# EXCHANGE CONTROL AND THE SOCIAL INTEREST: A RECONCILIATION

## The Meaning of Exchange Control

Interpreted broadly, exchange control would mean any intervention in the foreign exchange market which affected exchange rates including such diverse actions as embargos on capital exports, standstill agreements, informal support of the market, and the more formal operations of stabilization funds.[1] Exchange control, in the broad sense, includes any measures taken by the government to influence foreign exchange rates, the adoption of the gold standard, control money market. A more positive form of exchange control is the active intervention by the government in the foreign exchange market for the purpose of influencing directly the demand and supply of foreign exchange.[2] But with the development of organized systems of control, the term has come to be confined to various types of restrictions on private foreign exchange[3] dealings.[4] In its milder form, exchange control involves nothing more than general supervision of application for foreign exchange, together with informal limitation of certain categories of demand.[5] In other words, exchange control means the regulation of the flow of dollars out of the country in order to conserve the buying power of the peso.[6]

## The Origin of Exchange Control in the Philippines

Inflation of currency is the source of exchange control.[7] Since exchange restrictions are in most cases introduced only in emergencies—war, political disturbance, economic upheaval or financial crises, when the value of currency is under pressure and the dollar resources are being threatened, the object of exchange control is usually to prevent the external value of our dollar reserve from depreciating or the price of foreign exchange from rising. In order to accomplish this, the demand for dollar exchange in the Philippines must be restricted and the supply must be prevented from declining, if possible.[8] Thus, the problems that arise with exchange control

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1 ELLSWORTH, THE INTERNATIONAL ECONOMY 516 (1950).

2 Landicho, *Some Aspects of Exchange Control*, 23 UNITAS 1 (1950).

3 "Foreign exchange is the conversion of an amount of money or currency of one country into an equivalent amount of money or currency of another country." Janda v. Lepanto Consolidated Mining Co., G. R. No. L-6930, May 25, 1956. "Foreign exchange refers to all payments made by the businessmen of one country to those of another country. Domestic exchange is simply the term applied to the various methods of making payments between businessmen in diferent communities located within the same country." E. L. STEWART PATTERSON, DOMESTIC AND FOREIGN EXCHANGE 1 (1918).

4 ELLSWORTH, *op. cit.*, at 610.

5 *Ibid.*

6 *Philippine Economic Controls*, I PRATRA-PHILIPPINE REHABILITATION JOURNAL, Sp. Supp. 12, 43 (1950).

7 Padilla, *The rationale of price and exchange cntrols*, The Manila Chronicle, Puly 31, 1957, p. 16, col. 4.

8 Landicho, *supra* note 2, at 136.

practices may be problems of depression or war as much as they are problems of exchange control.[9]

Controls are something new here.[10] A.V.H. Hartendorp describes the birth of exchange control[11] in the Philippines, thus: "... later came the most important of all the Central Bank's circulars of that year and any year since—Circular No. 20, December 9, 1949. It further restricted the sale of foreign exchange by the Central Bank and subjected all transactions in both foreign and gold to licensing by the Central Bank. The circular designated all banks incorporated or licensed to operate in the Philippines as 'authorized agent banks' of the Central Bank, these being empowered, however, to deal in foreign exchange only as permitted under the terms of the circular. All foreign exchange receipts of the different banks and of any person or firm had to be sold to the Central Bank within one business day following the receipt of such exchange. This was the so-called foreign exchange control instituted, it is to be noted, about a year after the Central Bank first opened its doors. In exchange for pesos, the Central Bank was now appropriating the dollars of everybody in the country; no one was allowed to hold dollars earned or acquired by him for longer than it took to surrender them to the Central Bank." The Philippines, thus, entered a new era in international economic policy.

Scope of the Measure

Exchange control deals with all forms of international economic transactions, services, and capital movements as well as commodity trade.[12] Exchange controls involve the centralization of all foreign exchange operations in a single institution either in the central bank or some specially constituted exchange control authority. Regulations, enforced with varying degrees of severity, require the delivery to this central authority of all proceeds from international transactions carried on by residents of the country. Likewise, all demands for foreign currency must be met from this central pool; their fulfillment, both overall and in detail is subject to determination by the central authority.[13] Exchange controls include direct government regulation of international payments. A full-pledged exchange control system is likely to include the following provisions: (1) The government sets exchange rates and declares that transactions at other rates are illegal. (2) All receipts of foreign exchange must be sold to the foreign exchange control authorities at the officially determined rates. And (3) no payment may be made to foreigners unless permitted by the government regulations. Thus the government can ration foreign exchange and determine the total amounts of payments to foreigners, the purposes for which payments may be made.[14]

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[9] WALTER, FOREIGN EXCHANGE EQUILIBRIUM 39 (1951).

