

of our productive enterprise for what we desire from others. We need the leisure, the means, and the stimulation to broaden our cultural horizons."

Here are simple, homely references the national needs with respect to public health and sanitation, national defense, economic development, cultural advancement, national piety, ethical improvement, diplomatic relations, foreign trade.

"In normal times," continued the President, "these needs are the rights of free men and free nations, but today we must win them and protect them by the quality of our citizenship in the world-community, and by the firm application to our everyday living of the principles and morality we claim as our own." This, clearly, is a reference, in individual terms, to Philippine membership in the United Nations and the obligations of that membership.

Under this head he made a direct reference to the common action in Korea. "For the common security we need," he said, "we contribute what we can afford. Our force in Korea, our participation in the United Nations, working for freedom and against subversion and aggression, are examples."

His next point related to national inter-dependence:

"No man, except one satisfied with a bare existence, can live alone. No nation desiring a rising standard of living for its people is economically independent. Skills, finances, markets—only with these can a nation's own wealth be turned into a better life for the people. Where they are lacking, they must be sought by friendly cooperation."

Then he summarized:

"In other words, the kind of 'healthy nationalism' we want is that mature spirit of self-confidence which takes freedom as a right not to be challenged; a right to be part of the free world, not to withdraw from it."

His last point was an affirmation of the people's faith in the democratic process and in government by law.

"As individuals and as a nation, we have faith in the democratic process and in government by law. For this reason, we believe that the law-abiding community of nations holds the key to world peace and security. It is only in such atmosphere that true nationalism, for small as well as large nations, can survive against the attacks of those who claim that force, lies, and subversion are legitimate instruments of policy."

And he concluded as follows:

"This conflict between law and violence makes the obligations of world citizenship today a grave responsibility. It calls for far-sighted wisdom, for sound judgment; it calls for dignity and restraint; for a mature faith in our ability to protect our interests. In such national behavior lies the strength of free-world unity and the survival of nationalism itself."

There is in this expression of President Magsaysay's nationalism nothing that is narrow and invidious, nothing that would tend to encourage ill-will and hostility, or arouse, in others, opposition and counter-measures of an equally narrow nationalistic character. It is a Filipino nationalism wise and tonic, to which all non-Filipinos of goodwill can subscribe.

Our Foreign Service and Foreign Trade*

By CARLOS P. GARCIA

Vice-President of the Philippines and Concurrently
Secretary of Foreign Affairs

...GENTLEMEN, right at the first bound of the new Administration, our President and your Secretary of Foreign Affairs announced the policy that our foreign service will lay special emphasis on trade promotion with our neighbor countries of Asia, without neglecting the maintenance of our trade relations with the United States and Europe. It is my intention this afternoon to elaborate more on this policy, so I have chosen for my subject "Our Foreign Service and Foreign Trade." This discourse is by no means exhaustive. It is not even a complete outline of this rather broad and difficult subject; but if I can stimulate constructive debate and discussion on this vital subject, if I can spark a more conscientious and, may I say, more scientific study and investigation of this matter, I would consider my effort amply rewarded. I will feel happy in the thought that out of such discussion and investigation, light and fire may emerge—light to show us the way and fire to spur us to action.

Trade with all Southeast Asia.—Since we have decided to establish economic ties with Southeast Asia, we will pay special attention in this discussion to this part of the world. Just how and where do we stand in Southeast Asian trade? Is our prospect in trade development in this area good? To answer these questions, let us examine statistics, however insipid and prosaic these may be. Taking as a unit, the eleven Southeast Asian countries (Australia, Burma, Ceylon, China, French East Indies, India, Indonesia, Malaya, New Zealand, Pakistan, and Thailand), our trade statistics show that our imports in 1952 were ₱78,500,000 as against our exports of ₱8,700,000, representing a trade balance unfavorable to us in the amount of ₱69,800,000. Total imports from these countries covering the period 1948 to 1951, inclusive, amounted to ₱315,300,000, as against our exports of ₱1,600,000, representing an unfavorable trade balance to us of ₱253,700,000. In 1952, our exports to these countries were only 1/9 of our imports from the same area; in other words, we bought from them nine times as much as we sold. In the period 1948-1951 our total exports were only 1/5 of our imports; in other words, we bought from them five times as much as we sold.

Trade with Indonesia.—Take the individual case of Indonesia. With that country alone, our trade is decidedly lopsided. While we imported from her in 1952 ₱41,700,000 worth of products we only exported ₱1,200,000, representing an unfavorable balance of ₱40,500,000. It is worth noting that this unfavorable trade balance increased by leaps and bounds because in 1950 it was only ₱31,000,000. This was maintained in 1951 and it leaped to ₱40,000,000 in 1952, whereas,

in 1948, this unfavorable trade balance was only ₱19,800,000. In other words, in the brief span of six years, this unfavorable trade balance increased 100%.

