

Economic Advanceme

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THE STRONGEST motivation that animated President Quezon's public life was Filipino national self-assertion. It can hardly be said that there was an instance in his public career that was not inspired by the wish to advance the country and our people on the road to dignified, respected and self-respecting nationhood. No one in our generation is unfamiliar with the antecedents of our political emancipation. I believe he did not consider independence his ultimate aim. On a par with winning the freedom and civil liberties of the people was his deep preoccupation for their preservation through upliftment of their social and economic status. The two objectives were to him interacting. Independence was the environment in which social progress could best be promoted. In an atmosphere of freedom alone he thought could the people's genius for self-

realization be nurtured. On the other hand, internal peace and the integrity of the national sovereignty would have been unstable, political independence could have been but a sham, if the country did not rest on firm foundations of the economic well-being of the people. "There are countries," he said once, "that are nominally independent but which in effect are under foreign rule. There are still others which have in theory and in fact national independence but whose peoples know no freedom except the freedom to starve, the freedom to be silent, the freedom to be jailed, or the freedom to be shot."

The task of improving the economic position of the people is always one of great magnitude. The need in our case for its dedicated pursuit, President Quezon foresaw, would be a long, continuous endeavor. To insure that the promotion of gene-

nt and Social Justice

ral well-being and economic security should be a permanent duty and obligation of government in the future, he made social justice a declaration of paramount principle of the Constitution. The wisdom of this mandate is today as of unquestioned validity as it was in his time. In our rural areas, in our barrios and country-sides, the main problem still revolves around the crushing havoc of poverty: the destruction of morale and the frustrations of millions that find nothing to do, the inroads on vitality by the pangs of permanent hunger, the hopelessness of meagerly rewarding perfunctory toil, the inevitably high and tragic incidence of early death. These seemed to be the characteristic earmarks of our rural community way of life.

President Quezon was restive for economic growth. Degeneration should not have been the attribute of the people he was leading into freedom, into membership in the circle of the progressive peoples of the world. He planned and carried out an ac-

celerated program of that growth. The first requisites were fiscal and monetary stability. These he achieved. At the same time he caused measures to be taken that would enable the people to share in their life-times the opportunities for obtaining more nutritious food, better shelter, healthier surroundings, more dependable security for their future. He aspired for them the necessities and amenities of culture, of decent civilized living. These were the material ingredients of human self-respect and national dignity. Today, we could ask how far forward the mandate of social justice he inscribed so indelibly in the Constitution has been carried into effect, to what extent the promotion of the well-being of the people as a prime obligation of government has been advanced.

It would manifestly be unrealistic, unjustifiably derogatory, to deny or belittle the material advance achieved in the country's economic pursuits of the last fifteen

years. Substantial progress has been made in agricultural production, in industrial expansion and diversification, in domestic and international trade, in capital formation, in technical and entrepreneurial progress, in the utilization of technological and scientific processes. All economic indicators attest to the perceptively even if slowly and haltingly improving standard of living of our people.

We know that our masses in the rural areas are still eking out the barest subsistence, beggars are scavenging the night garbage dumps of the cities. Criminality against property is rampant, doors and windows of dwellings have to be grilled in iron and steel. Men begging for bread, or scrounging dirty rice sweepings, or forced by hunger to steal bananas are shot dead. Public services may not be availed of in many places except upon bribery. Tax administration is often an instrument of blackmail and intimidation. Business enterprise must purchase influence or pay *tong* for obtaining license to operate. Lives and property may not be saved in conflagrations except upon submittal to extortion. Usury is rampant, oppressive interest

rates are legalized, credit facilities to increase production in the rural areas have been proselytized to political ends.

It is perhaps beyond possibility that criminality will be entirely suppressed. There will always be a certain amount of human perverseness, of sub-normal psychosis, of moral and spiritual delinquency below heaven. On the other hand, we can not extenuate blame for ourselves when we permit the perpetuation of conditions which make us all callous to the pervasive degeneracy into which our institutions have fallen. We are not without responsibility for a society that denies to fellow citizens the opportunities to earn a livelihood other than to beg and scrounge and steal.

Economists talk about per capita income as the measure by which the state of well-being can be gauged. Per capita income is the total national income divided by the number of the population. The national income, as you know, is the aggregate earnings of labor, management, property, and capital in current production. This average is supposed to reflect the economic status of the people. It is not an absolutely correct index, how-

ever. It takes no account of little islands of luxury and wealth happy unto themselves on a vast ocean of restlessness and misery. Be that as it may, ours in the Philippines is not a very impressive national or per capita income. The per capita incomes in Malaya, Hongkong, North Borneo, Japan, and Singapore, — to mention a few in our immediate neighborhood, are higher than in ours, which is less than ₱400.00. Parenthetically, if we would wish to regale ourselves with what we can call *consuelo de bobo*, our per capita income is higher than that in many countries of Asia, Europe, Africa and South America. The larger among these, China, India, Indonesia, Pakistan, and several of the Soviet republics and satellites, with populations aggregating almost one-half of the human race, have their tremendous masses wallowing in more dreadful poverty and misery.

In spite of misconceptions per capita income figures can create as yardsticks of economic development, they are useful as an index for registering the results of planned measures carried out to increase the national production. The success or failure

of any program to combat poverty can be determined in a general manner by the resulting comparative per capita incomes registered year after year. Disregarding distribution distortions, an increasing per capita income is a sign of growth. It is an indication of increased national production. It reflects a diminution of the ravages of poverty and disease. It points to an improvement of the standard of living of the people.

