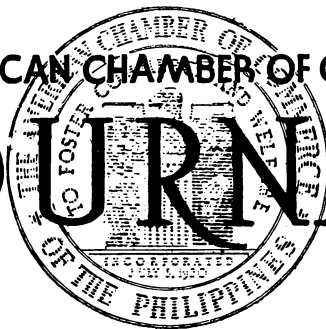


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

"... to promote the general welfare"

The American Chamber of Commerce of the Philippines extends its felicitations to the people and Government of the Republic of the Philippines on the occasion of the second anniversary of the establishment of Philippine independence, — on which same day Americans in all parts of the world celebrate the 172nd anniversary of the Philippines' Motherland, the United States of America.

The initiative, tact, courage, insight, and wisdom shown by President Quirino is bringing the disastrous Huk situation to what promises to be its end, deserves the highest commendation. So also the quiet

The Huk Amnesty
The crisis created when a cabal during the last hours of the sine die session of Congress, sought to use the issue of congressional concurrence in the Amnesty Proclamation as a means to force him to dismiss a member of his Cabinet. Intrigue and disregard for the national welfare could hardly go further, and Congress as a whole is to be commended for having broken this conspiracy. Congress also redressed an old wrong, immediately after the ratification of the Proclamation, in seating Congressman Luis M. Taruc, the Huk leader. The refusal to allow him and a number of other minority members to take their seats after the elections two years ago, was one of the causes of the Huk uprising.

Large parts of Central Luzon, long known as the "rice-granary" of the Philippines, have constituted a virtual no-man's land ever since that undemocratic action. Sporadic fighting between government forces and the insurgents and the consequent destruction of property and loss of life, widespread banditry, unsafe roads, broken communications, blocked distribution of foodstuffs and other supplies, abandoned homes and barrios, untilled lands, thousands of people withdrawn from productive labor, loss of earnings, closed schools, lack of medical service,—all such consequences have held back this important part of the country from the post-war rehabilitation in progress in most other parts of the land.

To seek to apportion and fix the guilt and blame, would be largely bootless here. Though the insurgence was never general enough to threaten the stability of the National Government, it did seriously tax its repute, resources, and revenues. The situation was cancerous, liable to exacerbation, the cause of loss and violence and death to many innocent people, wholly ugly and lamentable, and unreconcilable with Philippine aspirations and claims to democratic nationhood. Adjudgment and justification or punishment were far secondary to the need for the reestablishment of order and peace; this to both sides. Hence, and justifiedly, the Government's offer of amnesty and the insurgents' acceptance.

It is to be hoped that the Huk trouble may prove to have been a valuable political lesson. As Charles E. Merriam, political scientist, phrases it:

"Open revolution is always lurking in the background,—the skeleton at the feast of power, a continuing threat to authority not firmly rooted in economic and social realities and in human ideals related to them. . . ."

"The real safeguard lies in the moderation and judgment of those in office and in the alertness and wisdom of the political community."

For comparison we quote the words of Walter Lippmann in a recent article in which he made the point that in the United States the social order is so free that the country is in a state of slow but permanent revolution.

"As long as most people in a country feel that they are not held down, that country has the benefit of revolution—the renewal of its vigor by the rise of new men, without the convulsions which are the price of revolution."

The "First Regional Trade Conference" held under the auspices of the Chamber of Commerce of the Philippines, has just come to a close, and publication of this issue of the *Journal* was delayed by us for a number of days so that we could include several pages of extracts from some of the speeches which were delivered during the two days devoted to discussion.

The Philippine Chamber insisted on playing the part of sole host to the delegation of American business men

who attended the conference and who represented a number of West Coast and the Honolulu chambers of commerce. A very full nine-day program was drawn up in advance for the visitors, including trips to Baguio (Atok-Big Wedge Gold Mines), Calamba (Canlubang Sugar Central), and Los Baños (College of Agriculture and School of Forestry); scheduled trips to Bacolod and Davao were cancelled because of stormy weather. Various social entertainments, dinners and cocktail parties, were tendered by Filipino officials, including President Quirino, and by Filipino business men, and various Filipino enterprises. No opportunity was afforded the visitors to meet with any other local business groups or to be entertained by them. To the discussions, held on two days toward the end of the meet, other chambers of commerce here were invited to send "observers". The members of these organizations were also invited to designate which of the various social affairs they should like to attend, and those who responded received invitations.

