# THE CRUX OF THE PHILIPPINE CONFLICT

By JAY LOVESTONE

ONE of the most pressing questions confronting the Sixty-Eighth Congress is the problem of Philippine independence. There are several bills dealing with the American occupation of the Philippine Islands before the senate and house.

Were it not for the practically undivided attention the Teapot Dome affair is now receiving, the Philippine crisis would today have been in the forefront of our national political arena. Just now the Teapot politics eclipse everything else. But the Philippine question has its own little scandal, and its a mighty big one at that. And there is oil in it, too. It is very likely that the next scandal congress will tackle will be the General Wood family oil splash. No less noted an investigator than Samuel Untermeyer will probably step in to this exposure, which will be of first rate importance. Besides, startling evidence is promised by an investigation of the peculiar way in which General Wood has permitted concessions to be handed out to some of his political friends in the Archipelago.

To the American workers and farmers the Filipino problem is a matter of serious and far-reaching dimensions. Today the Philippines are the key to American imperialist supremacy in the Pacific—the theatre of the next great capitalist world conflagration. The very pith of the increasingly serious problem of militarism is today bound up with the acute crisis in the Philippines. No one can deny that militarism and imperialism in all their numerous dangerous ramifications are taking on ever-more threatening proportions, involving the life and security of the exploited workers and dispossessed farmers. To the extent that our working masses have a vital interest in this growing menace to their very existence, to that very extent are they drawn into the Philippine maelstrom.

**Strategic Importance of Philippines**

The Philippine Islands are the economic and military gateway to the Far East. From the naval and commercial point of view, the harbor of Manila and the Islands are the key to economic and naval supremacy in the entire Pacific. Kobe, Osaka, and Yokahama, the flourishing business cities of Japan; the Chinest coast from Shanghai to Hongkong, and the ports of North China Dairen and Tientsin; Singapore, the British Gibraltar of the Far East guarding the treasures of India; the Dutch East Indies, and the route southward to Australia—all lie within a steaming radius of 2,500 miles from Manila as a center. In this sphere of influence encircling Vladivostok, the Pacific gateway to Siberia, "India to the Arabian Sea, and Oceanica to Perth and Brisbane in Australia" there live and work close to eight million people—the prize labor market of the world.

The overshadowing importance of this strategic location of the Philippine Islands has won for the Archipelago the covetous role of being at "the cross-roads of the greatest trade routes of the future." Manila can well serve as a convenient distributing center for merchandise in this most densely populated section of the world.

**Tremendous Natural Wealth**

The Philippines are still a virgin field for economic development. Of the total area of 115,000 square miles, equivalent to the combined areas of the States of New York, New Jersey, Pennsylvania and Delaware, only about 11,500 square miles are under cultivation today. This 10 per cent of the total area is worth close to a quarter of a billion dollars.

This American dependency has close to 65,000 square miles of commercial forest land. The islands can support a population at least three times their present number. The Philippines afford unbounded commercial opportunities. The field in sugar refining is practically untouched. The same holds true for fishing, canning and fruit and vegetable raising. Wide areas of grassy lands and hillsides are available for livestock raising. The mountains are teeming with such mineral wealth as coal, iron, silver, gold and other precious metals. Rubber, cocoanut oil and hemp afford inviting investments. The islands are rich in petroleum, and are said to fall in the Borneo Oil field section, one of the six greatest oil areas of the world. With all its undevelopment, the Archipelago's total wealth today is estimated at about $6,000,000,000.

The Philippines are making great headway in economic development. The value of their six leading agricultural products—rice, corn, sugar, hemp, cocoanut, and tobacco has increased almost 300 per cent, from $122,000,000 to $343,500,000 in the period 1917-1920.

From 1903 to 1918 the number of manufacturing plants increased 156 per cent and the value of their products rose 754 per cent. The cocoanut oil factories, sawmills, sugar and rice industries have been making especially noteworthy progress. The Atlantic, Gulf & Pacific Co. and the Earnshaws Slipways and Co. have built modern iron and steel foundry plants and ship construction yards.

