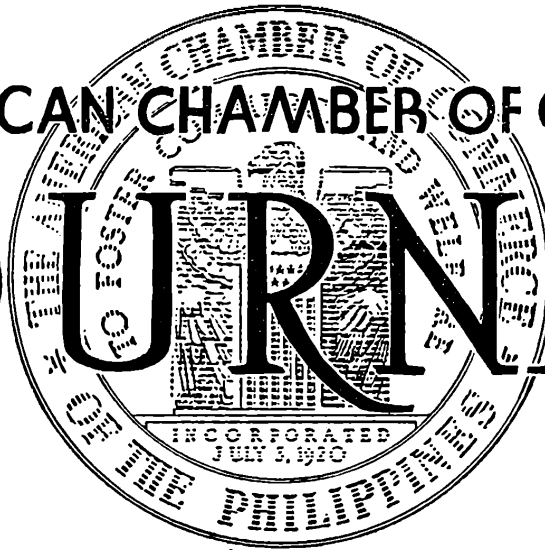


# THE AMERICAN CHAMBER OF COMMERCE

# JOURNAL



## Editorials

*“...to promote the general welfare”*

We in the Philippines have recently been vouchsafed the privilege of reading or hearing over the radio two significant addresses, one following the other closely: the first by President Truman, the second by President Quirino.

Comparisons are often odious and though we wish to point out certain unhappy facts, it is not our intention to say anything invidious but to submit certain thoughts for serious cogitation.

The two addresses differed naturally in that one was an Inaugural, addressed to the people of the United States and also, definitely, to the whole world, while the other was a “state of the nation” address delivered before the Congress of the Philippines and primarily addressed to its members, though not without a thought to the electorate.

It is notable that President Truman’s address dealt chiefly with the tenets of the American faith and with American foreign policy. It was impersonal, solemn, and highly realistic.

President Quirino’s address, quite properly, dealt almost wholly with domestic matters, but was in large part a review of the accomplishments of his administration.

It was, we are sorry to say, quite the opposite of realistic. As one listened, or read the address later, one’s sense of wonder grew at the almost magically one-sided picture of the “state of the nation” which was presented.

Why, if all that were true, and that were all the truth, there was nothing wrong with the Philippines! What have we been so worried about?

But alas! we know, the people know, that there is much that is wrong, deeply and gravely wrong. Day after day the newspapers are loaded down with accounts of the unhappy facts as to the homelessness and poverty of many of the people, the general corruption in the government, abetted in high places, the widespread lawlessness and criminality, the popular criticism, unrest, and actual insurrection. And added to this, the persistent government interference with,

rather than regulation of, the nation’s economic life, which can only make general conditions worse. We have still a long way to go even to equal our pre-war state as to general living conditions, peace and order, the efficiency of the public services, and as to numerous other things.

The Government, obviously, even the President himself, is much more pleased with the Government than are the people. That, in fact, is natural enough, though all the more lamentable for that. For we have here a politicians’ government rather than a government of the people. “Politics” is still the Philippines’ first industry; the politicians are our most prosperous and complacent citizens. They are sitting on top of their little world. They call the tune to which all others must caper, and will, perhaps, until the dancers’ exhaustion will end the ball and the lights will go out.

Is it wise for the President to use such rose-tinted glasses that he misses all the deep shadows that are cast over the land?

Hopefulness, courage, determination, are one thing. Blindness, wilful or otherwise, is quite another.

President Quirino has accomplished a great deal, though less than he might have, especially if the Government had followed wiser economic policies.

But much has been left undone, and so long as the President thinks, as he seems to, that everything is so beautiful, will the remedial actions and processes so desperately called for ever be decisively enough undertaken?

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Satisfaction has been expressed in the Philippines over the success of the Government in securing the promise of a loan from the World

**Government Loans versus Private Investments**

Bank to finance, in part, the construction of two hydro-electric plants. That is a good thing, nobody will deny.

We may, nevertheless, in this connection, ponder the following very lucid statement by S. G. Baggett in the December issue of the *American Bar Association Journal*:

"Inter-governmental loans usually hang a millstone around the neck of the borrower because the loans must be repaid and funds for such purpose must be raised through additional tax levies. The payment of the service charges on loans upsets international balances and puts a further strain on international exchange.

"Private capital, on the other hand, if invested in productive enterprise, results in additional production and an increase in purchasing power. Instead of placing additional burdens on the receiving nation, the investment of private capital produces additional sources of governmental revenues.

"At best, all the government could do through international loans would be to engage in some pump-priming, but if private capital does not take up the slack, the priming would be lost and both the creditor and the debtor would suffer.

"The investment of private capital, however, multiplies like seed-corn, and, if replanted, will continue to produce large and abundant harvests."

It is hoped, of course, that the projected hydroelectric plants will in time pay for themselves, so that all that Mr. Baggett says about international loans does not apply strictly in this case. Nevertheless, his contrasting of the two kinds of capital, or, rather, of the two ways in which foreign capital may be brought into a country, is most instructive.

