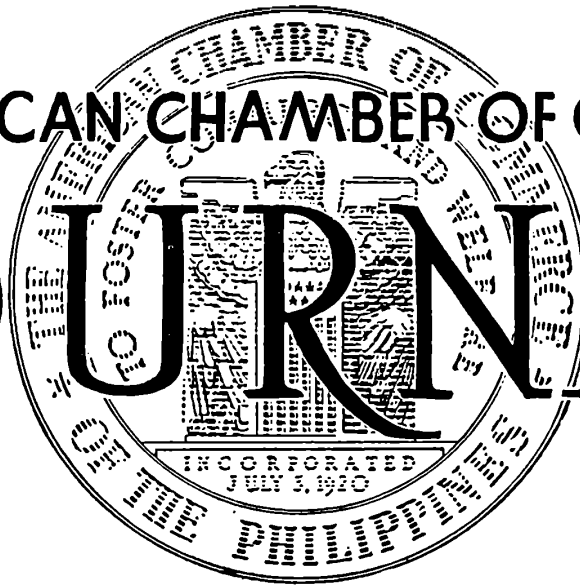


# THE AMERICAN CHAMBER OF COMMERCE

# JOURNAL



## Editorials

*"... to promote the general welfare"*

The October 30 *McGraw-Hill American Letter*, Philippine Edition ("An exclusive advisory service for executives in the Philippines"), contains the following interesting paragraphs on the Philippine-American Trade Act negotiations now in progress in Washington, D.C., which the *Journal* is privileged to reproduce by special permission:

**"U. S. WILL OPPOSE INCREASES IN MARGIN OF PREFERENTIAL TRADE WITH ISLANDS:** Reliable sources in Washington report that Philippine-American trade act negotiations are proceeding with American position unchanged. This country will continue to resist modifications which would increase margin of preferential treatment granted the Philippines. Washington will consider sympathetically any tariff adjustments suggested by Manila delegates, as long as they are reciprocal and do not increase margin of preferential trading. You can even expect some attempt by U. S. representatives to get margin narrowed.

"American officials believe increase would harm Manila in long run. Much of Philippine trade with U. S. is considered basically uneconomic because of high transportation costs involved. Key aim of Bell Trade Act was to gradually lessen heavy dependence of Island economy on U. S. Washington still feels this is important. Opinion here is that Manila must expand trade with nearby areas, notably Japan, rather than tighten preferential trading ties with this country. At the same time, U. S. officials point out that under General Agreement on Tariffs and Trade this country is committed not to increase preferential trading margins. Conclusion is that such increases would be unpopular at home and abroad.

**"AMERICAN BUSINESS INTEREST IN THE FAR EAST SHOWS SHARP UPTURN:** Recent New York conference of Far East-America Council of Business and Industry reveals wide range of interest in Asian economic affairs among businessmen here. Attendance this year doubled 1953 session. Far East representatives place major stress on U. S. need to bolster democratic Governments against Communism through aid programs. Although this view is gaining support, some high U. S. officials still believe that Asian Governments need U. S. more than this country needs them. This thinking will continue to influence American action."

Philippine policy makers may well take such information as this into consideration, as also our businessmen.

The decision of the Philippines to become a member of the group of nations, now numbering seventeen, which have associated themselves under the so-called Colombo Plan aimed at increasing the productivity and raising the standard of living in the countries of South and South-East Asia, is a development well worth noting.

The idea for the Colombo Plan originated at a meeting of the prime ministers or foreign ministers of the British Commonwealth of Nations in January, 1950, held in Colombo, Ceylon. The situation of the countries of this region was taken up and it was decided to create a consultative committee which would survey the needs of the area and assess the resources of capital and technical man-power available, and also seek both to focus attention on the problem and to provide a framework around which an international cooperative effort could be developed. The committee initially comprised Australia, Canada, Ceylon, India, New Zealand, Pakistan, and the United Kingdom and its territories in Malaya and Borneo, but it was intended from the first to invite other countries in the region to participate, and it was hoped also that other countries outside the area would wish to assist in the program.

The first meeting of the Consultative Committee was held in May, that same year, in Sydney, Australia, where it was decided that the various associate countries would draw up their own development programs to cover a period of six years from July 1, 1951. Agreement was also reached on the so-called Technical Cooperation Scheme to which the Commonwealth Governments agreed immediately to contribute an amount up to £8,000,000 over a three-year period ending June 30, 1953. A Council for Technical Cooperation was constituted to operate the Scheme under a Bureau with headquarters in Colombo.

A second meeting of the Consultative Committee was held in London, still that same year (September, 1950), and here the development programs meanwhile prepared by various countries in the region were considered and incorporated in a report entitled "The Colombo Plan for Cooperative Economic Development in South and South-East Asia". The total cost of the programs presented was then estimated at £1,868,000,000 over the six-year