

philippine studies

Ateneo de Manila University · Loyola Heights, Quezon City · 1108 Philippines

Review Of A Review

Salvador Araneta

Philippine Studies vol. 2, no. 4 (1954): 376–378

Copyright © Ateneo de Manila University

Philippine Studies is published by the Ateneo de Manila University. Contents may not be copied or sent via email or other means to multiple sites and posted to a listserv without the copyright holder's written permission. Users may download and print articles for individual, noncommercial use only. However, unless prior permission has been obtained, you may not download an entire issue of a journal, or download multiple copies of articles.

Please contact the publisher for any further use of this work at philstudies@admu.edu.ph.

<http://www.philippinestudies.net>

REVIEW OF A REVIEW

**SECRETARY SALVADOR ARANETA
ANSWERS FATHER NICHOLSON**

I realize that I cannot be an impartial judge of critics of my book, *Economic Re-examination of the Philippines*. But even making allowance for this, I feel that I must offer an answer to the review of Fr. Nicholson (PHILIPPINE STUDIES, II, 299) for he says "that it is noteworthy that the author doesn't attempt to defend himself against charges of inconsistency."

This is the first time that I have been accused of inconsistency in my views on economic problems of the country, except perhaps, when President Roxas thought that I was inconsistent in my critical attitude to the Bell Trade Agreement, after having advocated the re-examination of the independence question. This I answered in two of my speeches (p. 11 and p. 125 of the book).

Because I said in 1947 that the Bell Trade Act was "fundamentally defective, beyond repair," the reviewer finds it "disconcerting" that I should in the same book advocate that it be "revised." Because I was blunt in one speech, I cannot be diplomatic in another. The good Father, after being disconcerted at this and other similar "inconsistencies," is generous enough to ask himself this question: "Are these examples of inconsistency, or should they be considered merely as instances of 'rhetorical exaggeration'?" I would rather admit that my choice of words may have not been too appropriate in some

cases. But I do say, that the good Father is giving undue importance to phrases taken out of context from the speeches, and missing the real basic issues discussed in my speeches. Thus, in one of my speeches, I answered the following accusation and misinformation of Barbara Ward, the eminent English writer and economist:

The speed with which an incompetent government can swallow up assistance can also be illustrated from American experience in the Philippines where some \$2 billion of external assistance vanished almost without trace in a couple of years.

After quoting this, I said

It is high time that the American people should know that if the \$2 billion of American expenditures in the Philippines vanished without trace in a couple of years, it was not because of an incompetent Philippine Government, but because that assistance, as already clarified by Ambassador Cowen, was more than 90% granted directly to the people at large and that, under the economic framework of the Bell Trade Agreement, our government was powerless to channel for productive purposes the dollars that the Americans were expending in the Philippines.

This was one occasion when I defended our Government from the charge of incompetence, defending it against the accusation of having "swallowed up" American assistance to the tune of \$2 billion. This is the background of the following sentence, quoted by Fr. Nicholson, which followed the one quoted above.

A careful analysis of Philippine events during the past years justifies my conclusion that our economic problems since liberation may be attributed not to an incompetent government, not to deficit financing, but to the Bell Trade Agreement of 1946.

And because I defended the Government against the charge of incompetence in one regard, I am accused of inconsistency if I pointed out some mistakes committed by our Government. Moreover, the fact that I complained that

It took us more than one year to enact an import control law; our first attempt to control imports in 1949 was halfhearted and ineffective,

would not justify a charge of "incompetence" on the part of our government. A government may commit mistakes, without being incompetent. Presumably, Fr. Nicholson will admit that

the U. S. Government has committed some mistake in its farm policy, in its foreign policy, etc., but shall we call the U. S. Government incompetent?

Contrary to what Fr. Nicholson states, I have never advocated "bold measures" towards the economic *stabilization* of the Philippines." Stabilization is what the Bell Trade Agreement aimed at—which I have consistently criticized. He says that I "apparently" attribute "all the blame for our economic ills to the Bell Trade Agreement." This is not correct, as can be seen by a comprehensive study of my speeches. As I said in the preface:

It will be seen that this is also the story of the participation of one man in a four-front fight. The fight against the Bell Trade Agreement, which was lost in the first encounter. The fight for protectionism and selective free trade, which has been won in Manila. The fight for a bold development and financing program which is gaining more supporters, but has yet to be won and implemented. And the fight for a more realistic foreign exchange policy and gold policy.

In other words, our economic ills are not due to one cause, but to several—and this is plain from a study of my speeches as a whole.

Until the end, Fr. Nicholson is critical of the whole book and of the speeches which comprise it. He calls the book "a collection of passing comments" worthy of attention "because they are made by a man holding a Cabinet position," and not because my views touched on fundamental issues and my speeches are a record of a four-front fight on our economic policy. Most of these views were voiced long before my appointment to Cabinet rank and I feel confident that events will bear me out long after my release from this assignment of trust.