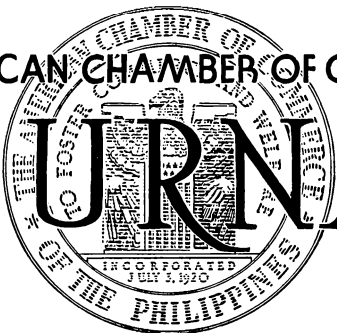


## THE AMERICAN CHAMBER OF COMMERCE

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## Editorials

"... to promote the general welfare"

The widespread regret occasioned by the announcement last month that Ambassador Myron M. Cowen had resigned his Manila post, effective November 15, to accept an appointment as consultant to the Secretary of State, with the personal rank of ambassador, was somewhat tempered by the announcement made immediately afterward that he would have charge, initially, of the implementation of the mutual defense pacts recently negotiated between the United States and the Philippines and the United States and Australia and New Zealand. As Ambassador to the Philippines for some two and a half years and, before that, as Ambassador to Australia for nearly a year, Mr. Cowen is exceptionally well fitted for this task.

Both the Philippines and Australia will continue to be advantaged by the Ambassador's past relationships with them, and so will the United States. As Philippine Foreign Secretary Carlos P. Romulo phrased it, "We are not losing Myron M. Cowen."

"He will be in a position to help us carry out one of the main objectives of our foreign policy, which is to insure the strengthening of our national security by widening the scope of the recently concluded mutual defense agreements... He will bring the Philippines and Asia closer to Washington."

The Manila *Daily Bulletin* stated editorially:

"Ambassador Cowen has represented the United States here during one of the most trying and critical periods in Philippine history. He has been very greatly instrumental in obtaining practical assistance from America when it meant literally a life-line to this country. Never once has he lost faith in the ultimate ability of the Filipinos to correct their mistakes, or in the fundamental worth and inevitable prosperity of this nation. He has kept that faith when even his own Government, if we may judge by official pronouncements, was close to despairing.

"Ambassador Cowen was mainly responsible for getting the Bell Mission out here to look things over and make recommendations at a time when financial affairs were so precarious that the Government was skipping salary payments. Without Mr. Cowen, the present military assistance program would not have progressed to the point it has now reached. His share in the fashioning and completion of the mutual security treaty with the United States was larger than the general public had reason to know. In all these matters, diplomatic requirements caused him to remain in the background..."

President Quirino himself issued the following statement on the Ambassador's resignation:

"Ambassador Cowen had represented the United States in the Philippines in a creditable manner both to the United States and to our country. He was at all times an American ambassador, true to the ideals of his country. He has served the interests of the United States by helping preserve the peace and security of this part of the world in an effective way, and his departure from the Philippines will be felt by all who believe in America's high-minded purpose in fostering friendship and good will between herself and the Asian nations.

"He has been of great help to us in the Philippines in strengthening the friendly ties between our two peoples and it is gratifying to us that he will continue in a position in the State Department where the experience and background gained during his tour of duty here will be an asset to us as well as to his Government.

"He knows our abiding interest in a Pacific Security Pact and we are confident he will be of great assistance in carrying it out."

One accomplishment of Ambassador Cowen which may not appear to be of great present importance, but which will certainly prove to be of great and lasting value, is the establishment of the Historical Committee of the American Association, which is actually a joint committee as a number of the members are appointed by the Ambassador. This committee has been at work for over a year in gathering library and museum material in the collection of which the American period in Philippine history and the American influence in the Far East generally is emphasized. The collections will be housed in the Embassy and open to public view and use. A more constructively patriotic and locally useful activity could hardly have been initiated by an American official.

In the end it may prove that the impress made here by Ambassador Cowen will be as deep as that of few other Americans who were ever in the Philippines.

ONE of the best things,—one could say one of the most inspired things, which Ambassador Cowen has done, he did during his last week or two in the country,—his giving a series of "farewell speeches", the first of which he delivered at a meeting of the National Movement for Free Elections (Namfrel) in San Fernando, Pampanga.

His mere attendance at such a meeting would have been an indorsement of this important and significant people's movement, but he went further and publicly lauded it. He spoke chiefly about the strong effort Communist imperialism has made here through the Huk organization, and how, of late, it has had to give up its masquerade as champions of the people and of democracy, but he credited the Namfrel as having played an important part in bringing this about. He said, in part:

"I believe that the communists realized their failure for the first time when several months ago there came into being a vast country-wide movement to insure free elections and to encourage widest possible use of the right to vote. At first they [the communists] chortled gleefully, thinking it a fractional matter which would further divide the force they sought to capture. But then there came to them the frightening truth, the realization that the movement embraced and had support in both your great political parties, as well as the Armed Forces of the Philippines and many civic organizations of the land.

