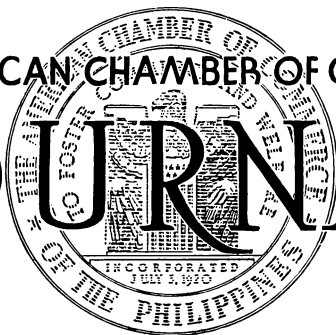


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

"... to promote the general welfare"

By the time this issue of the *Journal* will reach its readers, millions of words will have been published on the discharge of General MacArthur by President Truman, many of them very wise words; yet some comment in this *Journal*, and Korea published in the Philippines, where General MacArthur is known so well, will not be considered superfluous.

We in the Philippines can hardly take a partisan view of this tragic event, for although MacArthur is greatly esteemed and beloved here, President Truman is also known as a great friend of the country.

All that we feel that we may say is that though there may be difference of opinion as to the President's act itself, there can be little difference concerning the manner of it, which was one of unparalleled brusqueness. Certainly, the General, or any man in his position, and particularly one whose services to his country are so outstanding, deserved greater consideration from the head of its government.

This was universally felt and no doubt accounts in part for the tremendous popular demonstrations of respect and admiration with which the General was greeted on his return to America.

Some foreign observers have described these demonstrations in San Francisco and Washington and New York and Chicago as hysterical, but while hysteria certainly must have been present, as in all such crowd-phenomena, it was far more than that and was unquestionable proof that millions of the people of the United States now favor what MacArthur has come to stand for,—a more resolute dealing with communist aggression.

This has been demonstrated for all the world to see, and let the aggressors beware, for an aroused and powerful democracy is terrible in its wrath.

The American people do not want a world war, nor does President Truman, nor does General MacArthur. As some commentators have pointed out, there was a considerable "area of agreement" between the President

and the General, an area which will certainly grow, as we have seen only within the past few days (at this writing) in the American decision to expand the United States military advisory group in Formosa.

The difference between the President (and the heads of some of the other member nations of the United Nations) and the General was chiefly one of how the "small war" in Korea was to be fought. The President is for keeping the war strictly localized as long as this is possible even at the cost of prolonging it for an indefinite period of time. MacArthur was for extending certain action to Manchuria and the Chinese mainland if necessary, with the expectation of thus bringing it to a quick end.

The President and the heads of some other governments believe that such an extension would lead to Russia openly joining China and a third world war.

The issue therefore revolves about a weighing of probabilities and possibilities. The question is: which is the more dangerous,—a prolongation of the present situation in Korea, or a more decisive effort to bring it to an end?

Reasoning by analogy is always dangerous, still it seems to the point to say that one does not use a sprinkling can to put out a fire.

As has been said, the President has removed not only a great general, but a great "pillar of democracy" in the Far East, and this is certainly being interpreted by our foes as a gesture of appeasement, though President Truman and other government spokesmen anticipated this and from the first denied it.

But meant as appeasement or not, and accepted as appeasement or not, the removal of MacArthur has not served to halt a third major communist attempt to conquer Korea, and at this moment, a force estimated at over 500,000 men, is again throwing itself upon the greatly outnumbered United Nation forces, while the newspapers reported yesterday that at Paris, Soviet Deputy Foreign Minister Andrei Gromyko warned in a "two-hour monologue almost unparalleled in its belligerency" that "there will not be enough room in Korea for white crosses over

graves of interventionists if the fighting does not come to an end"—that is, if the United Nations does not abandon its efforts to end the criminal communist aggression there.

The hope of halting such aggression is the only hope of the world, and, ready or not, or only partly ready, the free world must meet the challenge voiced by Gromyko. The United Nations must send more troops to Korea, and they must be equipped with and permitted to unleash the ultimate in force there, and if necessary not only in Manchuria, but in Siberia.

When we must use force, it is a fatal contradiction to use it gently. We may adhere to a "limited objective" if we can, but we must reach it by the shortest route.

Korea is the testing ground where the United Nations must win or lose the war against aggression everywhere.

New laws and new executive orders with respect to the government import control, the abolition of PRATRA

The Growing Damage and Evil of the Import Control

and the creation of PRISCO, changes in the membership of the Import Control Board and the Import Control Administration and in the person of the Import Control Commissioner, the appointment of businessmen as expert advisers, transfers of jurisdiction, amendments to the rules and regulations, alleged relaxations,—all these various developments have throughout a period of two or more years been hailed as promising improvement in the control, but none has actually resulted in improvement; inefficiency and corruption still increase. The "ten-percenters" of a year ago have become "fifty-percenters."

