

Pacific Politics

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THE DAY AND HOUR SERIES

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L. D. COFFMAN, *President.*

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Pacific Politics

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This talk was given in Northrop Memorial Auditorium on January 14, 1937. Dr. Hayden, who is professor of political science in the University of Michigan, has an intimate, first-hand acquaintance with Far Eastern affairs. He has recently (1933-35) served as vice-governor of the Philippine Islands. During two earlier periods (1922-23 and 1930-31) he was a visiting member of the faculty of the University of the Philippines and in 1926 was Far Eastern correspondent for the "Christian Science Monitor." He is the author of "The Senate and the Treaties, 1787-1817," and of many articles on politics and government. For permission to incorporate here some of his previously published material, acknowledgment is made to the "Michigan Alumni Quarterly" and "Foreign Affairs."

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Pacific Politics

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A FUNDAMENTAL change has occurred in the Far East between the years 1900 and 1937. In that period the peoples of this great region of the world have become masters of their own destiny; Eastern Asia is no longer under the domination of the West. Today no Western nation, no combination of Western states, whether in the form of an alliance or of a League, can impose its will upon the third of the human race that dwells in the area of the Western Pacific.

This revolutionary emancipation has resulted from three major causes: first, the emergence of Japan as a great military-economic power; second, the growth in China of a nationalistic spirit among the articulate classes and the development of nonmilitary but highly effective techniques of resistance, such as the boycott; third, the impairment or diversion of the expansive force of most of the so-called imperialistic Western nations by the World War and its aftermath.

Other causes have contributed to the termination of the dominance of the white man in the natural sphere of the yellow and the brown man. The United States, for instance, is preparing to relinquish its sovereignty over the Philippine Islands in order to consummate a historic policy and to free certain of its own people from Filipino competition.

But it is with results rather than with causes that we are concerned here. What are the peoples of the East doing with the freedom of action that the past three decades have brought them? How are American interests and responsibilities affected by the changed conditions that this new freedom is creating?

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DEVELOPMENTS IN CHINA

It is in and about China that the most spectacular changes and momentous struggles are taking place. Since the establishment of the Republic in 1912 the leaders of China have striven toward two major political objectives: independence from external political control, and the establishment of a stable and effective national government. They have also sought to raise the economic and intellectual level of the Chinese people and to adapt to Chinese purposes those characteristics of modern Western civilization that may aid in accomplishing these ends.

In the reconstruction and modernization of her ancient cities, the construction of port works, public and private buildings, highways, bus lines, and railways, the development of airways, and the utilization of electrical power and radio communication, China is making phenomenal strides. Indeed, in some of these important fields she has made more rapid progress during the last decade and a half than has any other nation. During repeated visits within this period I have witnessed many of these remarkable changes with my own eyes. There can be no doubt of their reality. No more tangible or convincing evidence could be given of the ability and the determination of the Chinese to provide their country with the material equipment of a modern progressive nation.

This material progress has been accompanied by even more momentous social and intellectual changes. The rigid bonds of an ancient civilization that had become fixed and static through centuries of isolation are being burst by the ferment of new ideas and ambitions generated through contact with the outer world. The family is losing its age-old position as the final arbiter of the life of the individual and the almost exclusive object of his loyalty and devotion. A beginning, already striking in its results, has been made in placing women

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in a position where their peculiar aptitudes and abilities may be utilized by society. In politics, public administration, education, scientific work, and in the social organization of the New China, women are playing a part that compares favorably with the achievements of their sex in any other country. Paradoxically, in the Old China concubinage is still an established institution, girls are bought and sold, and women perform the hardest physical labor along with the men, the horses, the oxen, and the donkeys.

To a large extent the transformation that has been begun in China is the fruit of the modernized educational system of the country. Mass adult education, a system of public schools conducted along modified Western lines, and well-equipped and ably staffed institutions of higher learning are rapidly increasing in number and in excellence. I do not believe that there can be any doubt that the ultimate result of this educational process will be to extend to the masses of the Chinese people the transformation that is already occurring among a small percentage of them.

