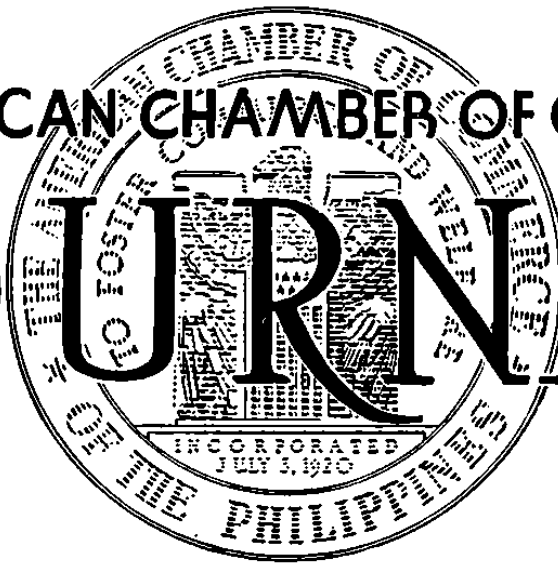


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

“ . . . to promote the general welfare ”

Under date of December 15, the American Chamber of Commerce of the Philippines sent its congratulations to President Elpidio Quirino and Vice-President Fernando Lopez, as follows:

Congratulations to the President and the Vice-President

Dear Mr. President:

On behalf of the American Chamber of Commerce of the Philippines, I take pleasure in extending to you our congratulations on your election as President of the Philippines.

We wish you a successful and happy term of office and pledge our full and cordial support and all assistance it is possible for us to give.

Dear Mr. Vice-President:

On behalf of the American Chamber of Commerce of the Philippines, I take pleasure in extending to you our congratulations on your election as Vice-President of the Philippines.

Members of the Chamber appreciate especially your interest in business and in economic problems generally, which today are so important.

You have our best wishes.

President Quirino's address delivered at his inauguration on December 30, while not over-long, covered a considerable range, and had a sincere and honest ring. The speech did not blink at the facts, yet sounded a note of courage and confidence.

The President's Inaugural Address

Unquestionably, he holds the right conceptions as to the duties of his high office:

“ . . . Humbly and in full consciousness of my own limitations, I enter anew upon the duties of President of the Republic . . . I place myself and my administration at the service of all the people, without distinction as to creed, class, or station, and pledge my whole effort to the protection of their fundamental rights, the improvement of their livelihood, and the defense of their free institutions. I make this pledge in the face of the most critical situations, confident that their gravity shall not in the end prevail against the sturdy good sense, high courage, and tested patriotism of our people. I have faith in the democratic process we have established and in the capacity of our people to perfect themselves in it . . . ”

Speaking of the still disturbed conditions of law and order, he warned:

“ I feel it my painful duty to give stern warning that there shall be no abdication of the authority of the Government, and that any defiance of this authority will not be tolerated but shall be met relentlessly with all the forces at our command. ”

He referred briefly to the measure of recovery from the country's war-losses already achieved and to the honored name the Philippines has won in the councils of free nations, stating that—

“ we have become identified not only with freedom and democracy but with their increasing extension to peoples long handicapped by foreign domination. ”

As to further amelioration of social conditions, he pointed out that this can not be solely a matter of administration from above, but must be a “ joint enterprise ” in which all must work together,—“ administrators and citizens, managers and workers, traders and toilers, producers and consumers. ”

“ Economic development has become the essential condition and prerequisite of our survival as a free people . . . We count on the goodwill and understanding, even assistance, of our neighbors, East and West, but we keep our sinews in trim for steady production in the spirit of self-help. . . ”

With respect to the recently instituted economic controls, he stated that “ these fall within the exigencies of our young democracy ”, that they “ are not rigid ”, and that—

“ our citizens are heard and application is relaxed where stability, a momentum of efficiency, and the common good so demand. ”

The President spoke of the need of reorganizing the administrative machinery with a view to—

“ securing greater efficiency, improvement in the public service, and economy of means and effort in the discharge of the Government's responsibilities, to be more responsive to public needs and in keeping with our available resources. ”

This led him to speak of the need of “ stabilizing the Government's finances ”.

“ It is clear that we must constantly watch our economy, detect the weak points, undertake the corresponding urgent measures to strengthen them, have the courage to develop our resources that make for increasing sufficiency, conserve the fluid assets that keep the steady flow of services and tools available only from abroad, and provide a broadening base of economic security for all. . . ”

Next the President saluted the new United States of Indonesia, and with respect to the nation's relations with

"the Chinese people with whom we have had such close contacts over many centuries", he said that—

"we will maintain an open mind within the requirements of our national security and the security of Asia as a whole."

As to the "Japanese people", he said—

"we expect to be convinced that they have sufficiently repaired injuries inflicted in a costly course of aggression and have sufficiently experienced a change of heart as to want not to repeat it but to cooperate instead in keeping our neighborhood peaceful, free, and prosperous."

The President concluded this brief section of his address by referring to the United States of America as "still our best friend".

"We look to her to realize increasingly that, in this atomic age, her area of safety, and that of mankind's safety itself, have no delimiting frontier."

As to war, he said:

"While this country is ready to defend its liberty and freedom if threatened from without, we are decidedly against being wilfully involved in any war and will take every necessary measure to preserve our people for the constructive ways of peace."

