

mind, for the trend in Manila is not toward democratic planning, but to a form of planning which is restrictive of freedom.

Theories of *laissez faire* and of socialism and communism, and fascism as well, are all over-simplifications. In insisting on the importance of economic liberty, we do not go all the way back to the views of Adam Smith, which represented a reaction to the earlier mercantilist policies of national governments. If we can not oppose all regulation, we still must recognize that the stringent emergency regulation of industry and business resorted to in war-time should be lifted at the earliest possible moment.

Competent investigators have pointed out, for example, that the main obstacles to European recovery are the present economic policies followed by the governments there in imitation of Schacht and Hitler, who themselves revived the old mercantilist fallacies. The whole European trade-system is unbalanced, and is being kept so by unintelligent government interference through exchange controls and overvalued currencies, arbitrary price-fixing, import and export controls including restrictions of "luxury imports", and forced production, distribution, and consumption allocations, priorities, and rationings. The whole constitutes a system of confusion which is continuously worse confounded by further interference, and even the Marshall Plan will not save the situation unless the governments cease their clumsy efforts and allow the economy to return, of itself, to a more natural state. The American Government is attempting to induce these governments to do just that.

For us, in the Philippines, watching all this at long range, the shocking thing is that the Government here, — long after the war, when all real reason for inordinate regulation is past, seems bent on deliberately creating just such an economic morass as that in which Europe is struggling. And we do not even have the excuse, current in Europe, of a "dollar-shortage". We have plenty of dollars.

Not only has a bill just been passed heavily increasing the taxes on so-called "luxuries" (many of which are not luxuries but necessities for civilized living), but another bill is now before Congress which would give statutory status to and perpetuate (Heaven help us) some such "import-control" agency as the present PRATRA which, during the short time since a presidential executive order brought it into existence, has created so much confusion and done so much damage.

The bill is highly objectionable because it would give such an agency full control over all imports, — a control so sweeping as even the central government should not be entrusted with. The enemy occupation of the Philippines demonstrated how dependent the country is on imports of every sort. Complete control over imports would give any entity an arbitrary power over the lives and living standards and living conditions of the people that is democratically unthinkable. The all-embracing quota system would impose a government-sanctioned and permanent "economy of scarcity" which would inevitably lead to manipulation and further black-marketing, and, for the people, unbearably high prices.

The bill would not only shackle private wholesaling and retailing enterprise, but would give the control agency virtually the power of life and death over all importers and importing firms. And if an importer fought back and violated or even attempted to violate "any rule or regulation" of the agency, the penalty would be a fine up to P10,000 and/or up to five years' imprisonment.

That certainly is not government planning for freedom, — either for the people or for business and industry. The bill, potentially, if not in intent, is the most vicious piece of legislation ever brought before a Philippine legislative body.

In looking for some "authority" for the foregoing editorial and reading Charles E. Merriam's "Systematic Politics" (University of Chicago Press, 1945), we came "National Strategy" across a section on what political scientists call "strategy". The word is used in a wider sense than militarists employ it. In statecraft, strategy aims at integration and direction in the group and includes, but is broader than, diplomacy, war-powers and policies, or domestic tactics. "The strategy of the state and of statesmen", says Merriam, "lies in the skillful utilization of all the resources and interests of the community for the purposes of the society".

"When this strategy is lacking or defective", he goes on to say, "the strength of the state is seriously weakened, and its decline, if not its destruction, is imminent."

He mentions Disraeli and Bismarck as great strategists and states, "a great strategist of and by himself is not competent to achieve results unless he has back of him a people who understand strategy and the need for its manipulations as a part of national policy".

This strategy is not only important in time of war, but in time of peace...

"Trade, manufacture, agriculture, labor, banking and currency, movements of population — the whole range of economic and cultural relations — are of the very highest importance to all states, rich and poor alike. National policies, embodied in laws, understandings, and practices make up a great part of the life and prosperity of the commonwealths concerned."

The essence of laws and rules in general, Merriam points out, "is not command enforced by penalties, but guidance and direction for a common purpose... The reasonableness of the rule and its acceptance by the group is of paramount importance."

On the "skills of government", Merriam says:

"The skills of government when successfully used produce what we call morale — meaning good morale, good feeling, a sense of satisfaction with the ends of the community and with the ways and means of achieving these ends, in so far as this is within the purview of the political. In ordinary times, all this is taken for granted, but, when the skills fail, the road becomes rougher and rougher. Under mismanagement the climate can change with amazing rapidity. Malaise, sabotage, riot, and revolution may appear as if by magic. Just below the calm surface of social order there are possibilities of savagery, cruelty, hooliganism, panics, mobs, situations as startling socially as when the supply of oxygen runs out for any individual."

Reading these wise words, who can help but feel that something has gone wrong of late with the national strategy here?

For the second time within a few months, — and just as this issue of the *Journal* goes to press, we have to note here the sad loss of another prominent member of this Chamber, one of the directors, Arthur H. Barrett, Col. Arthur H. Barrett, who suffered a sudden stroke of paralysis early this month and died on the 13th.

Colonel Barrett was Vice-President and General Manager of the Luzon Brokerage Company, and was active, too, in numerous civic and social organizations. A civil engineer by profession, he volunteered for duty with the U. S. Army Amphibious Engineers in July, 1942, taking part in the famous Leyte landing on October 20, 1944. For outstanding military service he was awarded a number of high decorations, including the Purple Heart for wounds received in action. After the war, he played an important part in Philippine rehabilitation.

Only thirty-six years of age when he passed away, leaving a wife and a twelve-year old son, he had already accomplished much and rendered great service to his fellows.