Trade with Thailand.—It is also noteworthy that our trade with Thailand shows a rapidly growing unfavorable trade balance because whereas we had in 1947 an unfavorable trade balance of only ₱4,000,000, in 1951 it sky-rocketed to ₱31,800,000. This represents an increase of almost 800%. Certainly, this is an alarming picture of our trade-position with Thailand.

Trade with Japan.—Take the case of Japan. I have not included Japan among the eleven Southeast Asian countries for the reason that we do not have normal political relation with this country. It is, however, a relief that this is the only Southeast Asian country with which we have a favorable balance of trade, our exports being ₱75,100,000 in 1952 and our imports, ₱38,000,000, representing a balance in our favor of ₱37,100,000. It is a source of comfort to note that from the time we established a barter-trade relationship with Japan, we registered a steadily increasing favorable trade balance of ₱20,700,000 in 1950, ₱6,260,000 in 1951, ₱37,100,000 in 1952, and ₱57,400,000 in 1953.

Trade with United States.—Now, let us take a graphic picture of our trade with the United States of America. Undoubtedly, because of our fifty years of association with the United States under a Free Trade System imposed upon us in 1909 by the Payne Tariff Act and carried over by the Jones Law, then the Tydings-McDuffie Independence Act, and lastly the Bell Trade Act after our independence in 1946, it is only natural that our biggest foreign trade is with the United States. It must be noted, however, that whereas before the war the trade balance was in favor of the Philippines, after the war this position was reversed, because from 1946 up to this time, the trade balance was decidedly in favor of the United States, beginning with ₱438,000,000 in 1946, registering the highest peak in 1947 with ₱575,600,000, with the lowest of ₱41,000,000 in 1950, and picking up again in 1951 to ₱150,000,000 and in 1952 to ₱141,400,000. It is a consolation, however, to note the fact that our exports to the United States indicate a steady increase, beginning with ₱76,800,000 in 1946 and reaching their highest point with ₱52,400,000 in 1951, while in 1952 it was ₱49,700,000. This steady increase of our exports is mainly due to the rehabilitation of our principal export-producing industries destroyed during the war but which have recovered gradually to their pre-war productive capa-

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city. Undoubtedly, our heavy imports from the United States which reached their peak in 1948 at \$939,000,000, gradually declining until 1952 when they reached a low of \$611,000,000, were due to the need of importing machinery and other capital goods to rehabilitate our war-torn industries and to start in a modest way our industrialization program.

In connection with our trade with the United States, permit me to point out the significant fact that while before the war the Philippines, among the Southeast Asian countries, carried on the heaviest trade with America, the trend of recent years shows that we are rapidly being dislodged from the premier position by India, Indonesia, and Malaya. The figures of 1951 show that United States exports to India reached \$464,300,000, vis-avis American exports to the Philippines of \$350,300,000, or a difference in India's favor of \$114,000,000. In that same year, American imports from India were \$296,500,000 and from the Philippines \$283,400,000, or again, a difference in favor of India of \$13,100,000. In the same year, the American exports to Indonesia were \$161,750,000, against imports of \$266,300,000. Note the case of Malaya: America exported to that country \$57,800,000 against an importation of \$425,400,000. Here is a handsome trade balance in Malaya's favor of \$367,600,000. Unless we do something about it, the pre-war premier position of the Philippines as the biggest American market in Southeast Asia will be definitely lost to us.

Recapitulation.—For the sake of emphasis, let me recapitulate the outstanding facts: 1. That we are buying from the Southeast Asian countries, except Japan, nine times more than we sell. 2. That our trade with Indonesia is decisively against us to the tune of \$40,000,000 a year. 3. That in our trade with Thailand, we are pushed down and down into an unfavorable balance which kept sky-rocketing from \$4,000,000 in 1947 to \$31,800,000 in 1951 and 1952, representing a phenomenal increase of about 800%. 4. We find to our dismay that our country has lost to India her premier position as the biggest American market in the Far East and that even Indonesia and Malaya are fast overtaking our country in that respect. 5. Of course, it does not necessarily follow that an unfavorable balance of trade is an index of gloom, but taking into account the fact that all the countries of Southeast Asia have the same type of economy—the agricultural economy—the unfavorable balance of trade is a negative index.