Toward the great political objectives of the leaders of modern China less apparent progress has been made. However, what has been accomplished should be evaluated with due consideration of the magnitude of the task and of the fact that only a minute proportion of the total life of China is embraced within the twenty-five years of the Republic. In Nanking there exists today a well-organized government directed in the main by highly trained, competent, public-spirited officials. At its head is a man of power and of constructive imagination. Whether Marshal Chiang Kai Shek possesses the qualities of greatness that will be required to unite, govern, and free China remains to be seen. His government, however, is modern and progressive in its objectives and in many of the methods that it is using to attain them. I make this statement with confidence because in 1931, and

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again in December, 1935, I talked with many of its members and studied its operations in Nanking and elsewhere. Most of the qualified foreign residents in China with whom I talked regard the present national government as the best the country has ever had.

Unfortunately, however, the authority of the Chinese national government is not exercised equally over all of China. In the words of a highly placed Nanking official, "Ultimate power in the provinces is in the generals, who dominate and place their men in key positions throughout their areas. Seven provinces are really under Chiang's control. Then there are a number that are friendly and supporting but do not take orders. Several more, like Kwangtung and Kwangsi, are practically autonomous, but are controlled by patriotic Chinese who work with Nanking for those national ends which they deem expedient. Finally, there are the northern provinces that are pretty well removed from Nanking's power and influence." Further reducing the authority of the national government are the Communist armies which pass from province to province and which for five years Nanking has tried in vain to crush.

Since these words were spoken the picture has been altered in detail, but not in essence. A few months ago "patriotic" Canton generals began what was virtually a civil war against the national government with the avowed purpose of compelling it to fight Japan. A determined show of force by Marshal Chiang, probably supplemented by the liberal use of "silver bullets," halted this movement and was declared to have effected the unification of Nanking and the South. That the deep gulf between the two regions has been more than temporarily bridged, however, seems improbable. The more recent kidnapping of Generalissimo Chiang by a famous regional war lord, the "Young Marshal" Chang Hsueh Liang, reveals how far from effective the authority of the national

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government is in another great area. This typically Confucian episode, which ended with expressions of regret and mutual esteem between the kidnapped head of the state and his mutinous general, vividly illustrates how very Chinese the Chinese remain. The real China is still the nation whose ancient philosophy dictated this (to us) fantastic settlement, as well as the country of the airplane that brought the two leaders back to the capital.

To Americans accustomed to a rule of law throughout the nation, this seems a strange situation, suggestive of general impotence and chaos. And in China there are, indeed, areas within which the authority of the national government is slight and where conditions can be properly described as chaotic. This situation is not so strange to the Chinese, however, because it is not so much at variance with their political concepts and experience. They accept it, make the best of it, and work to improve it. So it is in the struggle of the New China with the graft, nepotism, selfishness, and, above all, the political apathy of the Old China. The moderns compromise or retreat where they must, advance when they can, and continue to increase in numbers and in influence. In the course of time, although it may be a very long time, they should be able to approach as nearly as do other peoples the national goals they have set for their country. The great question that the majority of politically active Chinese are asking themselves today is, shall we be granted the time?

CHINESE RESISTANCE TO JAPANESE AGGRESSION

The answer to this fateful question will be given not by the Chinese, not by the "predatory" Western powers that thirty years ago seemed about to divide China's wealth among themselves, but by the nation that is now dominant in the Far East—Japan. Speaking of foreign intervention in the internal affairs of China, a distinguished American

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who has spent most of his adult life in that country recently said: "The Chinese are in danger of exchanging King Log for King Stork—the easy, on the whole benevolent, influence of Europeans for the iron rule of Japan, a rule based on force, merciless and exploitive."

Every Chinese with whom I discussed this subject professed this same fear of Japanese domination. Their reactions to the supposed danger were various. In Canton the leaders are all for immediate resistance by force of arms. But the Cantonese are a thousand miles from the probable scene of conflict. To the north there are two chief schools of thought. One influential but relatively unpublicized group would work with the Japanese. Many of them have received their technical education in Japan. They realize that Japan can do many things for their country which the Chinese are not yet prepared to do for themselves, and which no other nation will do. They also know that China's armies cannot prevail against Japan's.

The other principal group still supports the traditional Chinese policy of nonmilitary resistance pushed to the furthest point that will not result in further military action by the opponent, in this case the Japanese. They are now unaware of the danger of this course. In part it was responsible for the loss of the four northeastern provinces that now comprise Manchoukuo, and for the bloody and destructive incidents at Shanghai and Tientsin.

