

is a good example of what I mean by reducing production costs without reducing the wages of the laborers. What can be done to reduce production costs in other areas of the country without lowering wages?

FROM the answers to such specific questions as I have just raised should come the answers to such general questions as: Is the Philippines making a maximum use of its own resources to promote its own economic development? If not, what more can it do for itself?

With the answers to these questions in hand, the next step will be the formulation of a concrete, specific, realistic plan of action, based upon what appears to be the wisest course of action in terms of the most urgent immediate needs, as well as the long-range needs of the nation as a whole.

Long-range projects necessary to the most beneficial development of the country's resources must be carefully formulated. On the other hand, today's needs are urgent. Without prejudice to the plans for long-range development, top priority should be given to economic development projects which can be undertaken promptly and which will make the greatest net contribution within a reasonable period of time. In brief, a proper balance should be kept between long-run objectives and short-run realities.

The members of my Embassy staff will be glad to assist, to the extent desired by your government, in the drafting of a plan of action such as I have just discussed.

As soon as a plan has been completed, which provides for maximum self-help on the part of your country itself, my government stands ready and willing to cooperate in carrying out the plan by assistance under President Truman's "Point Four Program," when necessary funds are made available. Under

the "Point Four Program," two types of assistance will be available—

1. Assistance in finding ways and means of tapping the reservoirs of United States private capital, to supplement local capital, in the creation and expansion of productive enterprises.

2. Assistance, by furnishing scientific and technical knowledge and skill through such activities as training in administration, in industry, and in agriculture; health programs, broad technical missions, and the supplying of individual experts; experiment stations, training fellowships and local technical training institutes; dissemination of information through conferences, seminars, and publications; provision of laboratory material; demonstration services and equipment; advice concerning particular industrial and agricultural projects; resources surveys and general assessment of development potentialities; analyses of methods of production, marketing and management; and advice on steps designed to mobilize domestic savings for constructive investment.

In addition to the foregoing types of assistance under the "Point Four" program, I shall be willing to recommend to my government, from time to time, other types of assistance which might be required to supplement maximum effort by the Filipino people in order to enable them to build a sound balanced economy.

In closing may I say, as strongly as possible, that the Filipino people have every reason to have full confidence in the future of their country. You have vast resources and an intelligent population and the United States stands squarely behind you today, asking only that you do all in your own power to develop your own economy to the end that a steadily increasing percentage of the Filipino people may realize their aspirations for a happier, healthier and more prosperous life.

Export Control

By V. E. Bunuan

Administrator, Sugar Quota Office, Department of Commerce and Industry

EXPORT control in the Philippines had its beginning with the control exercised by the U.S. High Commissioner of the Philippines in 1940 over strategic war materials such as munitions, with base metals added in 1941, by virtue of a proclamation of the President of the United States. With the re-establishment of the Philippine Government and of the High Commissioner's Office in 1945, the United States shipped to the Philippines, through Philippine importers authorized, and whose credits were sponsored, by the U.S. Commercial Company, acting as official representative or agent of the High Commissioner, much needed goods, mainly food supplies and articles of clothing, for sale among the inhabitants of the Philippines and expressly prohibited from exportation. It will be noted that this prohibition referred only to American goods that were imported into the Philippines and did not include any Philippine product.

This control continued until 1946, when the Philippines took over, it may properly be stated, the function of export control with the enactment on July 2, 1946, by the Congress of the Philippines of Commonwealth Act No. 728 authorizing the President of the Philippines, until December 31, 1948, to regulate, control, and prohibit the exportation to any destination, of agricultural or industrial products, merchandise, articles, materials, and supplies, and the Sugar Quota Office, being in charge of the exportation of sugar and other quota products to the United States, such as coconut oil, cordage, cigar, leaf tobacco, and

pearl buttons, was designated by the President of the Philippines as the logical office to take charge of the operation of the export control law in Executive Order No. 3, issued on July 10, 1946, prescribing rules and regulations for this control. Section 1 of this Order listed 41 products, articles, materials, and supplies, both of local and foreign origin, which were prohibited from exportation, among them articles of prime necessity such as rice, sugar, milk, cheese, butter, eggs, lard, poultry, grains, vegetables, coffee, textiles, cotton, shoes, soap, and such other products as were in short supply at the time and which were needed for the agricultural and industrial rehabilitation of the Philippines.

The prohibition of the exportation of the products in Section 1 of this Order, however, was not absolute in order not to unduly interfere with the country's foreign trade. If, upon due survey and investigation by the offices and entities of the Government to which each application to export is referred, it was found that there was sufficient supply of the articles or products applied for to take care of local demand, limited quantities of these products were permitted exportation.

Exportation of products, articles, materials, and supplies to the United States, whether of prohibited exportation or not, were not, under the provisions of this Executive Order, subject to the issuance of an export license; in other words, they were permitted to be shipped to the United States freely, the only requirement being the ordinary filing of a through

bill of lading with the Bureau of Customs. The Executive Order further provided that the exportation of products, materials, and articles purchased from the United States Foreign Liquidation Commission which were sold by said Commission specifically for export was, as it is now, permissible.