[10] Sycip, *Full Support for Government Exchange and Import Controls*, 46 PHILIPPINE COMMERCE 7, 17 (1950).

[11] Hartendorp, *Short History of Industry and Trade in the Philippines, — Exchange Control*, 33 THE AMERICAN CHAMBER OF COMMERCE JOURNAL 8, 370 (1957).

[12] Landicho, *supra* note 2, at 136.

[13] ELLSWORTH, *op. cit., supra* at 611.

[14] BAUMOL and CHANDLER, ECONOMIC PROCESSES AND POLICIES 552 (1954).

The system, therefore, entails the following: state monopoly of devisen and precious metals, including the compulsory sale of existing stocks in private hands; fixing of official rates of exchange and prohibition of publication of non-official rates; the prohibition of exports of devisen, money, precious metals, and foreign securities; the requirement of guarantees that devisen proceeds will be forthcoming for exports of goods; the prohibition of capital exports in the form of loans to foreigners; the prohibition of depositing devisen to domestic accounts, of depositing money to foreigner's accounts, or between foreigners' and residents' accounts or vice versa; prohibition of imports of domestic money, of foreign securities—and of foreign goods without the permission of the import authority; registration and frequently the compulsory sale of foreign securities; the prohibition of export and import transactions with certain countries except through the clearing, and of barter dealings except under government auspices.[15]

The Central Bank of the Philippines promulgated in February of 1950, "Notification to Authorized Agents No. 25" which provides in part:

> "In general the foreign exchange control regulations affect all transactions having international implications. The following is a partial list of various classes of transactions which require authorization by or on behalf of the Central Bank:
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> (a) Purchases and sales of, and other dealings in foreign exchange;
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> (b) Payments in pesos by residents to, or accounts of, non-residents;
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> (c) Exports of coin, currency, checks, drafts, traveller's checks, etc.;
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> (d) Exports of securities;
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> (e) Sales, assignments, incumbrances, transfers, and deliveries of securities by residents to non-residents, either in the Philippines or elsewhere, and purchases, etc., in the Philippines of securities by non-residents from residents; and
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> (f) Sales of securities in the Philippines by non-residents and purchases of securities by residents from non-residents, either in the Philippines or elsewhere."

It may be seen, therefore, from the enumeration how broad is the field covered by the exchange control measure.

## The Ends of Exchange Control

The general philosophy behind the implementation of exchange control is to make the importation of semi-essential and non-essential commodities more and more liberal.[16] Said A. H. Lacson: "We must remind ourselves that exchange controls have never been conceived as instruments for increasing production. They are stop-gap measures that have been imposed on the disposition of our exchange resources for the express purpose of preventing their being wasted on commodities and services that are not essential for the maintenance of a strong body economic."[17]

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[15] ELLIS, EXCHANGE CONTROL IN CENTRAL EUROPE 305-306 (1941).

[16] Redoblado, *Exchange Control*, The Daily Mirror, July 29, 1957, p. 10, col. 1.

[17] *Lacson backs exchange control*, The Manila Times, February 23, 1956, p. 22, col. 6.

From the point of view of general economics, the purposes of exchange control are: (1) prevention of unregulated export of capital [18] and depreciation of the currency; (2) temporary insulation to permit adjustment to international equilibrium; (3) increasing the total economic gain from foreign trade; (4) securing cheap foreign exchange for government purposes; (5) retaliation against foreign controls, quotas, tariffs and the like; (6) protection of domestic production; (7) totalitarian economic and political control.[19] Or it may finally be a device by which a dictatorship achieves and continues to exercise control over the economic and political destinies of the populace.[20]

Hence, foreign exchange controls are not simply a device for protecting industries. They may be used to stop the movement of gold from a particular country, to stabilize exchange rates, to prevent an outflow of capital to make sure of obtaining necessary imports, to serve as a bargaining tool in international relations, or for other purposes.[21]