Among the passive resisters, however, are an increasing number of national leaders who are moving toward a more radical position. One of these, a statesman of international fame who is within the inner circle of the Chinese government, told me of a conference that he recently had with the Generalissimo. He put two propositions to Marshal Chiang: first, in effect, "It is now evident that there is no limit to the intentions and determination of Japan, and, as a corollary,

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there is a limit to the endurance of our people. A year or two ago we thought that the Japanese would be satisfied with what they then had. We know better now"; and second, also in paraphrase: "If you continue to yield, making no forcible defense, the people may turn to the Communists. This is always a possibility. The Communists are willing to dare. They can and do fight. They have an organization and a will. Combination with them may be preferable to Japanese domination. Resistance to Japan," he added, "would at least unite the country. It probably would not be effective in the military sense, but its moral effect, at home and abroad, would be great."

This gentleman, of course, referred to Chinese Communists, of whom there are estimated to be some forty million. During the past year there has been a distinct drift toward eventual cooperation between the national government and the Chinese Communists against aggression from the northeast. At this moment, January, 1937, the movement to sink all internal dissension in order to marshal the full force of the nation in resistance to Japanese aggression is the most significant feature of the Chinese scene.

Besides the two groups of responsible leaders just mentioned there are the students. From one end of the country to the other they are wildly, passionately determined to drive their government into armed conflict with the Japanese. Students in China enjoy a freedom from control and exercise a popular influence that would seem fantastic in America, and there is constant danger that their actions may precipitate bloodshed upon a wide scale. The effectiveness of the student movement as a bar to further Japanese aggression may be measured by the stern insistence of the Japanese that it be suppressed.

As to the ultimate, or even the immediate intentions of Japan regarding China, I express neither opinion nor judg-

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ment at this time. Nippon, however, has openly proclaimed to the world that in the future it must play the chief, if not an exclusive part in aiding China in her national development. The Chinese have been informed that there must be Chinese-Japanese "economic cooperation" and joint resistance to communism within and without the border. Japanese efforts to separate the northern provinces through the establishment of a pro-Japanese "autonomous" government therein, the gigantic smuggling campaign that struck at the customs integrity and financial system of China, and the recent Mongolian-Manchoukuo-Japanese invasion of two northern provinces are merely differing forms of the pressure being applied to bend Nanking to accept the exclusive leadership of Tokyo—or of the Kwangtung Army—in the solution of her national problems. As to the portent of such leadership—domination the Chinese say—for the future integrity and independence of China, opinions differ.

Certain it is that the Japanese army is playing a free hand in north China. Its officers inform high Chinese officials of what they may or may not do with safety. Its soldiers dash through the city streets in roaring trucks, and I encountered its grim regiments marching across the snow-covered countryside. Recollections of the past deeds of this army and fear as to what its future action may be are never absent from the calculations of every informed Chinese and every foreigner from the Yangtze River to the Great Wall. China today is far from free from the actuality of foreign intervention within her borders and from the danger of foreign domination.

JAPAN'S NORTHERN ASIATIC POLICY

Concerning internal Japanese affairs I shall say little. The world knows that Japan is overpopulated and has serious agrarian and unemployment problems; that Japanese indus-

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try and trade have expanded enormously during the past five years and that in open competition Japan can undersell any other nation in many of the most lucrative classes of manufactured goods; that aggressive nationalists exert a preponderant influence over her government; and that Japan has become the dominant power of and in the Far East. There is also a widespread belief that serious social and political discontent exists within the Japanese islands. The convulsions that rock the Japanese body politic at times of ministerial crises and the violence of the frequently recurring conflicts between the army and the politicians reveal how far Japan is from having made a successful adjustment between the old and the new elements in her political system. Of all of the factors in the Japanese situation, overpopulation is the most pressing as well as the most fundamental problem. The fact should be faced that until a reasonable balance is struck in Japan between population and means of subsistence at a relatively high standard of living there will be no real stability of international relations in the Far East.

