

*to succeed, American business will also need more vigorous diplomatic support from our State Department than it has received in the past."*

The Chamber of Commerce of the United States, in the brochure already referred to, states that the established policies of the Chamber "justify a sympathetic attitude toward the Point Four program", but that Chamber principles "do not countenance waste or needless expenditure of funds in any program which may be inaugurated either at home or abroad".

#### A summary statement runs:

"The Chamber specifically has warned against 'industrialization at any cost' in the less developed countries of the world. In this connection, it has held that factors to be taken into account should include the establishment of political and economic security and equal justice for domestic and foreign traders, possession of or access to essential raw materials, necessary capital whether domestic or foreign, the requisite technical personnel, the prospect of adequate markets for industrial products either at home or abroad, the ability of industries thus fostered to survive without uneconomic trade barriers, and private rather than government operation."

#### Among the Chamber's final recommendations are:

"That the Government confine its technical aid projects to countries where there is a genuine desire and ability to cooperate and where there is no question as to conditions favorable for economic development."

"That the program of technical or other aid be restricted to countries which through treaties and agreements or financial guarantees provide assurance of fair treatment for American private capital. . ."

This *Journal* will not say that the Philippines will get no further United States Government assistance additional to that still on schedule. It is possible, perhaps even likely, that a further inter-governmental loan may be negotiated for economic development purposes, but this could not be under more than a nominal application of Point Four policy.

An inter-government loan, if it were to be agreed upon at all, would have the advantage of being comparatively quick and sure, which private investments under the Point Four Program would not be. But development under Point Four would in the long run be far more sound, enduring, extensive, and self-multiplying, than any piece-meal development on the basis of a government loan could be, provided only the proper "climate" were established, and this rests with the Philippine people and Government.

If the Philippines is to be a "pilot area" in the implementation of the Point Four Program, a "show-window" for democracy in the Far East, it rests largely with the Philippines, because the success of the Program will depend on cooperation and *reciprocity*, on the profit there will be in it for *both sides*.

With the re-introduction of the Tañada Bill on the forced disposition of lands acquired by foreigners, we feel impelled to sound the warning once again. The Tañada claim, any of the provisions of the Constitution) which this Bill seeks to implement, will strike foreign capital investment in the Philippines its possibly most deadly blow.

It is true that under the interpretation given the Supreme Court decision in the notorious Krivenko Case by other high officials of the Government, American holdings will not be affected under the present "Parity" provisions, but this is a safeguard likely to be good for only a limited number of years.

What could be more discouraging to capital than the fact that the investor could never own land here,—the land which he would develop as a plantation, the land on which he would erect a factory or a shop, even the land on which he would build his residence? The possibility of acquiring a sound title to any land necessary, is generally one of the first concerns of any one who is contemplating a new industrial or business venture.

And speaking of a favorable "climate" for investment, what could produce a more vivid impression of a hostile climate than if any man who might come into the country learned that he would not even have the right to a small piece of land on which to build his private home, let alone his factory or mill or shop?

We say again that such a policy is not in consonance with the Philippine Constitution, but traduces what is, in the main, a liberal, democratic basic law. We say that it is contrary, too, to the letter and spirit of the Universal Declaration of Human Rights, in the drafting of which, by the United Nations, the Philippines took so honorable a part. What, indeed, could be more cruel than forcibly to dispossess any resident here, of whatever race or nationality, of the home he and his family occupies, in which, perhaps, with foresight and care for those dependent on him, he has invested all his savings, and which he has tended with the love of a parent which go into home-making everywhere? Such an inhuman and wicked policy, executed wholesale, under a mere color of law, would make the Philippines a by-word for its hostility to the aliens within its territories.

It is fortunate that there are members of Congress who understand the nature of our present economic and financial problems and who are ready to face them realistically and speak of them frankly.

We refer at the moment especially to Senator Lorenzo Sumulong, worthy son of a worthy father, who according to the newspapers at the time of this writing, is initiating a move in the Senate—

"to amend the monetary reserve provisions of the Central Bank Charter so as to strengthen domestic as well as international confidence in the Philippine Peso."

"Senator Sumulong said yesterday he planned to introduce a bill to require the Central Bank to keep a reasonable percentage, possibly 25 per cent, of its reserves in gold as is done in the United States."

"Under the present Charter, the Central Bank is under no requirement to keep a definite percentage of its reserves in this stable metal."  
—*Manila Daily Bulletin*, February 11.

This proposal comes at a time, and is no doubt largely prompted by the growing shortage in the circulation of silver coins which became apparent recently and which is now (middle February) creating not only great inconvenience but is leading to all sorts of charges in official quarters as well as in the newspapers that this is the result of willful hoarding and speculation on the part of "Chinese merchants".

The circulation of such charges and reports, together with the fact that many merchants, Chinese and others, find it actually impossible to make change, could easily result in rioting in which many innocent people would suffer injury. To single out one group in the population and to charge it with being responsible for what is actually a natural economic phenomenon under present conditions, is unfair and indicative of a lack of a sense of responsibility. There is hoarding but it is general, and, as is well known, for instance the conductors of certain bus-lines, Filipino-owned, are among those who simply refuse to make change, though it is obvious that after the first few runs of the day, the conductors must have collected enough coins to hand out some change when necessary. In a number of stores change is now being offered in the form of postage stamps and small "promissory notes."

There are no doubt a number of causes contributory to the disappearance of our silver coins. This is the season

\*As this issue of the *Journal* goes to press (early March), the coin shortage appears to have been pretty well overcome, at least for the time being, through the release of additional coins by the Central Bank, through appeals for confidence published in the newspapers, and through the introduction of legislation providing for the punishment of hoarders. These are all proper measures, but the shortage as a phenomenon of last month remains to be explained, as also the possibility of a recurrence.