In a separate Executive Order issued in 1946 by President Roxas under the emergency powers of the President of the Philippines, the exportation of lumber was prohibited to the extent of 20% of the output of each lumber producer. Later this control was liberalized by permitting the exportation of lumber to the extent of 50% of the quantity of lumber produced. Finally, on June 7, 1949, the control was entirely abolished and since then the exportation of lumber has been free.

The President of the Philippines later amended Executive Order No. 3, imposing an application fee of ₱2 for each application submitted to the Sugar Quota Office, and an export license fee of ₱5 for each ₱1,000 of the declared value of the goods applied for exportation or fraction of said value amounting to ₱500 or more, provided that the license fee for each license issued does not exceed ₱50. Later the Cabinet prescribed a royalty fee for each kind of scrap metal permitted exportation, to be collected in addition to the application and export license fees. From November 1, 1946, when the license fees were put into effect, to August 31, 1949, the revenue derived by the Government from these sources amounted to

₱1,914,803.27. On March 17, 1947, the President further amended the Executive Order, requiring the issuance of export license on all shipments to the United States of copra and all properties transferred to the Philippines under the agreement between the Republic of the Philippines and the United States, dated September 11, 1946.

EXPORT control under Commonwealth Act 728 already referred to, expired on December 31, 1948. Though requested to do so by the President, the Congress failed to re-enact this law and the President therefore extended the export control by the use of his emergency powers, through the issuance of Executive Order No. 192, dated December 24, 1948. The control, as ordered by the President under this Executive Order, however, was greatly liberalized. Many of the articles in the prohibited list of exportation in the previous Executive Order were removed, such as sugar, textiles, cotton and light material, soap, oils, fats, waxes, and derivatives thereof, lamps and other lighting supplies, coal, and coke. There were, however, some articles and materials that were included in the new Executive Order as prohibited from exportation, and these were: all scrap materials, combat vessels and other combat equipment, and products exported by the United States and foreign countries to the Philippines under allocation. Liberalization of control was also effected through the abolition of the requirement that products not listed in

PRODUCTS EXPORTED TO THE PHILIPPINES UNDER ALLOCATION BY EACH FOREIGN COUNTRY, INCLUDING THE UNITED STATES, AND BY THE INTERNATIONAL EMERGENCY FOOD COUNCIL, AND, THEREFORE, PROHIBITED FROM EXPORTATION UNDER EXECUTIVE ORDER NO. 220, DATED JUNE 4, 1949, AMENDING ITEM 41, SECTION 1, OF EXECUTIVE ORDER NO. 192, DATED DECEMBER 24, 1948.

UNDER UNITED STATES DEPARTMENT OF AGRICULTURE

MEAT AND MEAT PRODUCTS

Hams
Bacon
Corned Beef

MILK AND DAIRY PRODUCTS

Condensed milk
Butter
Cheese

FISH

Canned
Codfish, salted

**UNDER THE OFFICE OF INTERNATIONAL TRADE
(DEPARTMENT OF COMMERCE)**

COAL-TAR PRODUCTS

Coal-tar pitch
Cresote or dead oil
Dimethyl phthalate

MEDICAL AND PHARMACEUTICAL PREPARATIONS

Insulin
Quinine sulfate, hydrochloride
Quinidine alkaloid, salts and compounds
Streptomycin
Bismuth sub-carbonate, sub-gallate, sub-nitrate, sub-salicylate
Radium salts and compounds
Radium (radium emanations)
Chemicals containing artificial radioactive isotopes

CHEMICAL SPECIALTIES

Naphthalene balls and flakes
Synthetic gums and resins

INDUSTRIAL CHEMICALS

Ethylene glycol
Lauryl alcohol
Lead acetate
Sodium carbonate, calcined or soda ash
Soda ash, causticized
Sodium nitrate, ammonium nitrate
Urea, urea ammonium salts
Beryllium salts and compounds
Bismuth salts and compounds

Chemicals containing artificial radioactive isotopes
Chromium salts and compounds
Gallium salts and compounds
Lead antimonate, lead arsenite, lead dioxide
Radium ore concentrates
Radium salts and compounds (radium content)
Tin compounds

PIGMENTS, PAINTS, AND VARNISHES

Lithopone
Red lead, dry, in oil
Litharge
White lead, dry (basic lead carbonate), in oil
Basic sulfate of white lead
Chrome pigments containing 10% or more chromium, except lead-free chrome pigments
Lead pigments, including blue lead and lead sulphate
Lead sublimed in oil
Paints containing radium

NON-FERROUS METALS

Copper pipes, tubes, plates and barewire
Bronze and brass bars, plates
Lead bars, sheets, solder type metal

