

Looking at the General Elections' Practical Results

Majority's great victory entails exact responsibility: no cultisms manifest, adequate fiscalization assured



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The outcome of the general election assures the fullest fiscalization of the majority's acts by the substantial and watchful minority. The majority will be able to do what it wishes, in the legislature, but not without close scrutiny by the minority and exposition on its own part of every position taken. It was not a Pyrrhic victory, yet it was not a Salamis. The majority has the fruits of victory, but not quite to do with as it will. The minority will of course return to the conflict, and

this at once—in the contest over delegates to the constitutional convention. The majority's position parallels John Adams's election, the first in America in which there was partisan division over the presidency; and opinion is strikingly and similarly divided, not over nationalism, but the trend it shall take and the distance it shall go.

If too, State street never liked an early Adams, despite their residence at Boston, in this election, except the senatorship and a division of lower-house seats, Manila stood with the minority. Even the senatorship came of votes outside the city. The majority indeed, carried no great port town; neither Manila, nor Iloilo, nor Cebu. The fact of this is not of course noted but to hold closely to the subject of this paper: that a sound government has been given office by the people, and a sound government that will necessarily render an accounting for all it does.

That it lost the port towns, centers of the larger populations and business interests, means that it faces an alert press; not a hostile or prejudiced one, but a press awake to what transpires and ready to add its comment to transactions affecting public interest. The elections, therefore, may be said to have turned out most happily for the country, giving it a legislature of sufficiently divided opinion, and power; and this, it happens, is just what would have been, had the balance inclined the other way.

Given the better of the leaders tilting against each other, the country couldn't lose. It was a foregone conclusion, too, that these leaders would be in the legislature in any case. Nor is the legislature merely to be fairly well balanced and powerfully led on both sides. The executive influence in effecting legislation is to remain forceful. (It may be said here that of the 9 appointive representatives and 2 appointive senators, Governor General Frank Murphy only requires a conscious living up to their own principles, their own views: they are not, under him, automatons of Malacañan.) But the elections went much further than merely to seat a good legislature with probably much better than the average run of lesser officials. They illustrated essentially good traits of character among the people. Highly partisan though they were, they involved 14 million people, 1,150,000 registered voters, and instead of being notoriously violent—the newspapers attribute 4 killings in hot blood to the election excitement—practically they were notoriously peaceful. They illustrated once more the people's good manners, their ability to keep gregariously sane. You saw on election night and throughout the day following, in Manila, crowds who had

voted *pro* looking at the tally boards and seeing their votes for Palma for senator obliterated by provincial votes for Sumulong.

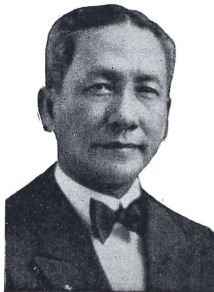
These crowds were partisan, but the contest was over; they were defeated, and they smiled in defeat. Governor General Murphy made common-sense note of the first rate conduct of the people under duress of partisanship wrought to the highest pitch of feeling. It is believed his observations, formulated as he drove from polling booth to polling booth throughout Manila, were wholly accurate. Many a candidate counted out by the ballots harbors a grudge, even a thirst for revenge; but the people who cast the ballots are already about their usual affairs—to them the contest is history. Personalities entered the campaign, yes; personalities always do enter campaigns, and in search of their notable influence in this one you have but to turn to Pampanga, almost solidly *pro*, and all its neighbors, almost solidly *anti*.

The new government bears another comparison with John Adams's. It is sectional; it has the north, this island, but it has not the south, the Bisayas. This loads it with a peculiar responsibility that all nonpartisans will observe with keen interest. It can be forceful, it may be magnanimous for the sake of the country's great industries and best interests. Its magnanimity is in the balance now.

If Occidental Negros is narrowly *anti*, Negros sugar merits no less from the central government because of that; and so with Pampanga, where a *pro* administration will represent the province. This test is the harder because sugar taxes are up for revision and the quota allocations are to be made, these latter by Governor Murphy—mitigating somewhat the majority's delicate position respecting sugar. The broad view is the right one, that sugar is vital to all the islands. The minority charged the majority with arrogance. Let us take sugar as the test of this assertion, some great sugar provinces having gone with the minority.

La Vanguardia noted a phenomenon of the elections. "In one precinct where there were more than 300 registered voters, votes cast hardly reached half that number. In others where more than 200 voters were registered, votes cast didn't reach 75." The paper advises the Australian law compelling under penalty every qualified elector to cast his vote. If what it reports as having happened in Manila was a rule throughout the islands, there is another parallel with the Adams period in America, but without like foundation. In early America the franchise was most limited. The populace whom the Federalists supporting Adams feared, clamored for it but could not gain it. Here it is widely possessed, but much less widely used, though it may be used without presentation of the poll tax certificate, the ubiquitous *cedula*.