It is not with the domestic affairs of Japan, however, but with her Asiatic policies that the world is most anxiously concerned at the present moment. On the mainland Korea has been incorporated as a part of the Japanese Empire, and the full force of Japanese expansive energy is now being expended in the development of the new state called Manchoukuo. This Japanese-sponsored political unit comprises what were formerly the four northeastern provinces of China. Unrecognized by any important nation save its sponsor, Japan, the area is still regarded by the Chinese as "Manchuria," a lost dominion. With an area of 548,000 square miles, a population of about 32,000,000, and rich timber, mineral, agricultural, and pastoral resources, this region is a potential treasure house. It is also of enormous political and strategic importance.

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During the past five years Japan has expended hundreds of millions of yen, many thousands of lives, and an astounding amount of brains and energy in the establishment and organization of Manchoukuo and in the economic and social development of its territory. This activity, moreover, is merely the logical extension of a national effort in Manchuria that goes back to 1894, when the Empire of the Rising Sun fought its first modern war upon the Asiatic mainland, and includes the sacrifices of the Russo-Japanese War. Japan, therefore, has an enormous stake in this region. I believe also that it is no exaggeration to state that the Japanese people feel that they have a great historic mission there, and that the Imperial Army, which is now in actual charge of the Manchurian venture, is animated with the fervid zeal of the missionary, the reformer, and the superpatriot.

The remarkable material results that have been accomplished in Manchoukuo are immediately apparent to anyone who was at all familiar with the country prior to the "Incident" of September, 1931. A new government has been established which is, as compared with the old, modern in organization and efficient in operation. The predatory armies of rapacious war lords have been disbanded and replaced by a national military force. Roads, railroads, a well-planned and splendidly equipped modern capital and other public works have been built with surprising rapidity. Agriculture, forestry, and animal husbandry have been fostered. Health and educational services have been improved. The currency has been stabilized. Capital, organization, and technical skill have been provided for the development of the natural resources of the country. How greatly these accomplishments, and the other activities of the Japanese in Manchuria, have benefited the Chinese inhabitants of the region is a matter of doubt. The main instrumentalities for the performance of these wonders — and the performance is wonderful — are the

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Japanese army and the government-controlled South Manchuria Railroad Company.

The fundamental significance of Manchoukuo, however, lies not merely in the material progress that has been made there, remarkable as that may be. In this land, under pioneer frontier conditions and freed from the full effect of the restricting force of either Japanese or Chinese traditions, some thirty-one million Chinese, with lavish material aid from Japan and under the direction of a highly trained body of Japanese enthusiasts, are building a state and perhaps creating a civilization that may differ from that of either China or Japan. Here, in a rich undeveloped territory almost as large as Germany, France, and Spain combined, highly effective manpower and all the marvelous productive instrumentalities of modern civilization are being brought together—by force without doubt, but nevertheless united—in a great constructive effort. The result may well be something new in the world, a unique Oriental contribution to modern civilization.

As to the stability of the regime in Manchoukuo, it is my belief that it could be destroyed only by a cataclysmic social and political revolution within Japan or the complete defeat of that country in a major war. The probable effect of either of these remote contingencies, not only upon the Orient but upon the world, contains appalling possibilities of disaster to the whole fabric of civilization.

JAPAN AND RUSSIA

Probably only one nation today has the will and the power immediately to thwart Japan in the execution of any plans that she may see fit to carry out on the continent of Asia. Undoubtedly Russia sees in the continental expansion of Japan a threat to her own position in eastern Siberia. Japan regards the rapidly increasing military strength of Russia

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in eastern Asia as a menace to her very existence. Many observers of Far Eastern affairs believe that a desperate struggle between the great European-Asiatic nation and the Mikado's empire is well-nigh inevitable, if not in the near future, then within the decade. I myself, during two journeys through Manchuria and Siberia, have seen armed forces being marshaled and other unmistakable preparations for combat made on both sides of the Japanese-Russian frontier. Recently the Soviet government has officially stated that Russia will resist a Japanese advance into Outer Mongolia by force of arms. While I do not regard a Russian-Japanese war as "inevitable," such a struggle is a distinct possibility and will continue to be so until many points of friction between these nations have been eliminated. The chances that another Russo-Japanese war could be confined to those two nations are not bright. Indeed, the greatest significance of the recently announced "anti-Comintern" treaty between Japan and Germany is its plain warning that any conflict between the Soviet state and Japan would probably not be confined to the Orient.