In the period 1917-1920 the total annual foreign trade of the Philippines practically doubled, rising from about 160 million dollars to more than three hundred million dollars. In the 25-year period of American domination, Philippine trade with the United States has risen from the meager share of 11 per cent in 1900 to 65 per cent for the first ten months of 1923. Cotton and cotton goods, iron and steel, machinery, automobiles, wheat, flour, meats and dairy products chemicals, dyes and drugs are among the leading articles exported by America to the Philippines. Hemp, cigars, leaf tobacco, cocoanut oil, hats, lumber, sugar and embroideries are among America's leading Philippine imports.

**IN WEST VIRGINIA**

A Breathing-Spell Between Battles

**Need for Economic Development.**

It is obvious that the Philippines have great need and plenty of room for economic development. And here is where we come to the crux of the whole Filipino independence question. The pivotal point of this problem like all other colonial questions of imperialist exploitation, lies in the investment of foreign capital by the financiers and industrialists of the more developed capitalist countries. The movement of the Filipino people for national independence is inextricably tied up with the titanic struggle now being waged by the dominant capitalist powers for raw material and new spheres of influence.

The Filipinos want capital. They need capital. But they do not want to give themselves away in bondage to foreign capitalist masters, they do not want to surrender their national independence in order to secure this capital. The Filipino people would like to have the foreign capitalist come in, invest his capital, get his profit, big as it might be, and then get out of the country. The Filipinos, however, are determined not to barter away their nationality for the capitalist mess of pottage, for the help that the foreign banker or manufacturer might give them.

On the other hand, the foreign capitalist, whether he be American or English, Italian or French or Japanese, just can't see how it can pay him to sink his capital into the development of railways, harbors, public utilities, the drilling of oil wells, the opening up of coal and iron areas, and the expoitlation of the other natural resources unless he himself, thru his government, has undisputed charge or outright ownership of these territories so that he might be assured of the security of his original capital and in addition be guaranteed a handsome profit.

**A Capitalist Dilemma.**

Herein lies the dilemna confronting the colonial peoples struggling for national freedom, for complete independence from the big imperialistic capitalist powers. The imperialist colonial problem presents another one of the many insolvable contradictions inherent in the capitalist system of production and exchange. Economically the Philippines, like all other industrially undeveloped countries, need the capital now controlled by the foreign capitalists of the highly developed industrial countries; politically, this very much needed capital is a millstone around the neck of the less industrially developed nation, a dagger at the heart of the nation, a menace to the very existence and independence of the people.

The Filipinos thus find themselves between the devil and the deep blue sea, between Scylla and Charybdis. The capital they would welcome economically strikes terror into their national hearts politically. There is no way out of the terrible difficulty for the colonial peoples as long as capital which is social in use remains private in ownership. The Filipinos can as much hope to make the economically welcome capital of the American banker and manufacturer politically palatable as they can hope to change the leopard's spots. Hence the utter impossibility of complete genuine national independence ever being voluntarily granted by the United States capitalist government to the Philippines.

**The Government In Business.**

Aware of the difficulties and dangers that accompany the investment of foreign capital, the native Filipino government attempted to meet the situation by getting into business itself, by taking over the role of the foreign capitalist itself. The development of the Islands' natural resources, banking, transportation, the sugar and coal industries were some of the enterprises embarked upon by the Filipino government.

In 1916, while American capitalists were busy piling up fabulous profits thru their supplying the belligerents with the means of life and death, the needs of industry and war, the Philippine Legislature passed Act 2,596 to encourage the organization of various industries along the Japanese lines thru the guarantee of a 5 per cent dividend on stocks of certain kinds of industries for a period of five years. In the same year Act 2,612 was passed to provide the proper fiscal agency for these native developments. The Philippine National Bank was thus founded on Feb. 4, 1916. Then there were formed in quick succession, the National Coal Co. under Act 2,705 on March 10, 1917, to develop the coal resources; the National Petroleum Co. under Act 2,814 on March 4, 1919 to develop the Filipino oil fields; the National Development Co. under Act 2,849 on March 10, 1919 to help the Philippines become self-subsisting thru the financing of isolated enterprises; the National Cement Co. on March 12, 1919 under Act 2,855, to meet the great demand for cement in the Islands. In the meanwhile the Manila Railroad was taken over by the government from British capitalists.

