

Vice-President Elpidio Quirino, who, following his illness last month, was on a cruise in southern waters when

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President Roxas died, reached Manila Saturday morning and took his oath as President in the Council of State room in Malacañan at 9:26.

He stated at a press conference that his main objectives would be the establishment of peace and order and the "restoration of the people's faith in the Government". Later, Malacañan press releases modified the first to establishment of peace and order "in the troubled areas" and the second to the "strengthening" rather than "restoration" of the people's faith in the Government, and the President was quoted as saying that he wished to cast no reflections on the administration of his predecessor.

President Quirino also announced that he contemplated no fundamental changes in the over-all policies of the Government as laid down by the late President Roxas which he said he helped to formulate and which he supported. He accepted none of the courtesy resignations submitted by the members of the Cabinet and said he would make no changes in the Cabinet unless developments made this necessary, but he also spoke of drafting able men into the government service regardless of party.

During his second week in office, the President's previously unannounced, one-day inspection trip to some of the "disturbed areas", which took him, virtually unescorted, through regions which have long been closed to high officials for reasons of personal safety, gave dramatic emphasis to his resolve to reestablish peace and order and reestablish the people's faith in the Government. Actually, the two objectives are one.

Of special interest in industry and trade circles was an early statement to a group of foreign press correspondents that he hopes to "foster popular contentment obliquely" by taking measures to (1) stimulate production, (2) reduce prices, and (3) increase employment. There was also his address before a local technical school in which he emphasized the need of the country for technical men. Finally, up to this writing, there was his Labor Day address. In this address he stated that the "coordination and synchronization" of the activities of labor and capital was the concern of every state and that it was his "ambition to bring labor and capital together on a more equitable and workable basis of association". He said that material betterment was more swiftly to be reached through co-operation than through disruption. He said that it would not be the aim of the Government to impose its will or to dictate the manner in which labor should organize or how it should solve its problems. It is the duty of the Government to bring reason to bear in any conflict between labor and capital and to pave the way for understanding. "That duty is inherent in its obligation to husband its man-power and capital resources."

These are all wise words and reflect a comprehensive understanding of the relations between government and other social institutions.

In the words of Charles E. Merriam, who is also quoted in another editorial in this issue of the *Journal*, —

"It becomes the duty of the state to aid in the fullest possible development of the material and other resources of the community it represents, guarding against waste and loss, on the one hand, and encouraging enterprise and invention on the other. Thus the political society encourages in one way and another agriculture, industry, and trade, productive enterprise in every field, whatever tends to promote the national income and national gain. The government protects property and contracts, on the one hand, and the working conditions of workers, on the other, and both for the same common purpose of promoting the general welfare."

President Quirino is today 57 years of age (born in Vigan, Ilocos Sur, November 16, 1890). He learned his first English from American soldiers, was a barrio school teacher, saved his money and went to a Manila high school,

was a clerk in the office of the principal, studied law at the University of the Philippines, graduating in 1915, became a law clerk with the Philippine Commission and then the Philippine Senate, where he became private secretary to the late President Quezon. He won a seat in the House of Representatives, later in the Senate, and was reelected. He became majority floor leader, also chairman of a joint committee on taxation. He became Secretary of Finance, a member of the Constitutional Convention, and continued as Secretary of Finance during the early years of the Commonwealth. From 1936 to 1938 he was Secretary of the Interior. In 1941 he was elected a senator-at-large. He took no part in the occupation government under the Japanese, and, instead, was imprisoned for a time in Fort Santiago. In the Battle of Manila, in February, 1945, he lost his wife and three of his five children. In June, 1945, he was Senate President pro tempore, and in 1946 he was elected Vice-President of the Republic, serving for a time as Secretary of Finance and later Secretary of Foreign Affairs. In 1947 he made a goodwill world-tour in the course of which he met the heads of state and other national leaders of the United States of America, England, France, Sweden, Italy, India, and Siam.

President Quirino is thus one of the Philippines' best trained and most experienced men in political affairs. Genial and easy-going, he has a reputation for probity.

It is said that he is not a "strong" man in the executive sense, self-willed and a disciplinarian. It is questioned by some observers that he will be able to weld together a strong enough political following to put through his policies under the factional handicaps which so greatly hampered his predecessor in carrying out his aims.

But if President Quirino will take full advantage of the powers and prestige of his office, and gets the people and the press behind him, — as he already shows evidence of doing, it is likely that he could make short work of any self-seeking oppositional blocs which might venture to challenge him in his efforts to reestablish order and the people's faith in the Government.

A certain re-orientation is vitally necessary. While the announced ends of the over-all policies of his predecessor may be accepted as worthy, the means being taken are open in many cases to serious objection from both the political and the economic points of view, and it is to be hoped that ideas of loyalty to a leader who is gone, will not interfere with this rectification.

The whole function of government is to make it possible for human beings to live and work together, and the ends of government are external security, internal order, justice, general welfare, and freedom, — all to be summed up under the term, the "commonweal", or the common good. The foregoing is a summary statement of the basic views of the eminent political scientist, Charles E. Merriam.

Freedom, according to him, is an essential end or purpose of the state, and that freedom is a complex, comprising political liberty, economic liberty, religious liberty, social liberty, artistic liberty, for persons and for groups.

The program of government necessarily includes planning, but this should not mean that the development of free industrial society must be interfered with. "The very purpose of planning", states Merriam, —

"...is to release human abilities, to broaden the field of opportunity, and to enlarge human liberty. We plan primarily for freedom... The right kind of planning — democratic planning — is a guarantee of liberty and the only real assurance in our times that men can be free to make a wide range of choice."

These are the general principles which our law-makers and government executives need very much to have in

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.