SOUTHWARD EXPANSION OF JAPAN

Although less spectacular than its activities on the northern Asiatic mainland, Japan's steady advance to the southward, especially through the island world that lies east and south of the continent, is a factor in the Far Eastern situation that cannot be neglected in any consideration of the region. Formosa, within sight of the rocky islets north of the Philippine mainland, has been Japan's since 1895. This island she has made an important and profitable part of her national economy, a strong military outpost, and an advanced base for the economic and political penetration of South China and adjacent countries. The Japanese mandated islands that dot the Pacific for hundreds of miles east of the

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Philippines are developing rapidly under the touch of her skilled hand. In the Philippines, especially since 1931, her organization for economic and cultural penetration has been working ceaselessly and effectively. Likewise in all of the Malayan and south China region clear through to Burma. In Japan there is a powerful group, centering around certain ranking naval officers, who believe that their country's road of destiny lies to the south. Almost coincidentally with the expiration of the general international treaties limiting naval tonnage and the construction of fortifications in the Western Pacific area, a retired admiral of the Japanese navy became governor-general of Formosa, where civilian officials had ruled for a decade and a half. At about the same time a powerful Formosan development company was launched in Japan. Certainly to the south lies a rich field for Japanese expansion that is alternative or complementary to the northern mainland.

THE UNITED STATES AND THE PHILIPPINES

With this general picture of basic Far Eastern conditions in mind, let us turn to that part of the Orient where the Stars and Stripes flies over a country for which the United States has all the responsibility that goes with sovereignty. I am speaking, of course, of the Philippine Islands. In the Philippines a new era was begun with the inauguration of the Philippine Commonwealth on November 15, 1935. In the establishment of that Commonwealth, as a prelude to the complete separation of the Islands from the United States ten years hence, America took decisive action in accordance with the principles of political liberty that have been fundamental to our Philippine policy from the beginning—the principles, indeed, that are the very life blood of our own political philosophy and institutions. That these principles should be applied in the Philippines as in the United States

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has been, I believe, the practically unanimous purpose of the American people. As to the wisdom of applying them at this particular time and in the manner provided by the so-called Independence Act, grave doubt exists.

The Tydings-McDuffie Act may be regarded as a measure providing for the consummation of the historic American policy toward the Philippines. On the other hand, it can hardly be denied that the passage of the bill was secured and its terms, at least its vitally important economic provisions, largely dictated by American interests that sought to protect themselves from the competition of Philippine goods and Filipino labor. With these interests the public welfare of either the United States or the Philippines was secondary. Private gain was their first consideration.

This aspect of America's action in "freeing" the Philippines is well understood in the Orient. One of the leading Chinese statesmen of the day recently stated in a private conversation that thinking Chinese had two reactions to the establishment of the Philippine Commonwealth: first, that it was not an altruistic act but merely the natural course of an imperialistic state in ridding itself of an unprofitable colony; second, that "the Filipinos are damn fools. They don't know when they are well off." There is enough truth in the first statement to make it hurt. One of the authors of the "Independence Act," Senator Tydings, visited the Philippines after his bill had become law. Upon returning home he was quoted as having publicly stated that the passage of the act was "a ghastly mistake."

However, the Tydings-McDuffie Act was passed by Congress after years of deliberation and debate and is the law of the land in this country and in the Philippines. The President has publicly stated that if the measure contains imperfections or inequalities, the United States will give careful consideration to their rectification. Meanwhile, it would seem

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to be the duty of every good citizen, American or Philippine, to do everything in his power to assure the success of the Commonwealth that has been established under the law.

For the Philippine Commonwealth America is morally and legally responsible. Constitutionally we created it. Politically we sponsor it. Its existing bonded indebtedness has been morally underwritten by our government. We, and we alone, are answerable for any of its acts that may affect the rights of foreign nations or their nationals within its boundaries. To the Filipino people, the world at large, and to our own consciences we are ultimately responsible for the domestic tranquility and the national defense of the Islands until in 1946 they shall become an independent state.