My friends, as we ponder over the significance of these figures, we come to realize the weaknesses of our economic position in Asian and world trade, but we also discover our strength and visualize our hopes. By the exactness of numbers, we gain not only a realistic evaluation of our economic weight and special function in the international economy, but, most important of all, we gain a correct sense of proportion which is so essential in determining the direction, quality, and quantity of our development as a nation. The more we mull over our trade problems in Asia and the more we think of ways and means to expand our foreign trade, the more clearly it dawns upon us that the key to our success lies largely in our willingness and capacity to understand our neighbors'

interests and aspirations. We come to realize that in our willingness to work with them on a cooperative basis for the mutual benefit of all, we will find the open sesame to our expansion. In other words, we must realize that we can expand our own foreign trade only by expanding collectively the economy of the region, and consequently of the world. In an age dominated by the libertarian and equalitarian spirit, the prosperity and happiness of one nation must be built on the prosperity and happiness of all nations, or using a time-honored slogan, "one for all, and all for one".

Upon this fundamental concept or formula, your Department of Foreign Affairs evolves the nation's policy of foreign service and foreign trade, and asks the sister democracies of Asia to accept it. We must find the common denominator of our aspirations in this region. None has understood it better than American Vice-President Nixon who said after his trip to Asia: "Did you ever stop to think what the people of Asia want? Well, they want independence. They want economic progress. They want peace. They want freedom of choice as to their culture, religion, and their economic systems. And they want fundamental recognition of their equal dignity as human beings." This is the essence of the slogan, "Asia for the Asians". If you will pardon the digression, it is not against the United Nations' concept of one world, as some erroneously believe. It is an evolutionary stage in the ultimate attainment of a World State. The best evidence of that is that the Charter of the United Nations contains a provision allowing and encouraging regional groupings. By virtue of that provision, the British Commonwealth, the Pan-American Union, the NATO, the Arab League, etc., were authorized and sanctioned. Under that same provision, the future Southeast Asian Regional Union will come into being. I repeat, these regional developments composed of a group of nations are not contrary to the spirit of the United Nations; they are evolutionary stages towards the World State.

Going back to my formula for expanding Philippine foreign trade, the key is *mutual understanding* among nations, the magic open sesame is *collective effort* to expand collectively the economy of the region and the world, and the common denominator is *democracy*, that is, liberty, equality, and fraternity. It is my conviction that if we are determined to wipe out the unfavorable trade balance of \$40,000,000 in our trade with Indonesia, we can do it by the use of this formula. It is my hope that if we are resolved to regain our premier position as the greatest American market of the Far East with the trade balance in our favor, we can do it through this formula. Likewise, with this policy, we can liquidate the \$32,000,000 unfavorable trade balance with Thailand, keep on the upswing our favorable trade balance of \$57,400,000 with Japan, and by the same policy, instead of buying nine times more from them we sell to Southeast Asia, we should be able to reestablish a trade equilibrium. But above all, by this formula, we shall spread the gospel of democracy in Southeast Asia, we shall share with the peoples of the region the tenets and redemptive principles of democracy, we shall drink of each other's culture and spiritual inspiration, we shall stand together to defend with all our might and maintain freedom and democracy and peace. . . .

Production of Selected Manufacturing Establishments by Kind of Manufacture: 1953^a

BY THE BUREAU OF THE CENSUS AND STATISTICS

(NOTE: Some of the items below do not carry quantities produced and only their values are given due largely to the lack of uniformity in weight or measurements given by the manufacturers, in spite of instructions at the back of the questionnaire.)

Kind of manufacture	No. of establishments reporting	Unit of measure	Quantity	Value (Pesos)
GRAND TOTAL	2,479			1,288,753,573
(a) FOOD MANUFACTURING:	263			369,811,821
Canned fruits (pineapple, "fascia", guava, jellies, etc.)	27	—	—	7,933,259
Chocolate (ground cocoa)	12	—	—	26,374,138
Coconut oil manufactures	7	—	—	389,665
Edible oil	b	Kilos	14,220,254	11,666,954
Margarine	b	"	2,288,393	2,395,290
Shortening (vegetable lard)	b	"	24,383,095	22,653,101

Coffee (powdered, canned, bottled, and unpacked)	43		1,755,738	6,737,380
Dairy products, etc.:	7			
Fresh milk (bottled, etc.)	b	—	—	485,854
Others (Magnaolia, soyalec, etc.)	b	—	—	1,393,491
Desiccated coconut	6	Kilos	47,796,430	30,808,024
Fish and fish products	15	—	—	347,093
Food seasoning, etc.:	11			
Vetsin	b	Lbs.	460,385	1,254,213
Mafran, catuap, etc.	b	—	—	610,280
Ice cream, ice drops	18	—	—	4,635,101
Meat products (preserved and/or canned)	12			
Ham	b	Kilos	66,610	347,828
Sausage	b	"	117,200	460,240
Others	b	"	—	197,535
Noodles (macaroni, etc.)	35	Kilos	3,503,235	1,831,299
Sugar (centrals, refineries, etc.)	27			
Centrifugal	b	Kilos	1,027,316,747	227,726,305
Refined	b	"	70,996,727	19,043,261
Others	38	—	—	2,531,320