On an evil that has greatly plagued the Government and the people, he declared:

"I shall give constant battle to graft and corruption and will not tolerate any anomalies of any sort under whatever name . . . Our country and people must believe in me and my resolve on this subject, if I am to achieve any generous success in this direction . . . Help me build a new reputation for straight dealing for our people. Help me establish a new integrity in our thinking, in our words, in our deeds."

In closing the President declared:

"I have taken the oath of office with courage and confidence because I know that the wellsprings of our national strength are abundant and inexhaustible. Our history is the history of a growing and expanding nation, a nation that for four hundred years has kept green its love of liberty and ever fresh its desire for progress. . . I ask you to draw with me upon the copious reserves of energy and patriotism which have sustained our nation through every crisis in its history."

The period of misunderstanding and strife which followed the liberation of the Netherlands Indies from the Japanese has, more happily than

The United States of Indonesia much of the world at one time expected, resulted in the formal inauguration in Batavia last month

of the independent government of the United States of Indonesia, this event following an agreement reached some months before between Netherlands and Indonesian representatives who met at The Hague under the auspices of a good-offices committee of the United Nations.

The East Indies for centuries constituted the major part of the Dutch colonial empire and passions ran high on both sides, yet an agreement was reached to the mutual interests of the two peoples, which has been called a "triumph of reasonableness". Sovereignty has been transferred to the Indonesian people, but a generous voluntary union will hold the Netherlands and Indonesia together somewhat as the Republic of India remains a member of the British Commonwealth of Nations.

Many of the leaders of the new nation, including the three most outstanding,—President Soekarno, who personifies the nationalist movement, Priene Minister Hatta, an able practical politician, and the intellectual Sjahrir, chief government adviser who may become the foreign minister, were educated in Dutch schools and universities (Soekarno is a civil engineer, Hatta an economist, and Sjahrir, a political scientist and author), and are truly able men.

Until general elections can be held, perhaps within a year and a half or two years, a government will hold office which consists of a parliament of around 500 members, all appointed by Soekarno, with a working committee of 40 and a Cabinet which, though responsible to parliament, can not be deposed, under the terms of the provisional Constitution, until after the elections. The new government seems therefore to be fairly firmly constituted. It will furthermore be aided, initially, by the retention for

two years, at guaranteed salaries, of the Dutch civil service, numbering some 15,000 persons. The Dutch Army will be withdrawn, but the Dutch naval and air forces will remain at the disposition of the new government.

Virtually the whole of the governing group consists of anti-communist liberals and socialists, who may be described as being of the British type, this fitting in well with the generally communal character of the age-old native village organization. Some trouble may develop, however, from the fact that this liberal, progressive group, Western-educated, will function in a country which is overwhelmingly Moslem and therefore conservative, not to say reactionary. And while liberal and socialist voters are estimated to number only some 20 percent of the voters, the Masjumi, or Moslem Party, controls some 70 percent,—the communists 10 percent.

The Dutch always respected the native culture and made no effort to "westernize" or Christianize the people as a whole. Perhaps they realized that with Mohammedanism as entrenched as it is throughout the East Indies (except in Bali), that any such attempt would have been futile,—just as even Spain has had no success in Christianizing Morocco (or, earlier, Mindanao). The Dutch did, as everyone knows, develop the country's economy to a high degree and gave much attention to vocational education. The people are industrious and naturally good farmers, and they also like to "run things", such as trains and busses, but they have very little liking for business or trade. Like most Moslems, in fact, they look down on "merchants" and think that charging interest is a sin, as also the Christians did in by-gone centuries. This will probably prove to be a limiting factor in Indonesian progress.

Those who may be considered to know the country and the people say that Indonesian nationalism is chiefly political and that the leaders will find their main satisfaction in conducting the government, which, despite their present inexperience, they may be expected to do reasonably well.

They believe that though these leaders will not look with any great favor on any further extension of the plantation system, there will be a continuing high production of the native-grown produce, such as copra and rubber, and that foreign, especially American, capital will be welcome for the development of oil and other mineral resources, transportation, etc. The people not being given to trade, many of the Dutch believe that brokerage, generally, will continue to be handled largely by them and the British, Belgians, Swiss, and other Europeans who have had long experience in the country.

As socialists, the new leaders may be expected to maintain the complete mechanism of economic controls which the Dutch instituted. This control is tight, and will probably remain tight, and there will, therefore, be little opportunity for "wild-catting". The new Republic, however, will undoubtedly compete with the Philippines for American capital investment.*

As for this *Journal*, as organ of the American Chamber of Commerce of the Philippines, we wish Indonesia and the Indonesians well. Indonesian prosperity need not necessarily mean loss to the Philippines. While Indonesia, even now, is exporting its products to a value of \$1,000,000 a day, as against three times that value before the war, and some of Indonesia's products compete with Philippine products, the Philippines will continue to enjoy certain protection in the American market for a number of years to come. Furthermore, a high prosperity anywhere in this part of the world would be to the direct and indirect benefit of all. And new and mutually advantageous trade rela-

*Pre-war foreign investments in the Netherlands East Indies,—greatly exceeding investment in the Philippines,—have been estimated as follows: Dutch, \$3,000,000,000; Chinese, \$1,000,000,000; British, \$800,000,000; United States, \$400,000,000 to \$600,000,000 (American participation in and credits to European enterprises is difficult to estimate).