

country, which the Government is otherwise trying to induce to come in.

It would perhaps not be a flight of capital so much as a throwing of it out. The former owners of all the liquidated real estate would practically be forced to remit the money to the United States, and this would not only deprive the Philippines of the use of this capital, now here and still so badly needed, but would seriously reduce the country's dollar balance in the United States, which the Government, on the other hand, is trying to conserve in various ways, as by import control!

And all this would come just at the time when the Philippines will be faced with the complications which will result from the cessation of much of the present American financial aid!

And what would a man and all the members of his family feel and think when they are forced to sell, among other things, a beloved home? Will any of such people, robbed of their dearest possession perhaps in the world, have an iota left of respect for and confidence in the Government of this Republic?

In addition to the more immediate effects of the new land-policy as it concerns those aliens who invested their capital in lands and buildings during the past fourteen years, we must consider the inevitable long-term future effects as to capital investment and the economic development of the country. The prospect is appalling. Already it has been reported that a number of foreign corporations in Manila have canceled plans for erecting buildings here because it appears that it will not be possible for them to acquire ownership of the comparatively small tracts of land which would be necessary.

In such cases there went months of productive and profitable work for Philippine architects, engineers, steel workers, masons, carpenters, glaziers, plumbers, electricians, painters, furniture makers; there went business and profits for the importers of all sorts of materials and equipment and for the local stone, gravel, sand, cement, and lumber companies. There went fine buildings, which would have added to the wealth and dignity and sky-line of Manila and which would for years to come have afforded housing for many business offices and their hundreds of employees of this and coming generations.

There went *phut* just a bit of the potential enterprise, activity, achievement, and continuing opportunity making for national advancement and progress, of that whole incalculable total which this new "nationalistic" land-policy will cost this country if it is not altered.

We hope that Senator Tañada will withdraw his bill and that he and other enlightened Filipinos will see that it is impossible to carry out a nation-wrecking land-policy in a constructive manner, an unjust policy in a just manner, an immoral policy in a moral manner.

We hope that Senator Tañada and other Filipino statesmen, instead of attempting futilely to carry out wisely this unwise and self-defeating policy, will take determined steps to wipe it off the books.

According to a Malacañan statement, issued months ago, the decision in the Krivenko case does not affect Americans, under the "parity" principle.

We, therefore, do not speak for ourselves but for what we believe is the good of the country.

Is the dam of government competition and interference with business, which has been so disadvantageously effective in discouraging the investment of much-needed foreign capital, breaking?

To the long-anxious gaze there seem to be signs that it is beginning to crack.

For one, President Quirino's recent announcement that the Government is prepared to sell or to turn over to private management a number of government corporations.

For another, the consideration being given in the National Economic Council and in Congress, too, to liberalizing the Philippine Flag Law.

As to the latter, the proposal made, even if enacted—to reduce Filipino capital participation from 75% to 60% in those firms entitled to the benefits of the Flag Law, would as to its practical effect mean little or nothing, but, at least, it is a gesture in the right direction.

These developments are to be looked upon as important because if carried out they would strike at the foundations of the unwise politico-economic policy which is so largely responsible for the alarming reluctance which foreign capital has shown in investing in the otherwise inviting Philippine field.

Since the establishment of the Republic, business here has looked upon the opening of each session of Congress only as the beginning of a new open season for the enactment of all sorts of crack-brained nationalistic legislation, bound to defeat what should be the aim of true nationalism, the building of a great and prosperous country.

Now Philippine business, at least the more intelligent and responsible part thereof, is watching with bated breath what may be a return to reason and statesmanship.

It may be that the policy-makers will turn to the right road leading to what we acknowledge was always a rightful objective, but which they were departing from even while they believed they were approaching it.

Nationalistic through the people properly are in this young Republic, we believe that they would support a policy which would successfully enlist the aid of outside capital in the development of the country, the creation of employment and opportunity, increasing government revenues and strength and spreading wide a general prosperity.

We advocate no "foreign exploitation" to the disadvantage and harm of the country. We advocate what the United States itself did during the great building-period of the nation,—welcome and offer rich opportunity to outside capital. Outside capital and foreign entrepreneurs constitute, from the point of view of any undeveloped but sovereign country, only a means, an instrument, the need for which gradually and naturally disappears as domestic capital takes its place. Philippine capital will later, in its turn, seek opportunity for investment in other undeveloped regions, and there, as here, it would work the miracles of human enterprise.