If too, all the intensive campaigning and truckling to tax delinquents fell far short of bringing out the vote, it argues something significant. It perhaps argues this: voters had the election well sized up, where their candidates didn't need their



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Money Doctrines . . .

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limits. It is styled credit inflation, but in a gold standard country it can equally well be styled a gold inflation. Were the United States suddenly to come into possession of immense new gold stocks, and to coin this gold and use it for discharging its own obligations, for even one year, the increase of circulation would be, in effect, an inflation; the value of gold would fall and soon be reflected in rising prices of goods of all kinds. It would be purely gold inflation.

Every period in history since the general adoption of gold as money, when the production of gold has notably increased, has been a period of rising prices and higher cost of living. Under our system, that of private property and individual liberty, with its wide range of the distribution of money, a rise in the cost of living is a calamity for a large portion of the people: whose wages and income of every sort are paid in units of the depreciated currency. It would be no consolation to be paid your wages or salary in shiny gold coins, if their buying power were short of your needs and habitual comforts. The fact that we have had several such gold inflations and are now suffering from one very serious one in the United States, is simple argument against the old theory that a country can never have enough gold.

The great influx of gold into the United States after the world war created the base of a dizzy pyramid of credit that introduced a period of unguarded speculation, inevitably followed by a final crash. It was in reality a gold inflation, due to war-debt payments and trade-balance settlements in gold, and to voluntary transfers of foreign gold to the United States for security. It induced shortlived prosperity, as gold always has when concentrated in any country. We now pay for that prosperity in a good deal of community and individual unhappiness.

In another way too, centralization of the world's gold under prevailing conditions reduces international commerce to very low levels: to the extent of gold and to the extent of its utility. The United States has thus lost most of its postwar foreign trade, and most of what it has left must be supported by extensions of credit to the purchasing nations. Ironically, if not tragically, we have at once the largest share of the world's gold and the largest problems of lost commerce, unemployment and economic instability; and we are not learning that gold is not wealth, nor prosperity, nor even security.

The function of money is to carry on production, trade and commerce. Only by freely circulating can it do these things. When it is drained out of active circulation and hoarded, partial or complete stagnation of trade comes about—millions suffer for work. Bankers have always been suspect as monopolizers of money, and governments themselves fluctuate between reckless spending, resulting in inflation, and parsimonious economy, producing a drawn-out deflation. As man chooses to look upon money as a mystery, he learns about it only by means of the harshest experience. It is properly a universal agency of exchange of the products of energy, that of man and his machines, exerted in the growth and production of the goods of commerce.

A money is good as long as it passes current, and it keeps in that desirable state in all countries where demands are sufficient to the volume of energy available for the growth and production of goods. The Philippine peso will be good so long as debt doesn't run too far ahead of current production, so long as the country buys only in the amount it receives for all it sells. Tied to the dollar, the money of the United States, best customer of the Philippines now, as she must continue to be, the peso's validity is secure.

It looks as if the world may have seen its last free gold market, that of London up to the World War and London and New York since the war and up to their destruction; such markets by Great Britain and the United States abandoning the gold standard and placing embargoes on their respective gold supplies. In the case of the United States the embargo

became actual confiscation of all gold by the government—our gold stock was made; one common fund. This was really to embark on strange seas. Like Columbus, however, we must sail on; to turn back is impossible in honor or safety. Any party that should make "Turn Back!" its slogan, for immediate triumph, would pay the price of its rashness, very probably, in total destruction of its wealth and the country, an inestimable injury. We may change captains, we can hardly change the course.

This is precisely what Americans at home seem to feel. Few and anemic are the protests over what Roosevelt has done with gold. Instead, men have thrown the burden of recovery upon the President and are inclined to stand behind his efforts; and for their gold they accept paper currency redeemable in lawful money. Men do this because *laissez faire* played them and the country false, and dealt them all such sudden and terrific blows, that they can't forgive and go back to her.

What is wanted is restoration of trade. For this boon men concede Roosevelt his right to board the country's gold in its federal treasury.

So many nations embargoing gold in the hands of their governments and trying to do so with that in vaults and banks, little free gold is left for international payments. We effect international exchanges practically on the commodity-value ratio of foreign exchange, but at the same time we test the new weapon of equalization funds by which means each commercial nation hammers down the international exchange value of its own monetary unit and raises the value of its rivals' units. Advantage is thus sought for exports. As the domestic value of the home currency can't be lowered too much, the trick is to bull the currency of rivals by supporting it on the exchange markets. England sundered the international market, making them deeper and keeping her pound as cheap as possible: the advantage enables her to scale some of the tariff walls in other countries—a game that others too can learn to play. Roosevelt learned quickly, and refused to peg the dollar on the world exchanges until America had learned the approximate way and the manner in which to pegging ought to be done, and it was a surprise to many chancelleries that America would do such a thing. But we now have an equalization fund of our own, more than 2 billions, a weapon only for our defense, but one that may be used equally for the offensive.