In the Philippines, the emergence of exchange control for the first time is intimately associated with four fundamental economic developments of international importance:

1. To regulate and restrict imports into the Philippines in order to safeguard the external financial position and balance of payments;

2. To implement policies directed toward the reconstruction and developments of industrial and economic resources;

3. To protect the domestic economy from imports of heavy inflow of non-essential requirements;

4. To influence the international distribution of scarce materials supplied by the United States by assuring the flow to countries where needs are most urgent and where recovery can be most effectively advanced.[22]

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[18] ELLSWORTH, *op. cit., supra* at 613.

[19] ELLIS, *op. cit., supra* at 290.

[20] ELLIS, *Ibid.*, at 299. But there are three purposes of exchange control not generally implied by quantitative trade controls, though the latter may be invoked as ancillary means to the same ends. These are (1) control of capital flight, (2) the balancing of trade between pairs of countries and (3) the central management of currency blocs of clearing unions. ELLIS, THE ECONOMICS OF FREEDOM 498 (1950).

[21] GEMMILL and BLODGETT, 2 ECONOMICS: PRINCIPLES AND PROBLEMS 186 (1948).

[22] Landicho, *supra* note 2, at 137. The primary purpose of the controls is is to conserve our dollar reserves which are fast being depleted so that the convertibility of the peso is in imminent danger. Admittedly the stability of our peso is the major responsibility of the Central Bank of the Philippines. It is the keystone of our financial life. Gonzalez, *Exchange Controls*, I PRATRA-PHILIPPINE REHABILITATION JOURNAL 12, 38 (1950). They were instituted to conserve our international reserves and thus protect the integrity of the peso. x x x The limited amount of foreign exchange available makes it absolutely necessary for such exchange to be utilized in such a manner as to contribute to the maximum possible benefit to the country as a whole. Calalang, *Effects of Import and Exchange Controls*, II PRATRA-PHILIPPINE REHABILITATION JOURNAL 1, 18 (1950).

To compare with other countries as to the purposes attending the implementation of exchange control, we shall first talk of Great Britain. All through the 1930's, Great Britain assiduously avoided any specific restriction on the uses made of foreign exchange. While the value of the pound fluctuated somewhat, sterling was always convertible into any other currency in the open market, and there were no restrictions on its use for merchandise or capital transactions. This was in accordance with the long-standing British tradition of internationalism and financial freedom. With the outbreak of the war, it became apparent that Britain would have to husband all her external resources to pay for required imports of food and raw materials.[23] The latter was the basic purpose of the exchange control of Great Britain. Let us take another country as an example. Chile imposed exchange control to protect her supply of foreign exchange.[24] Germany imposed exchange controls to protect herself against the enormous flight of capital that developed following the crash of major Central European banking institutions.[25] What of the Argentine exchange control system? It has consistently been used to discriminate among imports from other nations.[26] While most countries with exchange control systems use the same for protection, Argentina uses the exchange control as an international weapon.

Basic Acts

The law on exchange control is embodied in the Central Bank Act.[26-a] Under said Act, the Central Bank is under the obligation to use powers granted to it under the Act to preserve the international value of the peso and the convertibility of the peso into other freely convertible currencies.[27] The Central Bank of the Philippines shall exercises its powers under this Act to maintain the par value of the peso and the convertibility of the peso into other freely convertible currencies.[28] In order to protect the international reserve of the Central Bank during an exchange crisis and to give the Monetary Board and the Government time in which to take constructive measures to combat such a crisis, the Monetary Board, with the concurrence of at least five of its members, and with the approval of the President of the Philippines, may temporarily suspend or restrict sales of exchange by the Central Bank and may subject all transactions in gold and foreign exchange to license by the Central Bank. The adoption of the emergency measures so authorized shall be subject to any executive and international agreements to which the Republic of the Philippines is a party.[29] Pursuant to the provision mentioned last, Circular No. 20 of the Central Bank, alluded to earlier, was promulgated and provides in part:

> "Pursuant to the provisions of Republic Act No. 265 (Central Bank Act) the Monetary Board, by the unanimous vote and with the approval

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23 BOWMAN and BACH, ECONOMIC ANALYSIS AND PUBLIC POLICY (2 ed.) 904 (1950).

