

mists" and "analysts" to imagine that the plight of Java and Formosa would create a vacuum in the world sugar market which the Philippines could fill if it lost the American market. But the rapid rehabilitation of European production and the great Cuban sugar tonnage have already brought the world's production to a point at which it will surpass the probable consumption.

As for other elements of the Bell Act, "Parity" for example, which has called forth the most emotional outbursts from critics of the measure, we admit that with reference to this, some of the clauses might have been better phrased, at least if there had been more time, but in substance this feature would operate to the very great benefit of the country if it were not in part nullified by subsequent local legislation and other government action which is discouraging American investment even under the supposed advantages it bestows. We have yet to hear of a single case in which "parity" has been exploited by any American national or entity to the disadvantage of any Filipino, but even if a few individual cases of this kind could be brought forward, such disadvantage would be insignificant in comparison to the immense benefits conferred on the Philippines by the Bell Act as a whole.

The Philippine Chamber of Commerce is *not* asking for the abrogation of the Bell Act, only,—and that hesitantly, for certain changes the nature of which, or the advantages, if any, are still far from clear.

We would ask the Chamber to be wary, lest it give aid and comfort to senator Glen Taylor whose bill is an insult both to the United States and the Philippines and to be intelligence as well.

A bill introduced by Senator Tañada, providing for the "disposition of lands acquired by aliens in violation of the provisions of the Philippine Constitution," which the Tañada Alien Land Disposition Bill failed of passage during the third session of Congress, has been reintroduced.

The plan set forth in this bill shows considerably more conscience than the proposal of the Solicitor General merely to confiscate such lands, which was the subject of an editorial in the March issue of this Journal.

In his explanatory note prefaced to the bill, Senator Tañada states:

"After the promulgation by our Supreme Court of its decision in the Krivenko case, there arose a certain confusion on what to do with the lands acquired by aliens in violation of our Constitution. To remedy this situation a plan is evolved by the undersigned whereby the aims and purposes of our Constitution could be given effect and be safeguarded without committing injustices to those alien purchasers who honestly believed that they were not suffering from a constitutional inhibition at the time they made their purchases.

"... If we now deprive these aliens of all material benefits from these transactions we will be committing a grave injustice to them.

"We must also take into consideration that outright confiscation of the lands involved in these transactions in favor of the State might give rise to international complications...

"The purpose of this measure is to correct the violation of our Constitution in such a way that the aims and purposes of our Constitution may be preserved and at the same time not unduly and unjustly deprive the aliens concerned of their rights on the properties held by them..."

In short, the Tañada bill would give alien owners of lands held in violation of the Constitution (as interpreted by the Supreme Court) one year to convey

them to "persons duly qualified to own such lands." After that time, if not thus conveyed, the lands would be confiscated.

Sales made for the purpose of evading the measure would be nullified and the land in such cases would also be confiscated, those concerned in the evasion on both sides being subject to loss of citizenship (in the case of naturalized citizens), and deportation. The measure would apply to corporations, partnerships, and associations as well as individuals, and in the case of the former, violations would lead to the dissolving of the entity. Violators, including the responsible officers and employees of corporations, partnerships, and associations would be subject to imprisonment of not more than five years or a fine of not more than ₱5,000, in the discretion of the court.

Fairer though the Tañada plan is than a course of outright confiscation, the measure would actually cancel none of the fundamental objections brought against the Supreme Court's interpretation of the Constitution with respect to alien landownership, which extends even to the ownership of small tracts for business and home-building purposes,—that, in the first place, the decision itself was unconstitutional as a constitutional ruling, as it was not the opinion of two-thirds of the members of the Court; and that the policy the decision underwrites is basically narrow, undemocratic, unjust, uneconomic, unpolitical, and, indeed, inhuman.

The purchase of a piece of land is in the majority of cases much more than a mere "transaction," involving "material benefits." Real estate agents and land speculators are few. Land is generally bought for a life purpose,—to develop a plantation or farm, to erect a mill or factory, a warehouse, an office building, a store, a home. Land purchase in most cases involves long-term plans and projects, purpose, enterprise, confidence, contentment, good citizenship.

The new land policy proclaimed by six men on the Supreme Court (we assert that it is new and not to be read in the Constitution if one is able to understand plain English), affects all of these constructive economic and social and ethical concerns.

Suppose that the Tañada bill became law and that aliens who acquired lands here since the year 1935, when the Constitution was adopted and ratified (ratified, May 14), were forced to throw all their lands and buildings onto the market, in many cases, no doubt, the contents, too. We do not have any official figures available, but the total present values affected would probably run into many hundreds of millions of pesos. It is not difficult to foresee what would happen to these values in the glut which would ensue in the real estate market, the forced sacrifices, the tremendous losses.