The old question "What is a dollar?" was never satisfactorily answered. But now we have a new one, "What about gold?" And every 20 years or so we revive the one that frequently seems to play out, though never quite, "What about silver?" All of which ties in nicely with Captain Heath's bullion tables.

Looking . . .

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votes they went to work instead of at the polls; and where they thought that at their votes there would be no change through the candidate to victory, they thought it useless to cast them; and finally, in the depths of practical politics, an 11th-hour trading of a candidate off might keep many voters home. The Philippine people have acute political sense, and in politics are realists.

A very competent experienced observer gives three factors that explain the majority's triumph: the personal magnetism of Quizon, their leader; their power over patronage; and, *this most of all*, their name. And. The appeal with their opponents, to what has proved to be a conservative electorate respecting the main issue of the campaign; namely, final and complete separation from the United States. For this campaign, before such an electorate, they had the better word, *anti*. On Luzon it comported with public opinion. Elsewhere too, it went far from public opinion; and while on the basis of districts represented the majority in the new government will be sectional, in all it represents a majority of the people.

Another Adams reference will be pardoned in touching briefly upon Mr. Quizon's magnetic popularity. His arguments, not always con-

sistent, invariably capture his audience. His disquieting are vulnerable; his matter, he carries on and wins; his platform is often enough incongruous, planks by no means fitting, but it serves him better than perfection serves another. And so (without at all comparing man and man, for personal comparisons are odious, nor career and career, but characteristics only) it was with John Adams that began as a republican and turned federalist, who helped James Madison and the rest impose the constitution on the several states.

"True eloquence, indeed," said Daniel Webster, describing John Adams' forensic power, "does not consist in speech. It can not be brought from far. Labor and learning may toil for it, but they will toil in vain. Words and phrases may be marshaled in every way, but they can not compass it. It must exist in the man, in the subject, and in the occasion. After the past, intense expression, the pomp of declamation, all may aspire after it—they can not reach it. It comes, if it comes at all, like the outbreathing of a fountain from the earth, or the bursting forth of volcanic fires, with spontaneous, original, native force. The graces taught in the schools, the costly ornaments and the artificial ornaments, the show and the august men, when their own lives, and the fate of their wives, their children, and their country, hang on the decision of the hour. Then words have lost their power, rhetoric is vain, and all elaborate oratory contemptible. . . . The dauntless spirit, speaking on the tongue, beaming from the eye, in firm, even, and unshaken words, the whole soul onward—right onward to his object—this, this is eloquence; or rather, it is something greater and higher than eloquence—it is action, noble, sublime, godlike action."

Webster, of course, meant the word *godlike*, that slipped too quickly from his tongue, in no (usome sense, but only in the sense of exerted power; he referred to the gods of achievement: the task of the Federalists in America, when she was establishing constitutional federation, was indeed Herculean; and a similar task confronts the Philippine people now, and must involve momentous decisions one after another. The Philippine people tried to bring the hour and the man together. Adams was tried and not found wanting. Quizon is still to be tried.

Immediately the majority and the minority are in vital combat again, this time for control of the constitutional convention. The general elections gave the majority first blood, distinct advantage. They may now say to the voters, "Don't bungle things by having the convention one way and the legislature another. We have the legislature, which ought to work harmoniously with the convention; and so, for the convention, seat our delegates." They will work, naturally, for every one of their delegates. They will get some seated, probably a majority. But the public again has the assurance that the convention, as it is the new legislature, will be substantially revised, and there will be a new, with a powerful wideawake minority, and able and persistent leadership on both sides.

It is important. The convention begins the government that is to last at least 10 years, perhaps the government that will be the permanent one. To restore confidence, to revive business in which life everywhere is primordial dependent, these are concomitants of a successful constitutional convention. As has been suggested, the election, either way, could not have failed to put into the legislature and the convention good and competent men.

There the country will soon see them, making use of their greatest opportunity for genuine fame, never to come again, and discharging the gravest responsibilities of their respective careers. So went the general elections of 1934 in the Philippines. Dictatorial power, but still vicariously got from the people; and no civil power, no nazism, fascism, communism. While so much of the world is turning its backs toward the panacea of cults, the Philippines achieve a pacific general election and turn to the merely democratic task of making a constitution in accordance with lawful authority granted them by congress.