Therefore the only formula there is for eradicating poverty, for advancing the standard of living, — if we might restate it, — is production. And it must be production that should outstrip the growth as well as the growing needs of the population. Planning for production expansion and growth could, consequently, take as a specific goal a predetermined per capita income at a pre-specified future. If our per capita income now is ₱400.00, the tempo of productive activity could conceivably be quickened to increase that figure to, say ₱800.00 five or ten years from now. That could be the target of the new production effort. Then the next step would be to harness the requisite tools

and factors of production and gear their use in that direction. The instrumentality that coordinates these tools, these factors, and lines them up together into a driving force that pushes the productive power forward is business enterprise. Without business enterprises production is an impossibility. Business enterprise, however, inevitably must operate under systems of governmental, monetary, fiscal and other statutory rules or regulations. These rules and regulations can help the productive processes to move ahead. They can also hold them back. Rules and regulations obstruct business enterprise by curtailing the full and beneficial utilization of the resources constituting the tools and factors of production. When they do, they obstruct not business enterprise alone, they obstruct production itself. To the extent that such obstruction exists, the effort to eradicate poverty, to push forward the promotion of social justice, to improve the well-being of the people is correspondingly halted and stalled. These rules and regulations are thus the determinants of the climate and the environment in which business enterprise will either fail or succeed in the rea-

lization of the national objectives of expanding production, improving consumption, lessening the ravages of poverty, raising the standard of living of the masses of our people. The aims of the constitutional mandate to promote social justice and economic amelioration are subserved depending upon whether these rules are regulations are constructive or obstructive.

We can not go into a detailed analysis of many of the various roadblocks to production business enterprise must reckon with today. Offhand, we must give credit to the general effort exerted towards loosening the reins that have held back the productive processes. There has been such effort. But we could have been more consistent, less contradictory and less self-defeating. We expand the money supply, we ease production financing, we expand governmental deposits in the banking system. Yet we syphon off the same money supply and tighten credit with the continued imposition of premium fees in the sales of foreign exchange and with the immobilization of large volumes of the monetary circulation stashed by government banks in inactive gov-

ernment securities. We adopt ostensible measures to ban the importation of luxuries, but we refuse to curtail the unbridled activities of favored individuals by the continuance of the barter system on a non-selective industry basis. We are encouraging domestic production for self-sufficiency of consumption staples, foodstuffs and commodities, yet we are bringing ruin to local industrial investments by indiscriminate and unnecessary licensing of imports of competing commodities of foreign production. We subsidize the importation of rice at the rate of one peso per dollar, which goes to the foreign rice farmer and importer, in order, it is said, that imported rice might be sold at ₱0.85. If we did little more than pay lip-promises of encouragement to domestic rice production, we could have paid that peso to the Filipino rice farmer and he could also have produced rice to sell at ₱0.85. We are loud in our protestations of welcome to foreign investments, but we harass even those who have made signal contributions with their past investments to the development of our economy. We try to attract visitors to visit our shores, but we mulct them when they come, we

discourage provision for their safety and comfort by submitting attraction policies to the veto power of vested interests. We want the foreign exchange income augmented to achieve a healthy balance of payments position, but we promulgate rules and regulations on exports, on foreign loans and investments, on earnings remittances, on capital repatriations, and on others that scare the entry of foreign exchange or facilitate the stashing of the proceeds of overshipments and of excess valuations of imports in foreign depositories. We adopt patriotic shibboleths that would emphasize country first, forgetting President Quezon's admonition that we can not isolate ourselves from the rest of mankind, because such slogans become convenient for serving self first, self second and self all the time. We announce economic development programs but after their promulgation we forget them and go back to compromise and accommodation. We pass laws to shield policy-making bodies so they could function in the general interest of the nation, but we break down the defenses against political intervention and allow politics to guide policy implementation. We make a great show hav-

-ing adopted plans to return to free enterprise but the results have been to favor groups with windfalls from our debased currency.

We all know, however, that the situation is not without hope. The spirit of dedication to social justice and the mandate bequeathed to us to labor incessantly for the economic upliftment of our poverty-stricken people can not be lost when vigilant organizations like Rotary, dedicat-

ed to service to fellow-men, with identical inspirations as those that animated President Quezon, take a day like this to remember his memory. In paying tribute to him, we can not but remember also the people in whose behalf he spent himself. In spite of all our present frustrations and difficulties, his labors and self-sacrifices have not been wasted on them; they have not, in the words of the Apostle, been sterile in them.

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NEW PAINT MEETS DEMANDS OF NUCLEAR SUBMARINE

U.S. technicians have developed the first interior paint to meet the demands of the nuclear submarine. The new coating, an acrylic latex, is practically free of air pollutants that would seriously restrict submergence time of the vessel, according to Donald E. Field, a chemist of the US Naval Research Laboratory. The paint loses 95 per cent of its fumes within 24 hours after application and releases the rest in harmless amounts.

Extended drying periods that can keep submarines out of action in an emergency are eliminated by the new formulation which dries in 20 minutes. It can be used for both bulkhead and deck applications and "does not constitute a health hazard to the crew if used during sea operation," Field revealed.

In a 26-day test on the USS Triton, the paint compared favorably with enamel in gloss and dirt resistance, and it was superior in ease of application and freedom from odor and toxicity.