And what money would be obtained by the owners from these forced sales, would these people, does anyone suppose, be in the mood to reinvest it in the country? What would they feel they could safely invest it in? Would many of them even try to go on with their businesses, as tenants more or less at the mercy of the new landlords?

There can be no doubt that there would be a considerable fall in production, which the Government is otherwise trying to augment; in consumption, too, which the Government is otherwise trying to raise; in employment, which the Government is otherwise trying to increase; in a flight of capital from the

country, which the Government is otherwise trying to induce to come in.

It would perhaps not be a flight of capital so much as a throwing of it out. The former owners of all the liquidated real estate would practically be forced to remit the money to the United States, and this would not only deprive the Philippines of the use of this capital, now here and still so badly needed, but would seriously reduce the country's dollar balance in the United States, which the Government, on the other hand, is trying to conserve in various ways, as by import control!

And all this would come just at the time when the Philippines will be faced with the complications which will result from the cessation of much of the present American financial aid!

And what would a man and all the members of his family feel and think when they are forced to sell, among other things, a beloved home? Will any of such people, robbed of their dearest possession perhaps in the world, have an iota left of respect for and confidence in the Government of this Republic?

In addition to the more immediate effects of the new land-policy as it concerns those aliens who invested their capital in lands and buildings during the past fourteen years, we must consider the inevitable long-term future effects as to capital investment and the economic development of the country. The prospect is appalling. Already it has been reported that a number of foreign corporations in Manila have canceled plans for erecting buildings here because it appears that it will not be possible for them to acquire ownership of the comparatively small tracts of land which would be necessary.

In such cases there went months of productive and profitable work for Philippine architects, engineers, steel workers, masons, carpenters, glaziers, plumbers, electricians, painters, furniture makers; there went business and profits for the importers of all sorts of materials and equipment and for the local stone, gravel, sand, cement, and lumber companies. There went fine buildings, which would have added to the wealth and dignity and sky-line of Manila and which would for years to come have afforded housing for many business offices and their hundreds of employees of this and coming generations.

There went *phut* just a bit of the potential enterprise, activity, achievement, and continuing opportunity making for national advancement and progress, of that whole incalculable total which this new "nationalistic" land-policy will cost this country if it is not altered.

We hope that Senator Tañada will withdraw his bill and that he and other enlightened Filipinos will see that it is impossible to carry out a nation-wrecking land-policy in a constructive manner, an unjust policy in a just manner, an immoral policy in a moral manner.

We hope that Senator Tañada and other Filipino statesmen, instead of attempting futilely to carry out wisely this unwise and self-defeating policy, will take determined steps to wipe it off the books.

According to a Malacañan statement, issued months ago, the decision in the Krivenko case does not affect Americans, under the "parity" principle.

We, therefore, do not speak for ourselves but for what we believe is the good of the country.

Is the dam of government competition and interference with business, which has been so disadvantageously effective in discouraging the investment of much-needed foreign capital, breaking?

To the long-anxious gaze there seem to be signs that it is beginning to crack.

For one, President Quirino's recent announcement that the Government is prepared to sell or to turn over to private management a number of government corporations.

For another, the consideration being given in the National Economic Council and in Congress, too, to liberalizing the Philippine Flag Law.

As to the latter, the proposal made, even if enacted—to reduce Filipino capital participation from 75% to 60% in those firms entitled to the benefits of the Flag Law, would as to its practical effect mean little or nothing, but, at least, it is a gesture in the right direction.

These developments are to be looked upon as important because if carried out they would strike at the foundations of the unwise politico-economic policy which is so largely responsible for the alarming reluctance which foreign capital has shown in investing in the otherwise inviting Philippine field.

Since the establishment of the Republic, business here has looked upon the opening of each session of Congress only as the beginning of a new open season for the enactment of all sorts of crack-brained nationalistic legislation, bound to defeat what should be the aim of true nationalism, the building of a great and prosperous country.

Now Philippine business, at least the more intelligent and responsible part thereof, is watching with bated breath what may be a return to reason and statesmanship.

It may be that the policy-makers will turn to the right road leading to what we acknowledge was always a rightful objective, but which they were departing from even while they believed they were approaching it.

Nationalistic through the people properly are in this young Republic, we believe that they would support a policy which would successfully enlist the aid of outside capital in the development of the country, the creation of employment and opportunity, increasing government revenues and strength and spreading wide a general prosperity.

We advocate no "foreign exploitation" to the disadvantage and harm of the country. We advocate what the United States itself did during the great building-period of the nation,—welcome and offer rich opportunity to outside capital. Outside capital and foreign entrepreneurs constitute, from the point of view of any undeveloped but sovereign country, only a means, an instrument, the need for which gradually and naturally disappears as domestic capital takes its place. Philippine capital will later, in its turn, seek opportunity for investment in other undeveloped regions, and there, as here, it would work the miracles of human enterprise.