



# PHILIPPINE ECONOMICS

By

**ANDRES V. CASTILLO, PH.D.**

Former Executive Secretary, National Economic Council; Former Dean,  
College of Business Administration, University of Manila;  
Professorial Lecturer in Economics, University of the  
Philippines and P.C.C.B.A.; Director, Secur-  
ities Market Department, Central  
Bank of the Philippines;  
author, "Principles of  
Economics"

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## PREFACE

This book is intended primarily for students who are just beginning to study economics. The method of approach and presentation has taken into consideration the relatively simple background and limited experience of the reader. The discussion has been designed to combine the principles of economics and description of economic activities which, to my mind, would facilitate the teaching of the subject. I have endeavored to state the fundamental economic principles in a simple language and weave them with concrete problems that tie up with the experience of the students and what is going on in the community. To do this, the orthodox approach of most textbooks has been modified or abandoned altogether and economic analysis has been largely taken out of its academic setting. Fundamental principles cannot be mastered by the uninitiated if they are presented and discussed apart from the everyday problems of our economic society, and although the students can memorize many of these principles, they would be unable to grasp their meaning correctly if they are dissociated from the actual facts.

In the course of several years' experience in teaching the elementary course in economic principles and problems, I have observed that students use various economic terms in a sense different from their accepted scientific meaning. The important economic terms are defined in a nontechnical language when they are first used in the text. I have found out that many students seem to think that because they could repeat many popular economic principles they are already familiar with them. Many erroneous notions could be unlearned and corrected even in an elementary course in economics.

I have been guided in the preparation of this book by the *Brief Outline of the Course in Economics for the Fourth Year Classes in Secondary Schools* prepared by the Board on Textbooks. The discussion of the price system, monopoly, government and business, money, banking and credit, the principles of international trade, cooperative enterprise, different economic sys-

tems and economic reconstruction and planning may be more extensive than what is called for, but parts of the chapters that treat of these topics may be omitted if time does not permit their inclusion in the course. I have tried to cover as wide a field as possible with a view to affording students sufficient background to understand current economic controversies and public discussion of economic questions and thus promote "economic literacy," so that they may be better prepared to perform their duties and assume their responsibilities as citizens. Economic problems continually press for solution, and only a clear understanding of these problems and the underlying principles involved would enable our citizens to contribute intelligently and effectively to the making of a better economic society.

I have included at the end of every chapter a number of study aids, such as a list of economic terms to be defined or explained, review questions, problems for class discussion, topics for further study and investigation, and a glossary. The experienced and resourceful teacher should be able to stimulate thought and test the memory and reasoning power of the students with these aids. The references for further reading are divided into two groups, one for the student and the other for the teacher. These books or publications are recommended to broaden the background of the students and to acquaint the teacher with other points of view.

The writing of this book has been made less difficult with the assistance of colleagues and the technical consultants of the National Economic Council whose reports were used as source material for some of the chapters. I wish to express my gratitude to Secretary Antonio de las Alas, first Chairman of the National Economic Council, for giving me all the opportunities to undertake researches on Philippine economy while acting as economic and financial adviser in the Department of Finance. I am especially indebted to the former Chairman of the National Economic Council, the late President Manuel Roxas, under whom I had the privilege and great pleasure to serve in the task of drafting the plans for an enduring Philippine economic structure, and whose leadership, keen mind, broadmindedness and appreciation for solid scholarship have encouraged and inspired me in this tedious work. Standard

books on economics for the high school and college have been consulted in the preparation of this book and are included in the references. I also wish to acknowledge my indebtedness to Dr. Leon Ma. Gonzales, Director of the Bureau of the Census and Statistics, who willingly extended to me the facilities of his office; to Professor Faustino Bugante, for editorial aid in the preparation of the manuscript for the press; and to Dean Encarnacion R. Lozada, who helped in the arduous and wearisome task of proof-reading. I have been aided in one way or another by numerous friends, but space does not permit detailed acknowledgment of the courtesies I have received from them.

Finally, the fact cannot be overemphasized that the points of view or the opinions expressed in this work are mine alone and do not necessarily reflect those of the Central Bank of the Philippines.

ANDRES V. CASTILLO

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