TIN PLATES

IRON AND STEEL

Galvanized iron sheets
Welded galvanized steel pipe
Uncoated iron and steel wire

UNDER INTERNATIONAL EMERGENCY FOOD COUNCIL

COCOA BEANS

RICE FROM INDIA

JUTE BAGS AND BURLAPS

FROM AUSTRALIA

**HAM AND BACON
CHEESE AND BUTTER**

FROM JAPAN

STEEL SHEETS
LIGHT RAILS
REINFORCED STEEL BARS
CONDUIT AND WATER PIPES
RAILS
BARBED WIRE
BAILING HOOP

Sources: United States Embassy and Department of Foreign Affairs, Manila, as of June 27, 1949.

the list of articles prohibited from exportation were to be permitted exportation without the issuance of export licenses. The products, materials, articles, and supplies listed in the Executive Order as prohibited may be permitted exportation as exceptions under the following conditions:

1. If, after due investigation by the government entities concerned, the available supply of the article to be exported is found to be in excess of domestic requirements, its exportation may be allowed.

2. Shipment of materials and food, like fish and fish products, to the Filipinos in Hawaii and Guam shall be allowed.

3. Shipments by local firms of their own products to their branches or factories abroad, for the use of the latter, shall be allowed.

4. Exportation of articles or spare parts of articles in the prohibited list that have been brought into this country for assembly or for transhipment or reexportation, shall be allowed, provided that local needs for such articles are adequately supplied, or that new replacements for the same are made.

5. When a particular material under a prohibited class cannot be sold locally because there is no demand for it, its exportation shall be allowed.

THIS was the situation in respect to export control in the Philippines when the Supreme Court decided on August 26 that Executive Order No. 192, issued under the emergency powers of the President, is not valid. As a result of this, export control is to be discontinued in accordance with the decision of the Supreme Court, 15 days from the date of the entry of final judgment, that is 15 days after the 15 days allowed by the rules of court to each side to file a motion for reconsideration. In other words export control will be discontinued 30 days after August 16, when the decision was promulgated, unless in the meantime, a way is found to permit it to continue pending enactment of the necessary legislation by Congress.

The question of whether or not export control should be continued, has thus been brought to public attention. It is believed that like other countries, including the United States, which still exercise export control, the Philippines should continue to do so, in a further liberalized manner, in the same way that the export control as exercised through Executive Order No. 192, in 1948, issued by the President of the Philippines, was more liberal than that which was exercised through the previous executive order issued by President Roxas in 1946, which is logical because of the fact that articles, products, and mer-

chandise that in the past have been of short supply are no longer so to the extent that they were in previous years. Export control is however to be deemed necessary in the following cases:

1. Export control should be continued in order to continue to prohibit the reexportation of products, articles, and merchandise that are exported to the Philippines under allocation by the International Emergency Food Council and by the United States and other foreign countries to needy countries. The Philippines is among the countries that receive allocations each year upon our request and that are given in consideration of our needs; in reciprocation, the exportation of these allocated products is prohibited not only because of our need for such products but in due recognition of the interest of the allocating countries.

2. Export control should be continued to prevent the exportation of combat equipment and materials of war which formed part of the war surplus property turned over by the United States Government to the Philippines with the request, later, that the Philippine Government cooperate with the American Government to prevent certain war combat equipment and materials from falling into the hands of countries which do not subscribe to the ideals for which the last war was fought and won. This combat equipment and these war materials are included in Proclamation 2776 of the President of the United States, dated March 26, 1948, which, by virtue of a joint resolution of the Congress of the United States, makes it unlawful for any person to export or attempt to export from the United States to any other state any arm or ammunition listed in said Proclamation, unless an export license is issued by the Secretary of State.

3. Export control should be continued to prevent the exportation of those war surplus properties transferred by the United States Government to the Philippines which, under the Agreement between the two governments dated September 11, 1946, are not to be permitted to be imported into the United States, said Agreement being as follows: "That the Philippines shall use its best endeavors to insure that property transferred pursuant to this Agreement shall not be imported into the United States in the same or substantially the same form, if such property was originally produced in the United States and is readily identifiable as such, unless such property is to be imported into the United States for the purpose of reconditioning for reexport, or by a member of the United States armed forces for his personal use".

4. Export control should be continued to prevent the exportation of articles and products which are in short supply in the Philippines, such as food products, building materials, tractors, agricultural implements, fertilizers and such products as are needed for the industrialization of the Philippines, which include scrap metals of all kinds and iron ore. These products being in short supply will, if permitted to be exported, result in the consequent rise in prices to the detriment of public interest. In this connection, it must be stated that nearly all the countries of the world, including the United States, still exercise export control especially with regard to local products and needed materials for industrialization, because they can not produce said products to the extent of permitting unlimited exportation.

THE world is tired of political fanaticism. It is weary of the lies, propoganda, and hysteria created by dictatorships. It is disgusted by the practice of torture and political allegiance which is inspired solely by fear.

"Men want to live together in peace. They want to have useful work. They want to feel themselves united in brotherly affection. They want to enjoy that great privilege—a privilege denied to millions throughout the world today—the right to think their own thoughts and to have their own convictions."

PRESIDENT TRUMAN

At the 75th annual conventions of the
Imperial Council of the Shrine