24 *Ibid*, at 905.

25 *Ibid*, at 906.

26 *Id.*

26a Rep. Act No. 265, (June 15, 1948).

27 Sec. 2, Rep. Act No. 265.

28 Sec. 67, Rep. Act No. 265.

29 Sec. 74, Rep. Act No. 265.

of the President of the Philippines, and in accordance with executive and international agreements to which the Republic of the Philippines is a party, hereby restricts sales of exchange by the Central Bank and subjects all transactions in gold and foreign exchange to licensing by the Central Bank."

Other circulars followed, but the foregoing one definitely established exchange controls in the country.[30]

As a supplement to the foregoing legal provisions, the Foreign Exchange Tax Law[31] was approved and took effect on March 28, 1951. It provided in its first section for the assessment, collection and payment of a special excise tax of seventeen *per centum* on the value in Philippine peso of foreign exchange sold and/or authorized to be sold by the Central Bank of the Philippines or any of its agents until June thirtieth, nineteen hundred and fifty-five. The same law was amended by Republic Acts Numbered 814, 871, 1175, and 1375.

Another supplementary regulations explaining the field of operation of the exchange control system are the so-called "notifications to authorized agents".[31a]

Effects of the System

In the field of black market, black market exchange rates measure currency depreciation. They represent a free market expression of public sentiment, and public disapproval of official exchange rates. That disapproval is such as to cause illegal dealings. The very existence of dual rates arising in this manner is evidence of currency depreciation, official rates being little more than fiction. Sometimes when such depreciation has become an accomplished fact, there may be no other way out than to revise official exchange rates to bring them in line with black market rates. It is still another matter to prevent the same process from repeating itself. A legal declaration of the ratio of exchange between two currencies one of which is unstable does not produce exchange stability. Exchange stability in both countries concerned cannot be legislated, either. Black market exchange rates are also an indication of the ineffectiveness of exchange control measure.[32]

While it is expected that exchange restrictions will cause the domestic production in the Philippines of restricted goods to increase, a study of European control showed that in most cases there has been no lasting increase, nor expansion in total domestic production and that there has been no permanent increase even in the production of the goods that have been restricted. In some countries with exchange controls, the failure of domestic production to increase has been due to restriction upon the importation of raw materials. Even where raw materials imported have not been curtailed, the demand for particular restricted goods will tend to decrease if the number of restricted goods is large and if the price increases are great. Furthermore, the inevitable decline in exports will cause production in industries catering to export markets to decrease.[33]

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30 *See* note 11, *supra*.
31 Rep. Act No. 601.
32 WALTER, *op. cit.*, *supra* at 102.
33 Landicho, *supra* note 2, at 141-142.

Exchange control often lead to favoritism to particular industries or companies, and are particularly likely to divert trade from its natural channels and upset existing trade restrictions.[34] Exchange control has tended to increase the profits of certain classes, for example, organized economic groups due to the special allocation of foreign exchange; but the increase of profits of these classes have been at the expense of the living standard of the country; labor's share in the national income has dwindled; the flow of new capital prevented since the control systems have refused to allocate foreign exchange for the payment of interest and dividends or the repayment of principal. Foreign investors have been unwilling to make new investments.[35] To the administration, the business world and the general public, this entire system of trade and exchange restrictions has proved cumbersome and irrational. It creates unearned profits by conferring special advantages on those receiving import or foreign exchange permits, and thus lends itself to corruption and lowers the moral standards of business.[36]

The most serious consequence of exchange control has been the distortion of world production. Agricultural nations unable to dispose of their surplus began to develop their new industries. Production was thus stirred further from the course mopped out by comparative advantage and forced into the artificial channels of bilateralism.[37]

We may quote with approval what G. Myrdal has observed in the practical workings of the exchange control:

> "The system tends easily to create cancerous tumors of partiality and corruption in the very center of the administration, where the sickness is continuously nurtured by the favors distributed and the graft realized and from which it tends to spread out to every limb of society. Industrialists and businessmen are tempted to go for shady deals instead of steady, regular business. Individuals who might have performed useful tasks in the economic development of their country become idle hangerson, watching for loopholes in the decrees and dishonesty in their implementation. This is all the more dangerous as a general weakness in underdeveloped countries, inherited from a long history of stagnation, is that their business classes are too much inclined to look for easy profits in place of sustained enterprise." [38]

The hard cold fact with which we are confronted today is that the imposition of economic controls have left us with an economy that can best be described in one word — stagnation.[29]

## Planning and Economic Controls

Economic controls are brought about by the so-called planning.

