

7/6/46

A NATION IS BORN

On July 4, 1946 - 170 years after the Declaration of Independence was signed - a new nation was born. It is the Philippine Republic, youngest in the sisterhood of nations. Until now, it was administered as an island possession under the name of The Commonwealth of the Philippines. While it had a President and a legislative assembly, it carried on under the eye of a High Commissioner, appointed by the President of the United States. It rated a Resident Commissioner in Congress who could participate in the debates but could not vote. Now, it launches forth as an independent Republic. But the going will not be easy and for some years at least, it will be hitched to the economic apron strings of the United States.

CONDITIONS.

It's a good many years ago that Congress enacted the enabling legislation whereby the Filipinos were to become independent on July 4, 1946. Then came the war. The estimated damage resulting from military operations was enormous. Health conditions deteriorated. Philippine economy and agriculture was prostrated. Highways, harbors, bridges, roads, docks, public buildings were wholly or partially destroyed. Damage to property both public and private was estimated to be in excess of 1½ billion dollars. Malaria, dysentery, and malnutrition were prevalent. The tuberculosis death rate is 15 times higher than that of the United States. An estimated 4000 lepers are presently running at large. Truly, these are hard conditions under which to assume the responsibility for independence.

WE ASSUME A MORAL RESPONSIBILITY.

Strictly speaking, the United States has no legal responsibility to reimburse individuals or governmental bodies in the Philippines for war damages. But there is a moral responsibility and to that end, Congress took two steps. The first was the enactment of the Philippine Rehabilitation Act. This act authorized the sum of \$400,000,000 to be used to reimburse those who suffered loss as a result of the war. The fund will be administered by a Commission consisting of 2 Americans and one Filipino who will examine claims, pass upon them and see that they are paid in large part. It is estimated that nearly a million claims, large and small will be filed. In addition, another \$120,000,000 is made available for the repair and reconstruction of highways, harbors, docks, bridges and health services. This Commission is now in the Philippines and is ready to go to work.

PHILIPPINE TRADE.

Congress also passed a Bill to aid in the revival of trade. Much of the produce raised or produced in the Philippines such as Coconuts, copra, fibre, hemp, gold, and sugar came to the United States. It was felt that if the regular tariff duties applying to all nations were imposed on Philippine products, it would restrict trade and make rehabilitation a slow process. Under the trade act, these products can enter the U.S. until 1954 on the same terms which they now enjoy. From then on, there will be a gradual increase in duties until 1974, when Philippine products will be on a par with those of other nations. Two conditions are imposed. One is that American businessmen and American capital shall enjoy the same benefits as those accorded to Philippine business and capital. The other is that the Philippine peso shall be pegged to the U.S. dollar at a rate of 2 pesos for one dollar. The first few years will be a real test of Filipino capacity and fortitude.