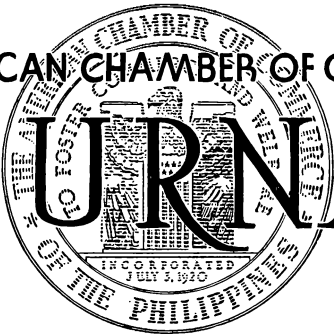


THE AMERICAN CHAMBER OF COMMERCE

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Editorials

"... to promote the general welfare"

The fact that, as reported, the entire foreign diplomatic corps in Manila has registered, with President Magsaysay, its opposition to the Retail Trade Nationalization Bill and has asked him to veto it, is and "Embarrassment" of a significance which it is to be hoped will not be lost upon the Philippine Government.

It is generally believed that the President is opposed to the type of "legislation" which the Bill represents but that he was prevailed upon to certify this Bill (supposedly a "compromise" bill in which the more radical provisions of other similar bills were watered down) as "urgent" in order to get the Budget Bill through Congress.

It should be clear that the President can not lawfully approve a measure which is so obviously in contravention of the Constitution and of various treaties with other nations, as well as of all ideas of democracy and even of ordinary humanity. The fact that, under the terms of the Bill, foreign retailers would be given a number of years to get out of business, does not alter its basic meaning,—that of a death sentence. These provisions merely substitute for a quick hanging, a slow garroting.

The unlawfulness of the proposed "law" must have been obvious to many of the more experienced members of the Senate and House who voted for it, and the suspicion naturally arises that some of these men, at least, backed the Bill for no other purpose than to embarrass the President in his handling of both foreign and domestic affairs. This, as was pointed out in last month's issue of this *Journal*, is an old game and it is to be regretted that the President made the error of aiding those who are hostile to him by agreeing to certify this "compromise bill" as urgent.

Further embarrassment now seems unavoidable, and it is to be hoped that the President will realize that the embarrassment incident to a veto would be nothing compared to the embarrassment he would suffer in approving it.

The matter goes far beyond the mere embarrassment of any one. This type of legislation if persisted in would destroy any hope of progress and greatness for the Philippines.

The Philippine Government has for some years taken very seriously its own role in the promotion of economic progress and has resorted to various ways and means to accomplish this,—with success is a matter open to debate.

President Eisenhower's statement with respect to the role of government in economic progress, incorporated in the famous Economic Report of the President, delivered to Congress early this year, contains some very valuable suggestions.

As to the actual goal and the means of achieving it, he stated:

"Our economic goal is an increasing national income, shared equitably among those who contribute to its growth, and realized in dollars of stable buying power. To achieve this goal, the dynamic forces of our society must be fully released. Accordingly, Government programs must be designed to help maintain reasonable stability during periods of readjustment and to encourage long-term growth. The mandate of Congress as set forth in the Employment Act must always be kept before us: 'To promote maximum employment, production, and purchasing power... in a manner calculated to foster and promote competitive enterprise and the general welfare.'"

As to the "conditions of progress", the President said that while there is no formula that will guarantee economic progress, "progress can be nurtured by wise public policy, just as it can be impeded by careless or shortsighted policy." "Above all things," he said,—

"public policy should recognize that the atmosphere in which people pursue their productive activities is as important to progress as the physical resources they employ."

Under "conditions of progress", he spoke, first, of individual freedom, and then, in order, of adequate incentives, effective competition, savings and capital formation, research and development, and maintenance of economic stability. His remarks on individual freedom in relation to economic progress hold special significance for us in the Philippines. "Our history", he said,—that is, United States history,—

"provides abundant proof that a basic condition of economic progress is an environment in which the individual can, within wide limits, pursue his interests according to his own lights. American culture is an

expression of economic as well as political freedom, and of the interdependence of the two. Traditionally, our Government has sought to create and maintain a democracy of opportunity in which individuals have the general freedom and the specific opportunities to work, to spend, to save, to invest, and the incentive to pursue these opportunities to the fullest extent."

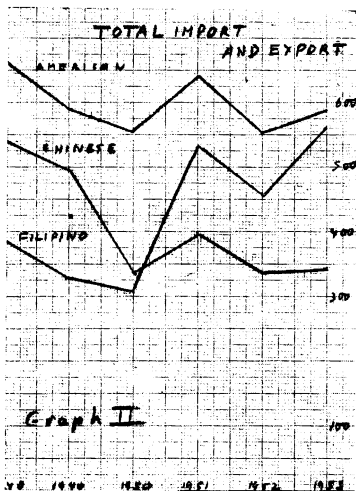
This concept, he said, "has not been made obsolete by the events of the last few decades."

"Two world wars and a world-wide depression brought a broadening of the scope of governmental activities, but this does not justify the oft-made assumption that the range of federal activities must continue to grow."

How by the touchstone of the Eisenhower statement, do the policies adopted by the Philippine Government test? What sort of atmosphere is being created? Is a democracy of opportunity being maintained? Is competitive individual enterprise being protected and fostered? Or are we playing ducks and drakes even with what little economic stability has been achieved?

Some two years ago, in the April, 1952, issue of this *Journal*, there appeared an editorial entitled "The Increasing Share of Filipino Traders in Philippine Foreign Trade". It was illustrated by a graph which showed this trend during the years from 1948 to 1951, inclusive. The present editorial, illustrated by a number of graphs, covers the years from 1948 to 1953, inclusive,—or two additional years.

Graph No. I shows the peso values of the annual imports and exports and the total trade during these 6 years. It will be seen that the lines are jagged, seemingly almost erratic, and that the total trade shows a general



over-all decrease rather than an increase. Of course, the high prices both of imports and exports during the first few years should be taken into consideration.

The annual export values show an upward trend, which is as it should be, but the import values show a generally downward trend, which is not as it should be, as, with a natural increase in population, increased production and earnings, and a rising standard of living, imports should increase. The jagged angularity of the lines for the total trade and for imports reflect in part the effect of the import controls which went into effect in January,

PHILIPPINE FOREIGN TRADE

By the traders of the principal three nationalities engaged in it
(in millions of pesos)

Year	Total Trade	Imports	Exports
1948.....	1,774	1,136	638
American.....	660	319	341
Chinese.....	542	438	104
Filipino.....	384	260	124
1949.....	1,646	1,134	512
American.....	589	333	256
Chinese.....	495	423	72
Filipino.....	359	263	96
1950.....	1,378	712	666
American.....	556	227	329
Chinese.....	337	221	116
Filipino.....	318	197	121
1951.....	1,790	959	831
American.....	639	275	364
Filipino.....	528	354	174
Chinese.....	393	257	136
1952.....	1,557	852	703
American.....	354	252	302
Filipino.....	454	286	168
Chinese.....	333	237	96
1953.....	1,696	895	801
American.....	579	248	331
Filipino.....	560	357	203
Chinese.....	343	220	123

Source: Annual figures published by the Bureau of the Census and Statistics