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[34] GEMMILL and BLODGETT, *op. cit., supra* at 186-187.

[35] Landicho, *supra* note 2, at 141-142.

[36] Tugado, *Trade Exchange Restrictions*, 3 PHILIPPINE ECONOMY REVIEW 8, 15 (1957).

[37] Landicho, *supra* note 2, at 141-142.

[38] MYRDAL, AN INTERNATIONAL ECONOMY 283 (1956).

[39] Leviste, *Economic controls have not benefited the masses*, The Sunday Times, January 1, 1956, p. 13, col. 4.

Planning[40] is by definition the opposite of conflict; its meaning is aligned to co-ordination, to rationality, to publicly defined and expertly approached aims. It is the shaping of all economic activities into group defined spheres of action which are rationally mopped out and fitted, as parts of a mosaic, into a coordinated whole, for the purpose of achieving certain rationally conceived and socially comprehensive goals.[41] But one of the most dangerous of the proposals of the new economies is that of a so-called "planned economy" which finds its beginnings in the imposition of controls in the Philippines.

Economic life as we have known has been in the large sense or measure, an unconscious thing in the sense that no mind or no group of minds has seen the whole picture, and certainly no one mind or group of minds has directed the whole picture. Intelligence runs through it, but it is the intelligence of individuals or organizations seeking their own particular wages or their own profits, seeing their own sources of supply, seeing their own markets, but not seeing with any great clearness the movements of the system as a whole.[42] Planning is adopted to attain stability. It is only fair, however, to point out that the method of a binding objective of stability may involve, initially, such a show of power on the part of the government as to arouse fears of collectivism. This possibility must not be dismissed lightly.[43] All efforts at stabilization involve central planning.

The planning aspect can only be concealed, or perhaps genuinely reduced, but not really removed. It can be concealed by statements to the effect that a true system of private enterprise must have a guaranteed stable value of money and that measures purporting to give us such stable money are merely in the nature of removing anomalies from the system.[44]

Economic Controls and Laissez Faire

No doubt, as can be gleaned from the previous discussions, as to the operation of the exchange control system, it is indubitable that there is not only a semblance of control in matters involving foreign exchange of the country, but actual control as a matter of fact. And when controls manifest themselves so brazenly as to impose a threat to freedom, libertarians rise up in protest against uncalled for restrictions. And in the field of economics the apostles of freedom are those advocates of the 'laissez faire'.

The term 'laissez faire' originated in protests against widespread restrictions and controls over economic activity by a mer-

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[40] Tugwell, *The Principle of Planning and the Institution of Laissez Faire,* in CURRENT ECONOMIC POLICIES (Hubbard ed. 1934).

[41] LOUCKS and HOOT, COMPARATIVE ECONOMIC SYSTEMS 5-6 (1952).

[42] Anderson, Jr., *A Planned Economy and a Planned Price Level* in CURRENT ECONOMIC POLICIES (Hubbard ed. 1934).

[43] EGLE, ECONOMIC STABILIZATION 247 (1952).

[44] *Ibid,* at 248.

cantilist French government in the 18th Century. Galled by many tight government restrictions and directives, merchants and other businessmen demanded that the government let them alone — laissez faire. But neither these men nor the many businessmen and economists who have shared their general philosophy meant literally that they wanted the government to leave economic affairs completely alone. They were not anarchists. Rather, theirs was the theory of limited state; they wanted only a limited amount of control by government and a wide scope for free enterprise.[45] Hence, we see that the imposition of economic controls is not entirely incompatible with the doctrine of laissez faire. Laissez faire has never meant the complete absence of government control over economic activities.[46]

The controlled economy was established not for the mere purpose of restraining the economic activity of the people. At the back of this lies a deeper meaning — a reason that goes back to the time-honored principle of *salus populi est suprema lex.*