It was reported recently that the first of some 205,000 new immigrants have begun to reach the United States, so-called "displaced persons" whose entrance was authorized by a special act of Congress. Most of them were chosen because of their special skills, for although the United States has over 60,000,000 of its own people gainfully employed, there is still need especially for agricultural, household, construction, and clothing workers. All of them have been assured jobs in advance either by employers or voluntarily organized commissions. The labor unions have not only not objected to this influx of new labor, but are firmly behind the program. The Clothing Manufacturers Association, in conjunction with the Amalgamated Clothing Workers, for instance, has promised jobs for 10,000 tailors.

According to the December issue of *Fortune*:

"There is no reserve of unemployed. There is a chronic, if sporadic, shortage of agricultural labor. In addition, in the words of the Federal Security Agency, 'the nation does not have any significant pool of unemployed to meet the growing demand for non-agricultural workers resulting from the gradual expansion of exports and national defense production...' Increasing needs are seen for aircraft workers, shipbuilders, engineers of all types, bricklayers, plumbers, metalworkers, machinists, electricians, domestics, scientists, teachers, stenographers, and textile and clothing workers."

According to *Fortune*,

"The I.L.G.W.U. offered to admit displaced persons to membership at once, and several other unions have agreed either to waive or to defer initiation fees. A mid-western zinc manufacturer said he wanted 300 smelters; a Massachusetts firm making store furniture and fixtures applied for skilled woodworkers; Colorado wants miners; a Texas cattle raiser wants a mixture of leatherworkers, blacksmiths, handymen, and cooks; an Indiana saw firm asked for nine good craftsmen. Connecticut wants dairymen, tobacco workers, sewing-machine operators, tool and die makers, electronic engineers. Minnesota and Wisconsin, where two of the best commissions operate, have jobs and homes for about 10,000 displaced persons each, mostly farmers. So far, few company applications have been motivated by desire for cheap labor."

Acting upon the request of the International Relief Organization, the Philippine Government has recently approved the sending here of some 8000 refugees of mixed nationalities mostly from China for several months' stay, until they can be sent elsewhere. This has been hailed as an act of humanity, as it no doubt is.

However, far from offering them homes and jobs here, we do not even allow them to set foot in Manila, but pack them off to the remote coast of eastern Samar.

We seem to be afraid that they might conceivably be able to help us.

Shouldn't we learn one more lesson from America?

Let us keep asking ourselves, What makes America so rich and so great? What makes even the newest comer to America so loyal?

The editor requests the indulgence of the members of the Chamber and of the readers of this Journal in his advancing here what must be considered his personal opinion rather than that of the Chamber on a matter regarding which the general opinion of the membership would be difficult to gather, but which, nevertheless, is of some importance particularly to the foreign policy of the Philippines.

Speaking personally, he has been interested since the time of Governor-General Harrison and Governor Carpenter, — who gave serious thought to it: the possible emergence at some time in the future of a Malaysian confederation, to be led, perhaps, by the Philippines.

Such an aggroupment, including the Philippines, the East Indies, the Malay Peninsula, and perhaps other parts of Southeastern Asia, would have a geographical, racial, and cultural validity, and a certain historical one as well as it would encompass the elements of the old successive, Sri Vishaya, Madjapahit, and Malaccan Empires.

With this as a background, the editor has not been able to share in the enthusiasm of some of our officials here, notably Ambassador Romulo, over the recent meeting at New Delhi and the formation there, or the tentative formation, of a so-called "regional Asiatic" bloc, because it embraces such diverse elements as Australia and India and even a number of Near and Middle East countries. The area covered is difficult to place geographically and the nations included comprehend peoples of great racial and cultural differences. The conference at New Delhi was in fact predominantly one of Islamic representatives and barely escaped being drawn into the Jew-Arab dispute, which possibly accounts for the brevity of the meeting.

The immediate object of the conference was to bring pressure against the Dutch Government for its recent police action in Java. The upshot of the conference was the adoption of a comparative mild resolution asking the United Nations Security Council to set up a definite time-table leading to full independence for the United States of Indonesia by January 1, 1950. Various speakers, including Indian Prime Minister Nehru and Ambassador Romulo, declared that "colonialism" in Asia and elsewhere must end.

The latter point is not to be argued at the present stage of world development, though there still are peoples who need tutelage at least. But everyone will agree with Mr. Romulo's eloquent statement made before the Manila Rotary Club on his return from India:

"...democracy, if it is to endure, if it is to survive the forces that seek to destroy it, must be practiced *among* as well as *within* nations. Freedom and equality must be for all peoples, as they should be for all men."

But it appears to the editor that the occasion for making a declaration against the continuance of the old-style colonialism, was not well chosen by the governments represented at New Delhi. The editor believes that the world-wide criticism of the Dutch action was based on an equally wide misunderstanding of the situation particularly in Java.