Under the Independence Act the president of the United States has the authority, and presumably the duty, to meet these responsibilities. In the last resort he can take over the Philippine customs houses and, if necessary, the entire government by force of arms. Thirty-eight years ago when the Filipinos were not much more than half as numerous as they now are, when they were unorganized, untrained, and comparatively unarmed, it was necessary to send eighty thousand American soldiers across the Pacific to overcome their resistance to American authority. And at that time the Philippines were not within the effective sphere of influence of a jealous Oriental state of dominant military and naval strength in the Far East. In these circumstances the feeling of many Americans that we have rid ourselves of a troublesome burden by "freeing" the Philippines is hardly justified by the facts.

THE COMMONWEALTH OF THE PHILIPPINES

However, concerning the reasonable success of the Commonwealth during the ten-year period for which it has been created, I am not unduly pessimistic, provided there is a de-

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termination among both Americans and Filipinos to make it succeed. The Filipinos enter their new era with a well-organized, efficiently operated, and financially sound government. Their constitution was drafted by themselves and approved by the President of the United States. It is a sound, yet liberal organic law following American precedents in the main. The chief differences are that the Philippine legislature has one instead of two chambers, and that constitutional provisions and political circumstances combine to make the executive department the preponderant branch of the government. In personnel as in organization there was little break between the old and the new. Only three American officials automatically went out of office with the inauguration of the Commonwealth: the governor-general, the vice-governor, and the insular auditor. The American members (a minority) of the Supreme Court were soon afterward replaced by Filipinos. Outside of the hundred odd Americans in the public school system there were only a handful of Americans in the service at the end of the old regime, and most of these have been retained for the time being.

Fiscally the Philippines has one of the soundest governments in the world today. For the last three years of the old regime not only were its budgets balanced but there was an actual excess of income over expenditures. More than half of its bonded indebtedness is funded, and the unfunded portion could be canceled tomorrow by Philippine government deposits in American banks. It is true that full provision has not been made for the retirement of certain bonds of the government-owned railroad, but even so, I doubt whether there is a state in the Union or a nation in the world whose immediate financial position is stronger than that of the Philippine Commonwealth.

The position of the Philippine government is further buttressed by the continuing voice of the United States in its

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operation, and by the very fact of our responsibility for it. Philippine foreign relations are in our hands for the period of the Commonwealth. Its financial affairs are under our supervision, and legislation affecting currency, coinage, imports, exports, and immigration shall not become law until approved by the president of the United States. As has been said, the president possesses the authority and presumably he has a duty to enforce these and other provisions of the Independence law intended to guarantee a stable government during the Commonwealth period.

American and Filipino interests are further guarded for the next ten years by the American high commissioner. In normal times this unique official stands outside the government of the Commonwealth. His chief duties are to supply the president with information and presumably with advice concerning Philippine affairs. His only authority is to have access to all governmental records and to demand information. Should American intervention as provided for under the law become necessary, however, he would be the agent of the United States in taking over the government of the country, in whole or in part. Ideally, both the high commissioner and the president of the Philippines will feel that under normal conditions the high commissioner has the three rights and only the three rights assigned by Bagehot to the British constitutional monarch: the right to be consulted, the right to encourage, and the right to warn. Given these rights and exercising them wisely, a properly qualified high commissioner dealing with a Philippine president possessed of the qualities of a statesman will need no others.

Further grounds for confidence in the future of the Commonwealth are afforded by the records of the Filipino statesmen who are at its head, and by the events of the first year under the new government. This initial period has been one of intense activity, most of it intelligently directed toward

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sound objectives. Vigorous steps have been taken to improve the organization of the government and to make more effective its services for the people. Permanent agencies manned by the best qualified men in the country have prepared the plans with which the Commonwealth is proceeding. A Government Survey Board, a Budget Commission, Educational and Economic Councils, a Transportation Board, a National Corn and Rice Corporation, and similar agencies have dealt with immediate problems and are preparing long-time programs for national development. Administration has been improved by the extension and strengthening of the civil service. The vitally important office of the auditor general has been reorganized for greater effectiveness. The system of local government has been strengthened and energized. With few exceptions well-qualified men who command public confidence have been appointed to important offices.

The new unicameral legislature, the National Assembly, has conducted its deliberations with dignity and with an effectiveness that reflects the long political experience of most of its members. Its legislative output has been large and on the whole sound. True, legislative leadership and control have largely been exercised by the dynamic chief executive. However, the political antecedents of the country and the need for centralized authority during the crucial first years of the Commonwealth are apparently felt by most Filipinos to justify this concentration of authority in the hands of the national leader. The fiscal record of the year is good. Although the first budget was out of balance, unexpectedly large collections of revenue were sufficient to prevent a serious deficit, and the budget for the second year was balanced.