The controlled economy suggests the deliberate application of whatever policy will best serve the social interest, without prejudging the issue between collective ownership and administration or some form of private enterprise. The laissez faire, with which control is contrasted with freedom, is not the emancipation from the dogmas of mercantilism and the interests of private monopolies. That emancipation can itself be considered as an application of control in the social interest. The economics of control is contrasted rather with the attitude which would have the government leave things alone just because it is the government and as such has no right to interfere with business. This dogma of the right is based on asocial attitude that fails to see economic activity as a means of satisfying the needs of the people but regards business as a purely private way of making a living or a fortune to which the discoverer or the conqueror has inalienable right — a right that is sometimes identified with democracy itself.[47] Again, *salus populi est suprema lex.*

Friedrich List explains the contrast of private interest and national interest in the following manner:

> "But is there identity between rationality in the private economy and rationality in the national economy? Is the individual naturally led to consider the needs of succeeding centuries, as is the nation? Moreover, can the individual in the conduct of his private affairs take account of the condition of the land, or public security of all the thousand purposes which can only be achieved with the help of the united collectivity? Does not the nation require that the freedom of the individual be restricted in accord with these purposes?
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> "Furthermore, the individual in knowing and pursuing his own interests to the best of his ability does not always further those of the community... robbers, thieves, smugglers and cheats... give their undivided attention to their profession, yet it does not follow from this that that

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45 BAUMOL and CHANDLER, *op. cit.*, at 105.

46 *Ibid*, at 106.

47 LERNER, THE ECONOMICS OF CONTROL 1 (1947).

society is best served where such individuals are subject to the least restrictions in the conduct of their private trade."[48]

## Validity of the Exchange Control System

Notwithstanding any and all discussions assailing the necessity, timeliness and wisdom of the exchange control, our courts have spoken and with the stamp of authority.

In the case of *Bacolod-Murcia Milling Co., Inc. v. Central Bank,*[49] the plaintiff company wanted the Court of First Instance of Manila to stop the enforcement of Central Bank Circular No. 20, referred to earlier, arguing, *inter alia,* that the same Circular was expropriatory and confiscatory because the Central Bank exchanges dollar proceeds at the legal rate par value of two pesos for every dollar. The Company pointed out further that the current free market rates of exchange between the peso and the dollar has always been more than three to one. Judge Magno S. Gatmaitan, however, upheld the legality of the Central Bank circular on two grounds: (1) that in the event of a monetary crisis, the Central Bank could impose restrictions to protect the dollar reserve, and (2) that governments have, since ancient times, exercised authority to determine the value of its monetary units.

In the case of *Janda v. Lepanto Consolidated Mining Company*[50] the Supreme Court did not disturb the conclusion of the trial court when the latter stated: "The regulations, therefore, of the Central Bank, particularly Circular No. 20, are within the powers and authority conferred upon it by the legislature and consequently the same are valid."

In the case of *People v. Exconde*[51] Circular No. 37 of the Central Bank prohibiting the import and export of Philippine coins and notes without necessary license issued by the Central Bank with the exceptions therein enumerated was questioned. The Supreme Court again upheld its validity saying: "It requires no effort to understand that unless the exportation of currency is curtailed, the value of the peso in terms of other currencies can not be maintained, for the increase of the peso supply in foreign countries would tend to depress its value therein. How far the limitation should go may give rise to honest differences of opinion; but the power to restrict the export of Philippine currency is undoubtedly there..."

## Conclusion

All things being considered, the exchange control system has been found to be valid by no less than the highest Court of the land. There is no mistaking that for a long time, the exchange control system must remain and influence our daily economic life. Perhaps

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48 BAUMOL, WELFARE ECONOMICS AND THE THEORY OF THE STATE 152 (1952).

49 *Legality of CB circular upheld,* The Manila Chronicle, July 18, 1957, p. 22, col. 6.

50 G.R. No. L-6930, May 25, 1956.

51 G.R. No. L-9820, August 30, 1957.

it would even become a permanent adjunct of our economic institutions?

What of the future? John Maynard Keynes has this for answer:

> "The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences are usually the slaves of some defunct economist. Madmen, in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the powers of vested interests is vastly exaggerated compared with the gradual encroachment of ideas... Soon or late, it is ideas, not vested interests, which are dangerous for good or evil."[52]

Samuel T. Bañez

[52] Quoted in Samuelson, *The General Theory* in THE NEW ECONOMICS (Harris ed. 1952).