"When it became clear that the movement for free elections meant not disillusionment with democracy, but rather a people more united than ever in its defense, the communists dropped their mask. First they screamed for a boycott of the elections. Then when it became evident that their exhortations were being ignored, they dropped all pretense of being champions of the people and ran amok in a desperate effort to achieve their ends by murder, kidnapping, and every form of intimidation known to gangsterism...

While not all of the attempted interference with free elections is of Huk or communist origin, the Ambassador was undoubtedly justified in stating, in closing his address:

"...I am even more grateful that I shall be able to report to my Government and to the American people that of all facts in this part of the world of which they may feel certain, the one fact that stands out firm and clear is that the people of the Philippines today have a firm grip upon freedom, and now show every evidence of their determination and ability to hold and strengthen that grip."

Thus the American Ambassador gave encouragement when encouragement is needed and praise to what deserves praise, and again gave strong evidence of the deep and watchful interest which American takes in the maintenance of the democratic system in the Philippines.

The fall of one of the greatest of capitalistic nations, Great Britain, to socialism, was always surprising as well as alarming, although it was ascribed to a "boring from within" carried on for many years by an increasing number of converts to socialism among

the intellectual classes as well as among the workers. It was at last and precipitately brought about at the close of World War II, through an ordinary election, by a people deeply weary of things as they were and determined to make a change.

Just prior to this 1945 election, which was described as the "most astonishing and significant in history", the Conservatives held 359 seats and the Laborites 165 seats in the House of Commons. In that election, the former minority won 387 seats and the Conservatives retained only 194. With supporting groups, the Labor Party held well over 400 seats.

The Labor Government which thus came into power interpreted the election as a mandate to carry out its program of limited socialism, which specified the nationalization of certain industries. One of the first steps was the nationalization of the Bank of England, and this was followed by the nationalization of the cable and wireless services and of civil aviation. Then came the socialization of various large industries,—coal, transportation, gas and electricity, and lastly steel. The Labor Government also established a nationalized system of insurance and the so-called socialized medicine. Practically all other economic activities were subjected to detailed government controls.

All of Britain's difficulties can not be laid to the socialist program which the Government thus put into execu-

tion, and there have been periods of improvement, though they have been followed again by periods of decline. But over the whole, it must be accepted that it has been under the socialistic regime that management has noticeably deteriorated, normal incentives have disappeared, production has either fallen off or failed to rise adequately, costs and prices have continued to mount, rationing has again had to be resorted to, standards of living have generally and seriously declined, "austerity" has become the Government watchword, strikes have been frequent, individual freedom has in many ways been sorely curtailed, and, despite ever heavier taxation and vast American aid, huge deficits have been incurred, the currency had to be devalued, foreign troubles have multiplied. And this was all under the Government's "planned economy" which it was announced would establish the "welfare state".

The Government slowly forfeited its support and a year and a half ago, hoping to better its position, it "went to the country". The results were disappointing for the Labor Party. It retained only the barest majority,—315 seats against the Conservative Party's 297 and the Liberal Party's 9.

Amid rising difficulties, approaching crisis, the Government last month again decided to appeal to the people, and this time was voted out of power entirely, the Labor Party retaining only 295 seats against the Conservatives winning of 321. The Liberals gained 6, other parties 2, with one seat still undecided.

In the issue over socialism, it is noteworthy that members of the Liberal Party generally favor the Conservative side. Churchill, himself, was formerly a member of the Liberal Party, which has now all but disappeared as sharper and sharper lines had to be drawn.

There is no one, who is human, who does not favor the general welfare; no one who would question that a government must look to the general welfare. There is only the question as to how an increased general welfare can be brought about. Conservatives generally would go slow in effecting fundamental changes; liberals generally favor more progressive action; but both conservatives and liberals are against radicalism and against class governments such as a labor government is bound to be.

The trouble with the so-called "planned economy" is that it is conceived as possible that a small group of bureaucrats can substitute their own and always largely theoretical planning for the continuous, practical, and highly experienced planning of the many thousands of a nation's ablest men engaged in finance, industry, and trade. It is an error to think that there is no planning under capitalistic democracy; there is planning, and it is done by those the most capable of it.

A more technical, but an even more fundamental objection to government economic planning is that it inevitably destroys the free market, and with it the cost and price system, rendering economic calculation impossible. As a noted economist has said: "What is called a planned economy is no economy at all. It is just a system of groping about in the dark."

That is what has been going on in Great Britain.

Perhaps socialism came to Britain in part because, for all its genuine political democracy, the traditional class system there militated against as great a diffusion among the masses of the benefits of capitalistic production as is so highly desirable and as is, indeed, inevitable in the long run.

It may well be that the experimenting which has been carried on in Britain,—for all the damage it has done, will in part be of some lasting benefit because some of the gains admittedly made by the very poorest classes will be preserved.