Though we feel that the conference would have been more fruitful if it has been conceived more broadly and the participation had been more representative of the business and trade in the region concerned, we believe that President Frederic H. Stevens, of this Chamber, spoke truly when, on being asked by the editors of both the *Manila Chronicle* and the *Manila Times* to say a few words of welcome to the visiting delegation, he said:

"At the invitation of the editor of, I am pleased to be able to extend, through the columns of this paper, a sincere welcome, on behalf of the American Chamber of Commerce of the Philippines, to the group of American business men from the West Coast and from Honolulu who are now visiting the Philippines.

"I am sure that the meetings with the members of the Chamber of Commerce of the Philippines, which is sponsoring their visit, and their contacts with others here, will redound to the benefit of Philippine-American business relations.

"That is what we are all interested in and I trust there will be a real meeting of minds and a mutual clarification of ideas."

The extracts from the speeches made at the conference, printed elsewhere in this *Journal*, will bear this out, we think.

An editorial in the May issue of *Commerce*, the organ of the Chamber of Commerce of the Philippines, the leading Filipino business men's organization in the country, used the word "adventitious" no less than four times in description of foreign business interests here.

The argument was that these adventitious business interests which secured "special privileges," "took root", and established "monopolies" here during the "colonial period" when the Philippines was a dependency of the United States, are now "reluctant to yield to changes" reasonably intended to transform the economy of the country from that of a colony to an independent state. The Filipinos are "now free to govern their country", but the adventitious interests "want to make that freedom both puny and phony". "They are hostile to the enlargement of economic power which would destroy the monopoly they so long enjoyed". "Any reasonable endeavor to throw open to public competition the field they have held so long is considered by them discriminatory and even confiscatory".

That the foreign business interests generally hold or ever have held what could be accurately described as monopolies, we deny, and we deny also that the administrative and legislative measures to which this *Journal* has been objecting are intended to establish free competition. Competition has been largely free during the whole American period as well as during that of the Commonwealth, and our objections have been made against the present policies precisely because they are obviously intended to destroy free business enterprise and to establish monopolies.

And just how applicable is the word "adventitious" to the so-called foreign business interests here?

Adventitious is a fine word from the Latin, literally meaning "coming from abroad", and is used today as meaning "anything added extrinsically," "not essentially inherent", "accidental", "additional", "casual", "foreign". It is used in biology as describing anything, such as a bud, out of its usual place, or anything found away from its natural place or range. In medicine and pathology the word refers to something acquired, not inherited.

Now though naturally the so-called foreign business interests here originally came from abroad, their presence is certainly not "accidental" or "casual", and neither are they now uninherited, extrinsic, and not an integral part of the country's economy.

While American business interest here is mainly a development of the last half century, there were American business houses in the Philippines long before the end of the Spanish regime, and British and some others as well, while the Chinese business interests here go back for centuries. Many of the most colorful, interesting, and significant chapters of Philippine history are associated with the development of this business—which was never wholly foreign, or could have been, because trade and business relations are inherently reciprocal, mutual, and cooperative.

Nobody yet has shown such a total lack of sense as to claim that America's wise generosity in opening its markets to the Philippines on practically the same basis as to a State of the Union, did not greatly redound to the prosperity of the Philippines. On this basis around three-fourths of both the Philippine export and import trade was with the United States, and in 1947 that trade was around 25 times greater than it was in 1909. Yet the Philippines was always free to trade with any other country, and did so when this was necessary or profitable. There was no "monopoly", nothing to force the Philippines to trade with the United States.

Naturally, such a large part of the country's trade being with the United States, American business men came to the country to look after the American side of it. That was not "exploitation". It was necessary and of benefit to all. American and other foreign business has in the past played and still plays an important role here through entirely natural courses, connected with the state of the country's development and the nature of its industry and trade, and not because of deliberate "imperialistic" machinations.

As the nation's economy develops, foreign business does not expect to hold its present position and indeed welcomes increasing Filipino participation.

It is not the foreigners' fault that the Filipinos have not played a larger part in the management of the industry and trade of the country before this, that being largely due to the Filipinos' former naturally paramount interest in political and governmental matters and in establishing an independent nation. That an increasing number of able Filipinos should now turn to industry and business is, a healthful thing and should make for increased prosperity for all.

But in achieving this it is not necessary,—in fact it would be self-defeating, for the people to grant the Government ever increasing and ever more extraordinary powers. Even with the best of original attentions, such powers are always inevitably abused. Under such measures, it is not Filipino business generally which would benefit, but only the few selected individuals favored by those in power, and even these would not benefit long.

The American Government's fostering of the industry and trade of the Philippines was as integral a part of the project of nation building as were its efforts to establish a democratic government here. Democratic politics involves a democratic system of economy, a system of free, competitive enterprise.