Among the most important constructive achievements of the year was the inauguration and popularization of a broad program for the development of the potentially rich island of Mindanao. Mindanao comprises about thirty-one per cent

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of the area of the entire Philippine Archipelago but contains less than ten per cent of its population, and most of that is concentrated within relatively small districts. The island is, indeed, the "Great West" of the Philippines and upon its occupation and utilization may well depend the future prosperity and safety of the Philippine nation. Heretofore colonization and development have been relatively slow in Mindanao, save in Davao, where Japanese interests have developed one of the most productive hemp centers in the world and peopled it with some fourteen thousand settlers.

The Commonwealth program for meeting this situation and making Mindanao incontestably Filipino by occupation and use will be directed on the ground by a newly created coordinating official, the commissioner for Mindanao and Sulu. Trunk highways that have been slowly penetrating the rich inaccessible hinterland with a view to connecting the several regions of the island will be pushed through with greater speed. The land along these roads is being surveyed and made ready for homesteading. Port works will be improved and extended. Appropriations that are heavy when compared with the total of the Commonwealth budget have already been made for these projects. A study is being made of the feasibility of constructing an electric railway along the northern coastal plain and south to Davao, power to be drawn from a number of advantageously located waterfalls. Plans have been made to prevent further penetration in Davao by Japanese immigrants, and good relations are being maintained with those Japanese already established in the province.

Another major project of the new government is the establishment of a national army. The position of President Quezon is that if the Filipinos are in earnest about national independence they must be prepared to defend it; and that the military establishment that is being developed will be

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formidable enough to make any nation hesitate before invading the Philippines. The program calls for a standing army of some twenty thousand, a trained and equipped reserve that will number about five hundred thousand at the end of ten years, an air force, and a mosquito fleet for the defense of coastal waters. A division of opinion exists as to the wisdom of the fundamental policy involved in creating this military establishment. Is it the best means of national defense? Can the Philippines pay for it without wrecking their national economy? Will it be a guarantee of internal political stability, or a danger to it? The Commonwealth replies "yes" to these and other doubting queries. Time alone will give final answers to them. There can be no doubt, however, that in the establishment of this national army the Commonwealth, with the technical advice and assistance of Major General Douglas MacArthur (field marshal in the Philippine army) and an able staff of American army officers, has shown remarkable vigor and efficiency.

These achievements, and many others of importance, are manifestations of the enthusiasm with which the Commonwealth government and the Filipino people as a whole are seeking to use their newly acquired autonomy to build a stable, progressive state that will be a genuine expression of their own national personality and make a Malayan contribution to world civilization. The record thus far augurs well for their success.

TWO DANGERS FACED BY THE PHILIPPINES

A realistic view of the situation in the Philippines, however, demands at least a statement of some of the items on the debit side of the Commonwealth's ledger. The first of these is a very real danger of internal disorder. Agrarian discontent, justified to a considerable extent by the well-nigh unbearable conditions under which many agricultural la-

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borers work and live, has been reinforced by the dissatisfaction of organized labor in Manila and some of the other larger cities. Both conditions have been taken advantage of by those who are the "outs" politically, and by a small but energetically led Communist group. I do not believe that any nationwide revolution will occur. Certainly none would have the slightest chance of success so long as the American flag flies over the Islands. But small, costly, disrupting revolts are not beyond the realm of possibility. The Philippine army and vigorous measures designed to reduce some of the causes of discontent are the Commonwealth's answers to the questions raised by this situation.

The second major danger to the success of the Commonwealth is economic. The Philippine budget can be balanced, even while the Islands have virtually free access to the American market, as at present, only by the most rigid and relentless economy. Whether a Filipino government will exercise such self-restraint remains to be seen. Thus far the Commonwealth's record in this, as in most other matters, has been good.