Men speak well of the new members of the Board and the new Commissioner, but they spoke well, likewise, of their predecessors. There would always be a few weeks of hope that conditions would indeed take a turn for the better; and then the hope would die.

And that is not because the men who have successively been in charge of the control were inefficient and corrupt, but because the system itself is unmanageable and therefore inevitably inefficient and a breeder of favoritism and corruption.

According to a statement of the new acting Import Control Commissioner, Mr. Demetrio S. Santos, himself, "there are many applicants who have not obtained a single license since the establishment of the Import Control Administration and there are others who have already been allotted licenses for the second quarter of 1951".

There are tens of thousands of license applications, acted and unacted upon at every stage of the processing, signed and unsigned, and un-released. Licenses granted have been suspended, invalidated, revalidated, and cancelled outright. It is reported that at the present time licenses totalling \$90,000,000 in amount have been issued against a total exchange available of only \$25,000,000. The control is in a state of hopeless confusion and, in our opinion, will remain in such a state as long as the impossible continues to be attempted.

Even if certain limited controls of this nature are possible in other countries, here we have neither the personnel nor the equipment for such a task, nor has the Government the means to meet the high cost that would have to be met in instituting even a much less comprehensive system. It is a notorious fact that in a number of the divisions of the Import Control Office there are only one or two calculating- or adding-machines. Even filing-cabinets are lacking!

At a recent meeting with businessmen, the control

*Just after this was written, the newspapers reported that a strong movement had started among both Senate and Lower House members of the Commission on Appropriations to reject the appointments of these men on the ground that they had been allowed to take their oaths of office before the confirmation of their appointments.

officials, in apparent desperation, suggested that the various chambers of commerce donate personnel and equipment, and even that the chambers themselves look after the processing of applications, pass on them, and make their recommendations concerning them to the Control Office.

The latter suggestion, though well meant, is also wholly unpracticable, for chambers of commerce are not staffed or equipped for such work; furthermore, there are thousands of applicants for licenses who do not belong to any chamber of commerce.

Conflicting announcements have recently been issued as to the cancellation of "unused" licenses already granted, one official announcement stating that this affects only "luxuries and non-essentials" and the other that the invalidation applies to all licenses. To the question what protection or recourse our importers have with respect to possible suits for breach of contract, no satisfactory answer has been given.

Exporters in the United States and other parts of the world read reports of improvements made in the control administration here and of various supposed relaxations in the application of the control, or they receive copies of official announcements which seem favorable before they learn of diametrically contrary rulings, but they receive no orders, or only trifling orders, or the orders they receive are later cancelled, yet, surely, they can no longer be in doubt of what actually is amiss or place the blame on their representatives and agents here.

The import control in the Philippines is not only an unmanageable and impossible thing, but it has become an outrageous evil,—economically, politically, and socially. It and it alone is responsible for the greater part of the scarcities which exist, for much the largest fraction in the truly vicious increases in all prices, and for much of the present graft and corruption in the Government.

In its attitude to this question, the public should not be misled by such terms as "non-quota" and "ex-quota" goods, for all goods regardless of this classification are subject to licensing, nor by such announcements as are published in the newspapers from time to time that certain commodities have been "de-controlled" or will be allowed to come in in "unlimited" quantities. So far, the measures taken to deal with the present fatal scarcities and ferocious prices amount to no more than the transfer from the ICO to the PRISCO of the licensing of certain imports; applications for licenses must still be filed; import licenses granted are still but a small proportion of the licenses asked for; and after they have been granted, it is still necessary to apply for exchange licenses to cover them, and these may still be denied, though, of late, the Central Bank has honored all the licenses issued by PRISCO. In practice, the so-called "de-control" means only that licenses are granted a little more readily, but there has been no real abandonment of control in any case, or even any real relaxation of the control itself.

We do not like to discourage the undoubtedly earnest efforts the new control authorities are making to improve the system and we regret that it may be thought that we are unappreciative of the spirit behind these efforts. But we are strongly convinced that it behoves us all to give up thinking about possible improvement and to recognize that the system is an unqualified evil which demands outright and immediate abolition.

IT is impossible for a businessman, a capitalist, to make a profit without exploiting and cheating workers of the fruits of their toil. It is impossible for a landlord to be prosperous or influential in our present society without robbing the peasants of their share of the harvest. 'Social justice' is a demagogic propaganda phrase under a society in which practically all of the Propaganda wealth and the means of making wealth are concentrated in the hands of a few individuals who, having wealth and power, fear that the poverty-stricken many might dispossess them, and therefore are ready to resort to any means to stay