

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.

So-called foreign, especially American, business is no more "adventitious" than is the form of government and the public service and welfare systems introduced here,—harbors, roads, post offices, schools, hospitals, etc.

Under present treaties between the United States and the Philippines, a practically free trade is to continue for several decades. Any attempts by short-sighted persons in or outside the Government to damage American business interests here and its agencies, are as unwise as it would be to attack official American agencies. Both represent, in their different ways, American interests,—and American and Filipino interests, from historical causes, are mutual to a high degree.

The natural and rightful concern of the American Government in the continued advancement and prosperity of the Philippines after independence, is being very definitely demonstrated not only by the grants, in various ways, of sums running into billions of dollars of American tax-payers' money, but by the initiative the American Government assumed toward maintaining a "parity" of rights between Americans and Filipinos in the development of the country's natural resources and the operation of public utilities; by its requirement that war-damage payments made to Americans be reinvested in this country; and by its care in writing clauses providing for non-discrimina-

tion in the new treaties between the two countries. All this was and is being done not so much in the interests of America and Americans, but in the interests of the Philippines and the Filipinos.

American business interests, far from being "adventitious", are highly integral. For the Filipino people to permit certain men among them (they are the truly adventitious ones), to damage and destroy these interests, is plainly to damage the country and themselves.

*For the Filipino business group as a whole, it would be, in the words of the old saying, "cutting off one's nose to spite one's face."*

We regret that the promised review of the work of the third session of the First Congress of the Republic of the Philippines could not be included in this issue of the *Journal* because copies of many of the bills passed, both during the regular session and the special session which followed it, were still unavailable when the issue went to press.

Readers will find partial reviews in the column, "Legislation, Executive Orders, Court Decisions", in this and past numbers of the *Journal*.

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## President Quezon and Business

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THE reception in honor of President Quezon given by the American Chamber of Commerce early this month in its new quarters in the recently completed Heacock Building, was a grand success. The President was in fine fettle and delivered a sparkling, impromptu address that plainly filled every one present with joy.

He said the Government of the Commonwealth is not a "communist" government and does not look upon business with prejudice. On the contrary, he affirmed, the social justice program of his administration is intended not only to benefit the masses, but also, indirectly, business, for when the purchasing power of the masses increases, business benefits. He expressed his gratitude to the business men who show their faith in the country when the future is not so certain by putting up such edifices as the Heacock Building, and pledged that "as long as responsibility and authority lie in the hands of the Filipino people, we are going to treat you all justly; we are going to support you in all your legitimate enterprises". He was applauded to the echo.

Despite his social justice program, which continues to be considered in some quarters as decidedly radical, President Quezon has appeared before various business groups on previous occasions, always expressing similar views, and this is no doubt one reason why, in spite of political uncertainties, war conditions, and discouragements of one sort or another, business has on the whole forged forward since the inauguration of the Commonwealth Government.

There can be no question that President Quezon is following a wise policy in this respect. Such evils as plague the Philippines in the social-economic sphere are those of surviving feudalistic conditions rather than of the new capitalism. In fact, as in other countries in this stage of development, reformers and builders such as President Quezon will find a powerful ally in business against the feudal influences which must be further broken up if the country is to develop a stronger middle class without which progress in the modern sense is impossible. . .

—From the March, 1940, issue of the *Philippine Magazine*