

soon end or be greatly diminished, however, and the Philippine Government wisely is taking steps now to provide for the nation's transition to an increasingly independent economy.

Mechanisms and controls needed to furnish a stable base for this transition came suddenly—as, indeed, their very nature required. Most of them, though long familiar in other countries where American business prospers, were strange to the economic life of this country. Some were frankly experimental, to be adjusted as circumstances required. All, being departures from established practice, caused temporary confusion and, in some cases, extreme hardships for certain American business interests. This Embassy has made, and will continue to make every possible effort with the Philippine Government, to cushion or minimize such hardships without impairing the Philippine Government's long-range program of economic stabilization.

I am most heartened to note that my own confidence in this nation's promising future is echoed by long-experienced members of the American business community, and I endorse wholeheartedly the recent advice of the President of the American Chamber of Commerce not to sell the Philippines short on the basis of unfavorable conditions of the moment. Those of you who have lived here for many years know the rich commercial potential of this nation of

20,000,000 ambitious people. Those of you who intend to stay for years to come know that your own best interests demand a stable and prospering Republic.

I have confidence, too, in your ability to adapt yourself to whatever the future requires. As one of our Manila newspapers reminded us a year or so ago, we Americans are temperamentally a youthful and versatile people. We have the happy faculty of rolling up the past with all its problems, mistakes, and discouragements and unrolling what we always assume will be a bright new future. We have been doing this individually and collectively for nearly a century and three quarters and we shall, I hope, continue to do so for centuries to come, both at home and abroad. To aid or advise you in such adaptation is a function of this Embassy which I invite you to use freely and frequently.

The United States has a mighty stake in the future of this Republic. Our stake is not primarily economic but the preservation of the democratic way of life. We now have the opportunity to assist in setting this independent Republic on the highroad to national success. In the year that lies ahead, let's discover how each of us can contribute his small part to the development of this country. Let us all rally to the cause of Philippine economic stability, for the ultimate survival of this nation depends upon its attainment.

New Year Statement

By **FREDERIC H. STEVENS**
*President, American Chamber of Commerce
of the Philippines*

I have been asked the old, annual question: What do you think of the business prospect for 1950?

Perhaps I had better be a little round-about . . . Experience is a hard school, but people do learn. We are learning today.

The Philippines is potentially a rich country. The possibilities are very great, and there is opportunity, especially for young men, to pioneer in agricultural and industrial enterprises as well as in business, as there was for the Americans in developing the western United States. If our young men would go out and work, at real development, in the primary industries,—farming, cattle-raising, fishing, mining, manufacturing, get away from the idea that opportunity lies only in working in some government or other office or in entering some over-crowded profession, the Philippines would soon be in a very sound state economically. Capital will certainly come into the country in adequate volume sooner or later. It is largely up to the people and the Government when that time will be.

The most important thing right now is the necessity of restoring confidence in the peso, in our currency and its management. I believe that our financial authorities are taking remedial measures which, unfortunately, have become necessary,—although I hold no brief for the manner in which these measures are being carried out or for their severity and scope. My personal opinion is that the situation in which we find ourselves was man-made and could have been avoided, but now that we are involved in it, it is up to all of us to cooperate in overcoming the unfavorable conditions which exist.

Frankly, I feel that the year which lies ahead will be a difficult one, but to a people who maintained their spirit and courage throughout the three years of the loss and misery of the Japanese occupation, such a year as we are facing will seem light in comparison, though perhaps more difficult to bear patiently because we realize that we ourselves, and not an enemy, are largely responsible.

I am sure, however, that our government authorities understand the burdens being laid on the people and will do everything possible to deal wisely with the basic situation as well as to cope with the unemployment and the rising price-trend which are inevitable as long as the present controls are maintained. As I said, we are learning, and I believe these controls will before long be greatly diminished.

One thing I think the Government should do is to encourage the unemployed people in the cities, who can do so, to go back to the farms. This will require, among other things, a better enforcement of law and order in some of the provinces, and this, too, I believe, the Government will not fail to look to. But we must all cooperate with the Government and give it our loyalty and backing.

Present conditions are such that many people have lost confidence, and while this is not without reason, I think, nevertheless, that many of our fears are baseless, especially the fear, for instance, that the country is going bankrupt and that the peso will be devalued. Conditions would have to become a lot worse if that were to happen.

So, as the people of the United States were once advised not to do, I say to government officials and businessmen: Don't sell your country short.

"The world order which we seek is the cooperation of free countries, working together in a friendly, civilized society".

FRANKLIN D. ROOSEVELT