Let us ask ourselves how the United States Government would have taken any attempt at compelling it, after the war, to deal on a basis of equality with the puppet government set up here by the Japanese? How would the Filipinos today take any kind of foreign bloc interference in the Government's policy with respect to the Huks?

These parallels are very close, and, furthermore, most of the men who are so loosely talked of as the leaders and representatives of Indonesia, can at best be considered as controlling only 23,000,000 people in Java out of a total population there of 40,000,000, and 70,000,000 in the whole of the East Indies.

The recent calming down of the United Nations on the subject is probably due, not to any insincerity, as has been charged in some quarters, but to a growing understanding of the conditions in Java with which the Dutch Government has to deal. The outside interference which the Dutch have had to accept, has served only to make their task the harder.\*

Democratically-minded observers, including the editor, have criticised the Dutch policies in the Netherlands Indies before the war as too studiously inhibitory of native political development, but the Dutch today are committed to the establishment of an independent Indonesia within a reasonably short period of time. Meanwhile, by virtue of hundreds of years of rule there, the Netherlands remains the sovereign power. No competent student would hold that the Japanese invasion and occupation of the Netherlands Indies ended that sovereignty.

The Dutch are a great and honored people, who established one of the earliest democratic governments in Europe. Their interest in a successful establishment of an independent Indonesia, is as great today as any outsiders' can be. Their knowledge and understanding of the situation there can not be questioned. Their administrative ability is generally acknowledged.

Amid all the noise, — which fortunately is somewhat subsiding, let us listen to what the Dutch have to say.

Meanwhile, let us in the Philippines not go overboard in this matter of a so-called Southeastern Asia bloc which is not that at all, but a loose and scattered aggregation which lacks all cohesion and has very little, if any, reason for being.

The editor hopes that nothing he has said will be

\*This was written before the United Nations Security Council adopted the resolution calling on the Netherlands Government to "free" the Dutch East Indies by July 1, 1950. Suppose the League of Nations, say in 1935, when the ten-year Philippine Commonwealth period was about to open, had demanded that the United States Government grant the Philippines complete independence within two years!

taken as a stricture on the spontaneous sympathy expressed among the people here, — in the newspapers and in congressional and other Philippine Government circles, for a people akin to them who they believe are being oppressed, or a reflection on the natural indignation felt over an action taken by the Netherlands Government which appeared to be unprovoked. The trouble is chiefly to be attributed, as has already been said, to the insufficiency and the one-sidedness of the information available. The fault seems to lie chiefly with the United Nations representatives on the ground, and with the emotional rather than the rational treatment of the matter not so much at New Delhi as in the Security Council itself, not excepting the United States representation in that body.

Businessmen abroad, interested in business with the Philippines, should be informed of the fact, recently brought out in Manila newspapers, that some 1,500 bags of United States parcel-post matter, and some 6,000 bags of other mail have been allowed to pile up in the Manila Postoffice. The parcel post mail which reached Manila in December, totalled some 3,000 bags to begin with, and no more than half of it was distributed as late as February 1.

The Postmaster cites the Pacific Coast strikes in the United States and lack of sufficient postoffice personnel here as the reasons for the backlog.

The situation should supply an explanation to businessmen abroad for delays in or failure to receive replies and acknowledgements in connection with letters and parcels sent here.

There is no need to expatiate on the general inconvenience and the damage to many that results from such delay in delivery, nor on the obligations of the Philippine Government in this respect as a member of the Postal Union.

The annual meeting of the American Chamber of Commerce of the Philippines was held on January 28 and resulted in the election of the following men to the new Board of Directors, the officers being chosen at the organization meeting held on the 31st:

*President* — F. H. Stevens, President and Manager, F. H. Stevens & Co., Inc.  
*Vice-President* — J. T. Hicks, Manager, Liggett & Myers Tobacco Company.  
*Treasurer* — F. C. Bailey, Sub-Manager, National City Bank of New York.  
*Members* — F. C. Bennett, Vice-President, Atlantic, Gulf & Pacific Company of Manila.  
J. H. Carpenter, General Manager, Colgate-Palmolive-Peet Company.  
C. H. Hirst, Vice-President and General Manager, American Factors (Phils.) Inc.  
Nathan Most, Manager, Getz Bros. & Co., Inc.  
R. J. Newton, Vice-President and General Manager, Williams Equipment Co., Ltd.  
F. L. Worcester, Vice-President and General Manager, Philippine Refining Co., Inc.  
*Executive Vice-President* — (Mrs.) Marie Willimont.  
*Secretary* — Isabelo T. Salmo.

The Journal believes it may speak for the membership at large in denoting the new Board, which contains a number of men who were re-elected, including the President, as a strong and able group, under which the Chamber may be expected to continue to make good headway.

We congratulate these men, the membership generally, and ourselves.