However, beginning with the sixth year of the Commonwealth, the Tydings-McDuffie Act imposes a gradually increasing export duty upon Philippine goods destined for the United States. It is feared that this tax will gradually strangle Philippine economic life, ruining several of the most important industries and reducing private and government incomes to a small fraction of their present volume. Many Filipinos and Americans believe, however, that the economic provisions of the Tydings-McDuffie Act will imperil the stability of the Philippine government even before the end of the Commonwealth period. Coincidentally with independence the full American duty will be assessed upon all Philippine products entering the United States. Experts have estimated that this duty would probably kill some seventy per cent of

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Philippine commerce with America (constituting eighty per cent of the total), and most of these products cannot be sold elsewhere under competitive conditions. There is grave danger that such a disaster would be followed by economic ruin and political and social chaos.

The Filipino leaders fully realize the dangers implicit in the economic provisions of the Tydings-McDuffie Act. Before advising his people to accept this measure President Quezon secured from President Roosevelt an expression of confidence that where "imperfections and inequalities" exist in the law "they can be corrected after proper hearing and in fairness to both peoples." The Philippine legislature accepted the Independence law upon the strength of this assurance and embodied it as one of the "Whereases" in the preamble to their resolution of acceptance. An American-Philippine trade conference has been called to discuss further the future economic relations between the two countries. Until these relations are put upon a more definite basis the Commonwealth cannot plan for the future with any degree of security, and uncertainty will continue to retard the economic and political development of the Islands. How far will the American president and Congress be willing to go to end this uncertainty and redeem the implied promise in the President's assurance to the Filipino people?

The Tydings-McDuffie Act has also left for future decision two other important aspects of Philippine policy. The law directs the president to seek to secure the neutralization of the Islands. It also provides that the question whether or not the United States shall permanently retain its naval bases there shall be decided by negotiations between the United States and the Philippines after independence has been achieved. Is the United States willing to assume the responsibility of being one of a number of guarantors of the neutrality of the Philippine Republic that it plans to launch

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in 1946? How deeply would the retention of naval bases in the Islands involve us in their affairs and in the international relations of the Far East? On the other hand, what would be the consequences of our abandoning our Philippine naval bases?

These questions involve problems of major importance to both the United States and the Philippines. Until they are answered the economic and political future of the Philippines will continue to be uncertain. It would seem evident, however, that there are only two ways out for the Filipinos. They must secure mutually beneficial, permanent, reciprocal trade relations with the United States, or with some other nation. Almost of necessity that nation must be Japan. Thinking Filipinos realize this fact, and many of them are wondering just what economic dependence upon Japan would mean for the future of their country.

In view of the general situation in the Far East and of existing conditions in the Philippines, you will understand, I believe, why, although I am optimistic concerning the ten-year Philippine Commonwealth, I regard the future of the Philippine Republic that will come into existence in 1946 as uncertain. During the next few years America must decide what, if any, of her obligations in the Philippines extend beyond the Commonwealth period. She must determine whether either duty or interest, or both, demand that she take steps to establish American-Philippine economic relations that will afford her Oriental dependency a better chance to survive as an independent state; whether she will assume responsibility for the neutralization of that state; and whether she wishes to retain naval bases upon its shores.

CONCLUSION

The fundamental facts in the Far Eastern situation are, therefore, fairly simple. China and Japan, the two great Ori-

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ental powers, are in a condition of internal instability and external insecurity. Japan's military power is so great, and her will to use it if necessary is so well known, that Soviet Russia is the only nation at all likely to risk a war in order to block any policy that Japan may seek to carry out on the Asiatic continent. Russia is willing and able to fight to prevent any further Japanese advance to the east, the north, or the west of Manchoukuo. There is danger that another Russo-Japanese war would not be confined to those two states. Probably no nation or combination of nations would resort to war to halt a further extension of Japanese control south of the Great Wall of China, unless, perchance, the Chinese themselves should do so. An alternative, or complementary, field for Japanese expansion lies in southeastern Asia, insular and continental. The future of the Philippine Islands is problematical. The situation in the Orient has passed beyond the control of the Western world.

In this situation the preservation of peace and establishment of stability in the Far East constitutes an international problem of great difficulty and major importance. American foreign policy in the Far East should rest, I believe, upon a recognition of these basic facts. The United States must make up her mind whether she should continue to exercise a powerful influence in the affairs of the Far East whatever the cost or whether she should withdraw politically from that portion of the world.

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