All of these corporations were organized on the basis of the native government owning at least 51 per cent of the stock so that foreign capitalists could not sneak in thru some financial back door and stifle the Filipino people.

**General Wood Butts In.**

For a few years the situation was developing rather favorably. Then the great economic depression of 1920-1921 that swept the world set in and set its heavy foot on the throat of the rising enterprises of the native government. Of course, these government industries, like all industries everywhere suffered and suffered severely thru the acute economic crisis.

Here the American capitalists saw their chance, tho the precise extent to which their observation was conscious cannot be guaged accurately, to throttle these dangerous attempts at what is often called State Socialism. Our capitalist government seized upon the losses suffered by the new native state industries thru the depression as an excuse to drive the Filipinos out of national business. The utterly fraudulent intentions and the brazen arrogance of this anti-native policy adopted by Harding are exposed in all their naked ugliness and dishonesty by the fact that in the depression of 1921 Philippine commerce fell only 32 per cent while American commerce dropped 48 per cent.

The first bombshell fired into the camp of the Filipinos was the report of the Wood-Forbes mission denouncing "the dangerous way in which the Filipinos had involved the State in business." Then General Wood's entire policy to date has been resolute and aggressive, highhanded and militarist, with the object of driving the Philippine Government out of business and having it stay out of business for good.

The choice of Wood as Filipino Governor General is in itself the best indication of the economic and naval importance attached to the Islands by the American imperialists and of the serious concern with which our capitalists viewed the entry of the native government into national business. General Leonard Wood has the unenviable record of being the most tyrannical and efficient servant of our employing class. The strikebreaker, General Wood has left his bloody imprint on the struggles of the West Virginia miners, on the 1919 steel strike in Gary, on the race troubles in Omaha, and on the Cuban people.

Governor General Wood's imperialist policy is aggravated by his being in a position to hand out valuable concessions to some of the tobacco, railroad, and oil millionaires who invested $2,000,000 in his disastrous 1920 presidential primary campaign. In April, 1923 Colonel Procter, who spent close to $750,000 on Wood in 1920, organized in the Islands a special corporation called the "Procter and Gamble Trading Co.," to exploit the cocoanut oil possibilities of the Philippines.

Here we have the conflict of imperialist capitalist interests with the needs and demands, and with the welfare and existence, of the Filipino nation. Here we have the lie given to all the sham pretenses at the self-determination of nations so grandiloquently mouthed by our ruling class in the last world war slaughter. In the case of the American imperialist attempt to uproot the most substantial basis for Philippine national freedom, the economic basis, the workers and farmers of the United States and the world are presented with a view of what our capitalism really is—stripped to the skeleton in all its naked brutality.

**Salvation Lies in Unity of Oppressed**

It is plain therefore that the very economic conditions of capitalist imperialism militate against the Filipino people being given freedom from our employing class exploitation and oppression.

It is likewise clear that because twice as much British capital is today still invested in the Philippines, the American imperialists will not dare to throw away the inestimable political advantages at their disposal thru the present political domination of the archipelago by Wall Street. The spectre of Anglo-Japanese unity in the Pacific still haunts our imperialists.

The inestimable value of the Philippines as a source of new raw materials, as a naval base, as the commercial gateway to the Far East, is uppermost in the minds of our capitalist rulers.

Consequently the Philippine crisis is bound to develop and grow ever more acute. Our exploiters will never surrender the bargain they got from the decrepit Spanish government when they paid $20,000,000 for these treasure islands. The best that can be forced out of our employing class, the most the Filipinos can hope for as long as the capitalists dominate our political and economic life, is some incomplete, limited national autonomy of some form or other.

The salvation of the Filipino people lies only in their union with the oppressed of the world, under Communist leadership and for Communism.

Complete economic and political freedom for the Philippines, genuine national freedom without strings attached to it, can and will be secured by the Filipino people and by all other oppressed nationalities only when capitalist imperialism is abolished, only when the rule of the exploiters is ended, only when the Workers and Farmers Republic is established.