³² He was hardly what he has been painted.

On November 9, the Filipino cabinet members called Wood to a meeting. They demanded to know if they were responsible to him or the Legislature. It was really a question for which they already knew the answer. But Senate President Manuel Quezon had just summoned them to his office to suggest that they force the issue of cabinet responsibility. Wood told them that the Jones Act made them his secretaries; that he had been increasing the measure of their initiative and responsibility; that his predecessor's acquiescence resulted in chaos; that they could go before the Legislature if summoned provided that he was first informed. (The governor general had the right, in cases of public security, of refusing to grant the legislators the right of questioning cabinet members on the floor of the Legislature.) Wood, finally, told them their personal alternative was to protest—to Congress for having created the existing system of government—or else resign.

Annoyed at this attempt to provoke an incident, Wood summoned Quezon and his protegee, Speaker Manuel Roxas, to his office. During their meeting, Quezon alluded to the spirit of the Jones Act which, he asserted, placed policy-making power solely in the hands of the Legislature. When Wood pointed out that the organic act gave the governor general a role in policy-planning, the Senate President changed his tack and asked why both branches of the government could not work in harmony. Wood agreed. He went on to say that this had been their first argument since he assumed office. He continued by pointing out that it was discourteous, if not highly irregular, for him—the Senate President—to have summoned the cabinet to his office.

omitted. See *Philippines Herald* (Manila) March 28, 1922, 1, 5. Wood, however, learned that friends of the paper had urged the editors to claim that a modifying caption had been deleted. They were also to point out that the cartoon was not intended as an insult. See Philippine Constabulary Intelligence Report, March 28, 1922, *Wood Papers*, Box 162. The most reasonable explanation for the cartoon, with or without the modifying caption, was stated by Benitez; the cartoon simply captivated the editors. Cf. General Carlos P. Romulo, *I Walked with Heroes* (New York: Avon Book, 1961), 123.

³⁰ Wood was on an inspection tour when he learned of the incident and the commotion it was causing among the American community in Manila. See Franks to Wood, radiogram, March 26, 1922, *Wood Diary*, Box 16. He urged his office to prevent any further American outbursts as soon as the message was received. See Wood to Franks, radiogram, March 28, 1922, *ibid.*, Box 16.

³¹ The American reaction in Manila gave Charles E. Russell, who, for many years, had been in the pay of the Washington office of the Philippine Press Bureau, an opportunity to criticize the use of the veto power. See "Philippines: Independent or Vassal?," *The Nation*, 114 (April 26, 1922), 487-488.

³² Wood realized that his use of the veto power would be misinterpreted. However, the Legislature, by its last hour enactments, allowed no time for a bill to be sent back for modification. As soon as the session ended, the Legislature adjourned. Had there been time for revision, some of the bills that Wood was forced to veto might have become law. See Wood to Weeks, Confidential, March 31, 1922, *loc. cit.*; *Congressional Record*, 67, pt. 5 (March 5, 1926), 5091 (Underhill).

The conference ended on a note of reconciliation and pledges of friendship and cooperation. Wood had shown Quezon that he meant to adhere to the Jones Act. Yet, he demonstrated his willingness to achieve harmony. The Senate President, for his part, had shown his ability to cause trouble for Wood.³³ The next day, the *Philippines Herald* (November 10, 1922) accused the Governor General of taking too much power unto himself. The following day, the newspapers carried Quezon's denial of trouble between himself and Wood.

V

The efforts made that first year to restore Philippine fiscal stability, to repair the damages caused by the "New Era," and to revivify the Philippines, were not those of Leonard Wood alone. What he wanted to do that year was to make the Filipinos conscious of their nationhood and responsibilities toward each other. As one of Wood's critics put it: "if all the things were done... that the newspapers have said would be done by Governor Wood, he would be able to establish the Millenium in the Islands."³⁴ This publicity was what Wood wanted; he felt that the ordinary individual had been left in ignorance too long by the politicians.³⁵ As J. Ralston Hayden has so well stated: the political leaders had merely to oppose Governor General Wood and none of the accomplishments of that first year would have happened. The Legislature had merely to refuse the enactment of the government's legislative program.³⁶ In fact, it can be said that Wood's entire six years in Malacañan, regardless of what critics have written,³⁷ would have been a complete and total failure had it not been for the cooperation of the political leaders, whether openly or otherwise.³⁸ Even the support he received from Washington, would not have been enough to explain the achievements of six years. Those who claim that Wood *restored* honesty, efficiency and competence in the government service, as well as doing so many other fine things, miss the mark: the Jones Act made it constitutionally impossible for

³³ November 9, 1922, *Wood Diary*, Box 17. Wood felt that Quezon's attempt to provoke a fight was somehow connected with the Democratic victory in the American off-year election. See Wood to McIntyre, cable, November 13, 1922, Wood to McIntyre, Confidential, cable, November 17, 1922, *Wood Cablegram Book*, *loc. cit.*

³⁴ Wilson to Harrison, Personal and Confidential, July 14, 1922, *Harrison Papers*. During the Parliamentary Mission (1922), Quezon and Osmeña urged that Wood allow them to share the glory of the achievements that had been accomplished. See Memorandum for the Secretary of War, Confidential, June 14, 1922, *The Papers of Warren G. Harding* (The Ohio State Museum, Columbus).

³⁵ Wood to Murchie, September 30, 1922, *Wood Papers*, Box 160, Wood to Luther Parker, Personal, November 16, 1923, *ibid.*, Box 166.

³⁶ Dean C. Worcester and J. Ralston Hayden, *The Philippines Past and Present* (New York: Macmillan Co., 1930), 759.

³⁷ For the typical view of Wood and his "lack" of success in the Philippines, see Graef Grunder and William Livezey, *The Philippines and the United States* (Norman: University of Oklahoma Press, 1951), 182.

³⁸ Cf. Worcester and Hayden, 769; Hayden, 183; Henry L. Stimson, "Future Philippine Policy Under the Jones Act.," *Foreign Affairs*, V (April, 1927), 469; Pedro de la Llanza, *A Book of Comment and Criticism* (Manila: n. p., 1926), 50.

him to work alone. Whatever successes there were that first year, or at any time, must be attributed to Quezon, Osmeña and Roxas, as well as to Leonard Wood.³⁹

The political leaders cooperated with Wood that first year, as they did later on, because they appreciated his desire to help the Filipino people. Moreover, Governor General Wood simply refused that first year, as he did throughout his six years, to let anything stand between him and the leaders. Wherever possible, he yielded.

On December 3, 1922, Wood cabled his resignation as provost of the University of Pennsylvania to the trustees of that institution. He regretted that he had to forego the pleasure of working with his country's youth. But he had an unfinished task in the Philippines.⁴⁰ There was so much that had to be done before he could leave. He believed that if the government could present a four-year program to the Legislature and have it enacted, then his job was finished.⁴¹ His job was never finished. Continuous political strife among the leaders would prevent Leonard Wood from ever realizing his dream.

³⁹ The old cliché that Wood was incapable of "government by compadres" is a by-product of Quezon's public anti-Wood stance resulting from the cabinet crisis. Nothing made the Democrata party more furious than Wood's close working relationship with Quezon (despite ups and downs) from 1921 until Wood's death.

⁴⁰ Wood to Chairman, Board of Trustee, cable, December 3, 1922, *Wood Cablegram Book*, Box 189.

⁴¹ Wood to Forbes, December 7, 1922, *Wood Papers*, Box 160.